

# Members and Proprietary Golf Clubs Survey 2020/21 Report



**“friendly expertise”**

Independent  
member of



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Despite the lockdowns and all the effects Covid 19 had on everyone's lives, the last year seems to have flown by and it only seems like yesterday when I was writing my summary of the results for 2019. When reviewing this year's results it will be important to take into consideration the impact of the closures but actually I was quite surprised by some of the results.

I would also like to express my gratitude to our partners as they have helped us get results from many more proprietary clubs this year than previously which hopefully will provide some useful comparisons.

I think the key feature of 2020 is the well publicised increases in membership that both proprietary and members clubs saw mainly as a direct result in golf being one of the few sports that was able to continue to be played after the initial closure. It is interesting to note that some clubs benefitted much more than others mainly those who were largely full to start with. Certainly proprietary clubs seem to have been able to take greater advantage of this but this is perhaps because their membership subscriptions are significantly lower than most member clubs.

In addition, virtually all clubs have found that they needed to almost ration course space. With existing members having more time if they were furloughed to new members wanting to play as often as they could the demand for tee times became almost counter-productive. What was the point of joining a club if you could not actually get on the course? Again, proprietary clubs did well here as they had less members to start with and were often far more geared up to having specified tee times.

After many years where clubs have fought against tee booking arrangements it has been interesting to see how many have been forced down that road by demand. How many will continue with this if demand falls is the question as most have indicated that this has improved usage of the available course time.

What is slightly disappointing is that the age profile for most member clubs has actually gone up despite the influx of new members. This appears to indicate that a lot of nomad golfers over 50 suddenly found themselves unable to just play where they liked. Hopefully this will be a lesson for the future and that members of all clubs will appreciate the value of membership, but I suspect not.

Most clubs are considering increasing subscriptions next year by around 4% but in my view if they do this then the increase in numbers in 2020 could well disappear again.

For those clubs who were largely full already the impact of low bar takings and virtually no catering takings has had a significant impact on their results. The furlough payments and grants and rate rebates have undoubtedly saved many clubs from a difficult financial position, but this has highlighted how important non golf and external income is regarding a clubs finances.

Overall, it is fascinating that in many cases the survey results have changed little from year to year. Clubs are still looking to spend a greater proportion of any surplus cash on maintaining and improving the course. This is the club's key asset and has seen more wear and tear than usual this year so the willingness to continue to invest is encouraging.

There are lessons to be learned from this year as the lockdown has brought into focus many of the key financial bases on which golf clubs operate and challenged them to adapt. In my view most clubs have realised this and are adapting to change rapidly, and it is to everyone's credit that golf has expanded and, in some cases, thrived despite the circumstances.

The challenge now is how to maintain this in 2021. As always, a big thank you to our contributors especially the proprietary clubs. Without your time and effort to respond to our enquiries the survey would not be possible.

**Robert Twydale**  
Consultant

## A word from our survey partners

### Jeremy Ellwood, Editor of The Golf Club Secretary newsletter

"After the year we have all just endured, we at The Golf Club Secretary have been waiting with even greater anticipation than usual for the results of this latest Hillier Hopkins Annual Golf Club Benchmarking Survey.

We are delighted to have been associated with this invaluable survey and report since its inception more than ten years ago and believe it to be a superb guide and reference to the latest trends at golf clubs and within the game. If ever a year were likely to influence trends, then surely 2020 must have been it!

The goals of the survey very much mirror the ethos of The GCS. We firmly believe that no golf club can ever have too much information and that every club could save many times the modest cost of our annual subscription of £265 by being alerted to matters of importance - advice from legal opinion relevant to golf clubs, to matters of agronomy, insurance, employment law, health and safety and a host of other topical issues.

Every month, the newsletter provides a succinct 'heads up' on key current issues. Acting on this timely information can, and does, save golf clubs considerable sums of money, with subscribers viewing their subscription as an investment rather than a cost. For similar reasons, we would recommend that they also invest time in studying the findings of this latest survey.

The added benefit of The GCS is The Golf Club Secretary - Open Championship, which is still growing after 24 years, and provides golf club secretaries and managers with an unrivalled golfing and networking opportunity at some of the UK's very finest courses. Once we are fully back up and running on that front, we have no doubt that the trends and findings of this excellent survey will form the topic of many a conversation among our subscribing golf club secretaries and managers."



## Doug Poole, Chief Executive Officer of the UK Golf Federation

"Understanding our business is an essential if we are to be successful and whilst there are other reports and surveys in the market, the Hillier Hopkins report on members and proprietary golf clubs puts a significant light and amount of information into the financials of golf club operation and really is worth spending time carefully reading through the valuable information.

With the major issue of Covid-19 hitting the country and golf industry this year it is difficult to understand exactly the steps the golf industry needs to take to prepare for the 2021 season. Yes, across the board we knew membership was up with an amazing influx of new members into the club membership side of the business. Most of us assume to know this was due to golf courses opening before other sports, causing a surge in the demand for tee-times and with very little availability, golf club membership looked a good deal financially to golfers wanting to play and needing a tee-time. There's lots of really good points shown in this survey! It makes real time analysis between members and proprietary golf clubs and their facilities, it identifies how many clubs have taken steps to reduce staffing levels and salaries, and most importantly their vision on how 2021 will look and their concerns and fears for their business.

Clearly retaining membership post Covid-19 is a major issue but the survey also identifies the likely effected in the use of fertilizers and treatments for golf courses and adapting to climate change and ensuring environmental friendliness in ecology and water shortages impacting on irrigation, plus the ever-present issue of the gender and age split requiring a more diversified membership offering.

The UK Golf Federation has a wide and varied membership covering nearly every kind of golf facility across the UK and would recommend anyone owning or managing a golf facility to make time to read through the Hillier Hopkins Members and Proprietary Golf Club Survey, it covers lots of key areas of your business and will help your business in 2021."



# Members clubs

## Members clubs key highlights

# 59 clubs

This year we bring you data from 59 members clubs across 9 regions, with 31% from London and the South East (outside of the M25). Clubs are predominantly 18-hole clubs.

# 43%

An increasing proportion of members clubs have 600+ members. An increasing proportion of members (almost 70%) are aged 50+.

# 45%

There has been a notable increase in the percentage of clubs who now have a waiting list – more than doubling from 22% to 45% in the last year. This is often felt to be as a result of the COVID-19 pandemic. Almost half of all clubs reported a positive effect on their membership and/or income due to this.

# 38%

The most typical standard playing member subscription is in the £1,000-£1,612 range, as indicated by 38% of members clubs. 60% of clubs are planning to increase their subscription charge in the next year.

# 50%

Half of all members clubs now have a turnover of £1 million+. This percentage has increased in the last year, rising from 44%.

# 59%

Of members clubs reported growth in the last year – again this figure has risen since 2019 (53%).

# 92%

Of members clubs continue to have a dress code.

# 69%

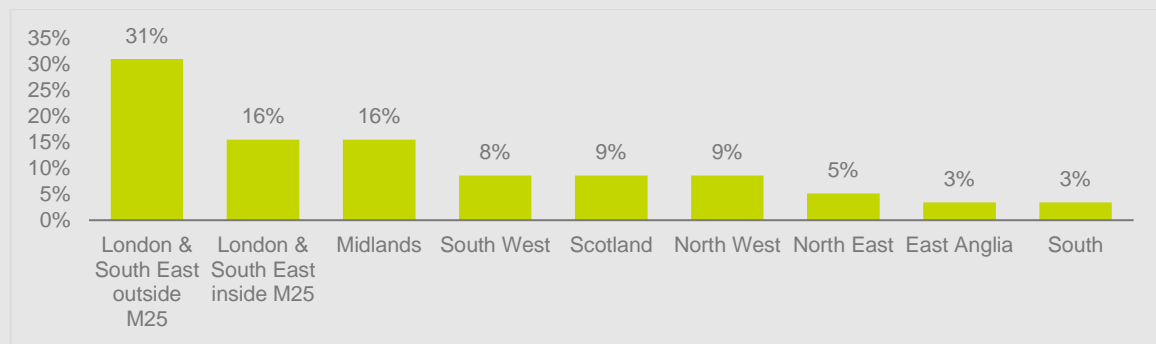
Of members clubs were prepared to change their rules and regulations to modernise.

## Members clubs' results 2020

### 59 clubs, typically with 18-hole courses

This year we bring you data from 59 members clubs from across nine regions of the UK, with 31% from London and the South East (outside of the M25). As in 2019, these were predominantly 18-hole clubs (86%), with 7% 27-hole, 5% 9-hole and 2% 36-hole clubs.

#### Residence of members clubs





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Hillier Hopkins LLP  
2020 Report

# Members clubs

## Staffing

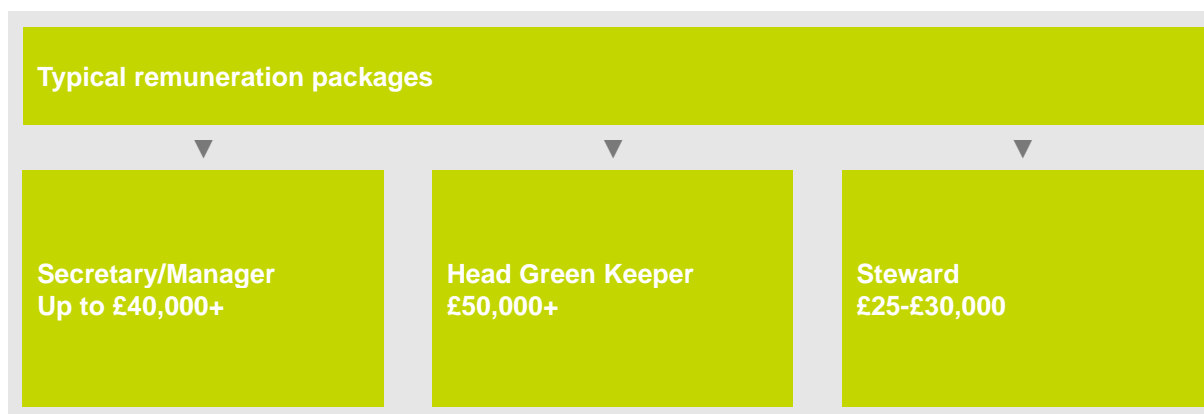
# Staffing

## Changing remuneration packages

This year, survey respondents had a slightly lower typical remuneration package of up to £40,000, with the proportion earning in excess of this amount decreasing from 66% in 2019 to 59% currently. However, there was an increase at the top end (earning over £60,000), which rose from 21% in 2019 to 28% currently.

Head Green Keeper remuneration packages in 2020 were slightly lower than those reported in 2019, with 24% earning over £50,000, compared to 29% in 2019.

Steward remuneration packages in 2020 are higher than the previous four years. A smaller proportion are now earning between £25-£30,000, falling from 63% in 2018 to 51% in 2019 to 43% currently.



## PGA professionals with higher retainers

Among those members clubs who pay a retainer, as in the last three years this is typically in the range of £1,500-£2,500 per month (50% in 2020 compared to 68% in 2019).

However, the proportion of members clubs paying in excess of £2,000 to their PGA professional has increased this year to 71%, compared to 68% in 2019.

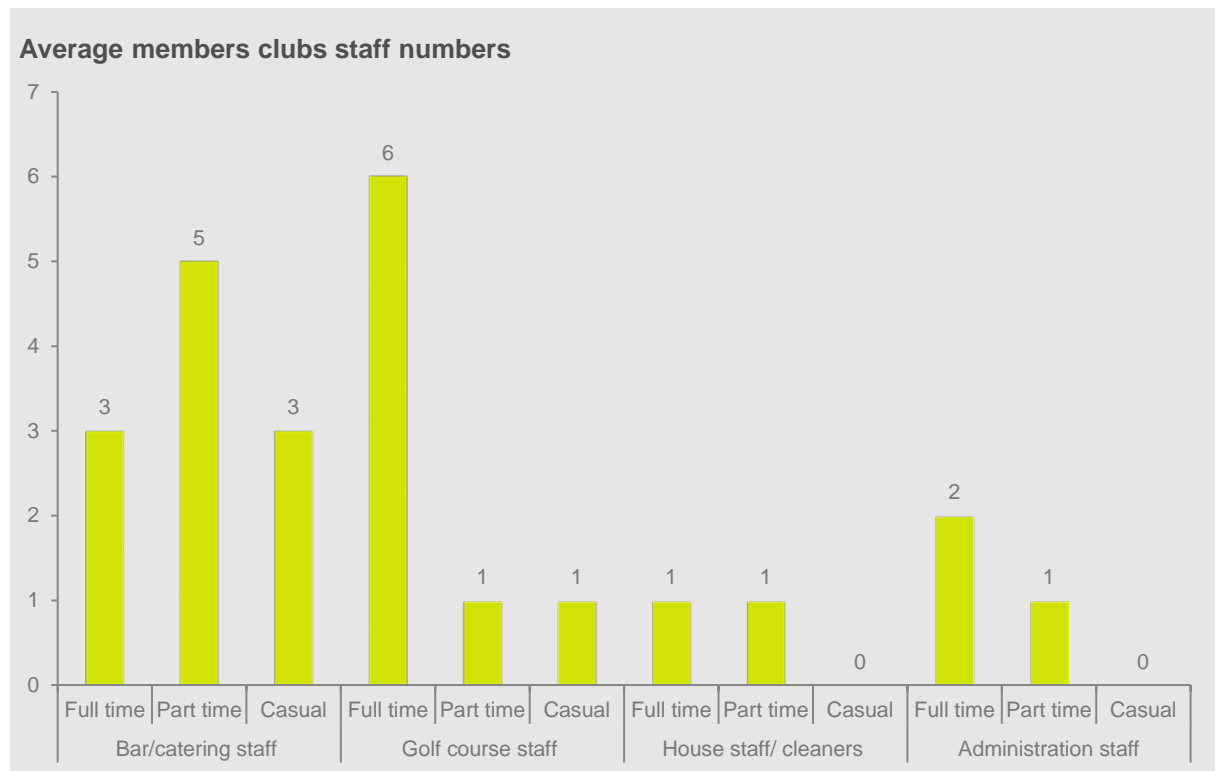
Members clubs pay a typical PGA professional monthly wage of £1,500–£2,500

### Fewer than half of members clubs pay commission to their professionals

The percentage of members clubs paying commission to their professional remained static this year at 46%, with actual commission rates typically in the same range of 5-10% and an average commission of 8% (identical to that of 2019).

### Consistent staff numbers at members clubs

Always highly variable and dependent on the size and needs of each club in question, staffing figures range from 8 to 36 across members clubs. Average numbers across each function are broken down as follows.



Most figures are within 1 person of the numbers recorded in 2019, with the exception of casual bar/catering staff which have dropped by over 65% in the last year.

# Members clubs

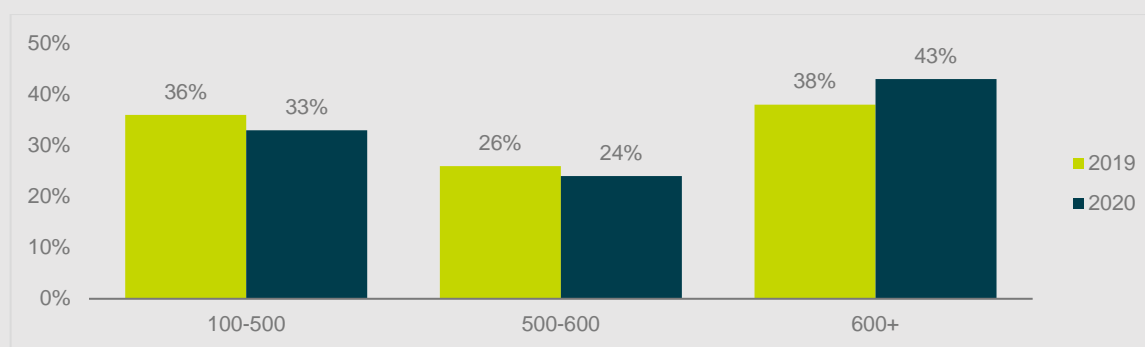
## Members

# Members

## Member numbers increasing

In 2020 there are a smaller proportion of members clubs with 100-500 playing members – 33%, compared to 36% in 2019. This is counterbalanced by an increase in the number of clubs with more than 600 members – 43% in 2020, compared to 38% in 2019.

### Playing members at members clubs



## Flexible membership

The number of members clubs who offer flexible membership has increased this year, rising from 27% of members clubs in 2019 to 36% currently.

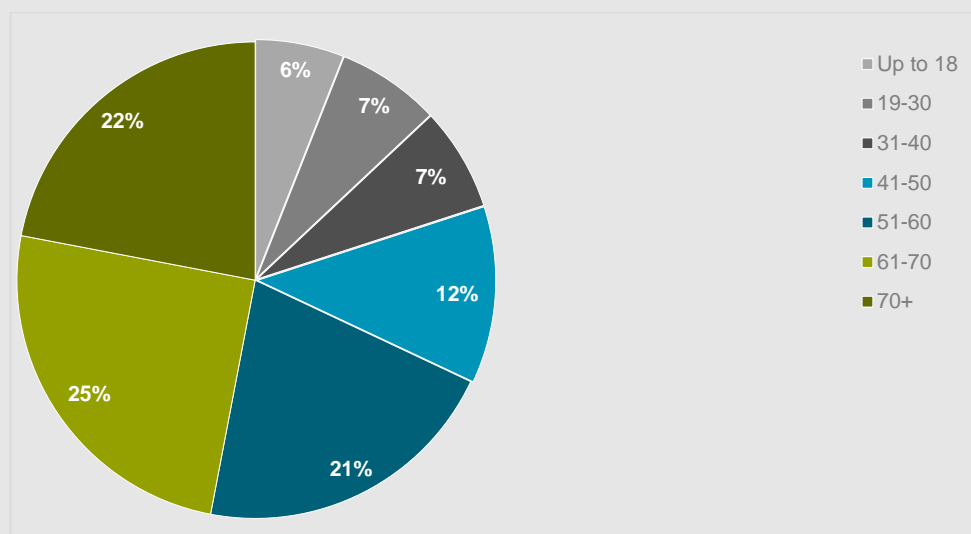
Deals included:

- Points based schemes
- Fees from £130 per year with reduced green fees
- Credit based systems
- Pay and play.

### A consistently older age profile of members

As in previous years, the age distribution of members clubs shows fewer younger members and more older members. Category ranges have changed this year, so commentary on the comparative distribution to 2019 is limited. However, this year 68% are aged 50+, compared to 63% 2019.

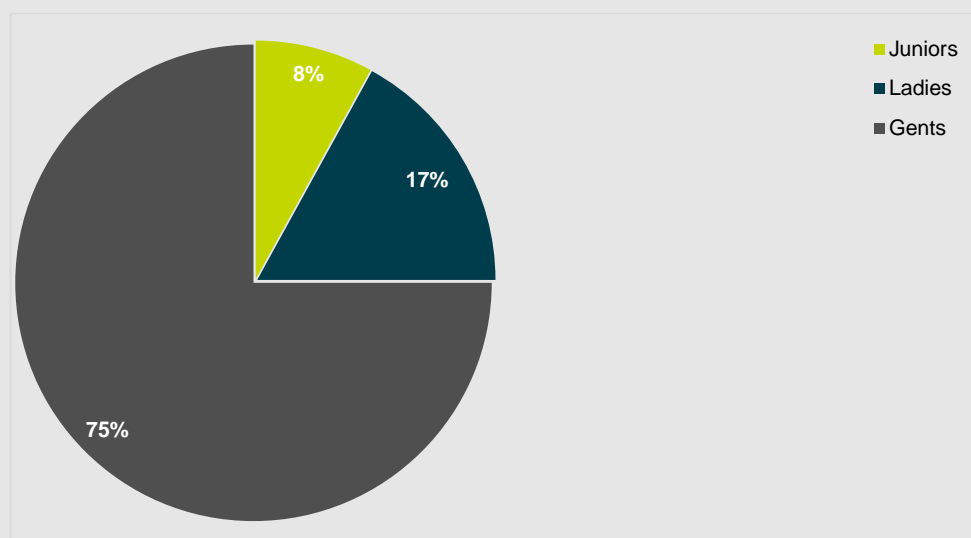
The age of members club members



### A steady majority of gentleman members

As shown in the following chart, the gender distribution of members club playing members shows fewer female and junior members, and more gentlemen members. This year the proportion of gentlemen members has remained largely stable at 75%.

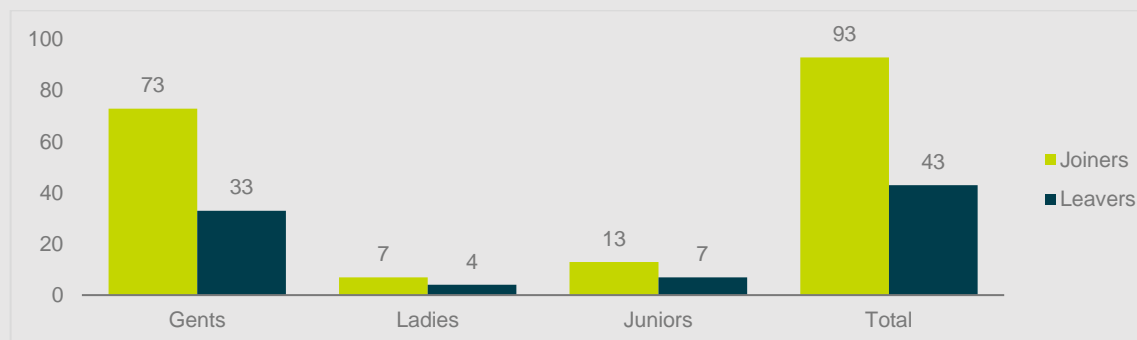
The profile of playing members at members clubs



## Joiners and leavers

The 2020 survey again asked members clubs for numbers of joiners and leavers during the year. Most members clubs (88%) had more joiners than leavers – up on the 73% in 2019.

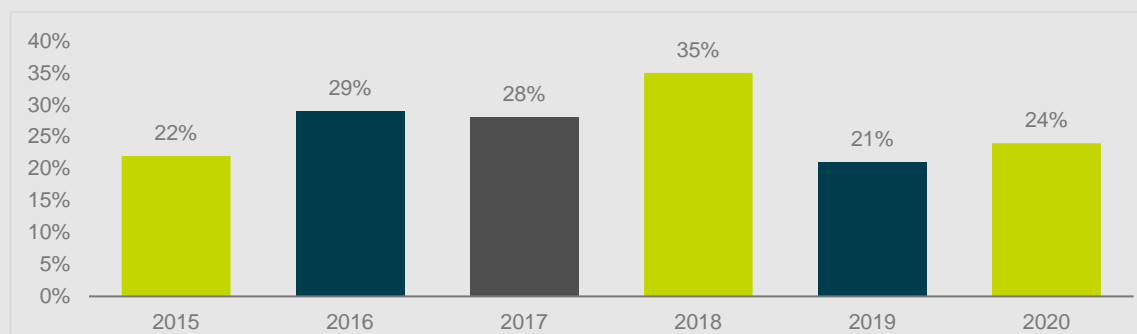
### The profile of joiners and leavers at members clubs



## Slightly increased numbers of social members

In 2020 just under a quarter (24%) of members clubs had a social membership exceeding 100 – a slight increase on 2019.

### Members clubs with over 100 social members



### Society rounds

Rounds played by societies range from 0 to 5,000. The average number of rounds played annually is 780 – around half of the average of 1,542 recorded in 2019. Furthermore, the number of members clubs reporting growth in the number of rounds played has significantly decreased. This now stands at just 10% - compared to 50% in 2019.

### Welcoming new members

A variety of activities are offered by members clubs to welcome new members, the most popular being introduction to the club professional (provided by 74% of members clubs to their new members). Other popular activities include an induction programme (55%), social events (55%) and a complimentary round of golf (42%). Free coaching sessions (18%) and a new members questionnaire also featured this year (11%).

### Member social activities

Members clubs often ran member social events during 2020, with the number of activities at each club ranging from 3 to 30, with an average of 12. This is slightly down on the average of 14 recorded in 2019.

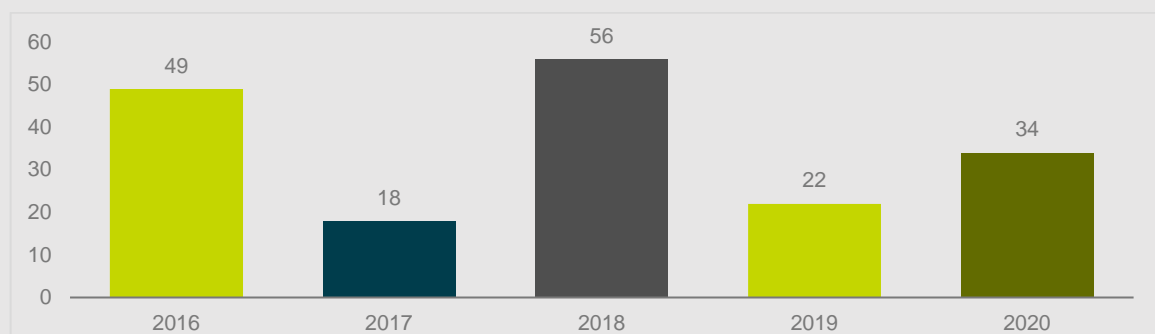
### Member competitions

Members clubs surveyed in 2020 also ran member competitions during the year, with the number of competitions at each club ranging from 24 to 290, and an average of 110 – almost identical to that of 2019.

### More members clubs with waiting lists

The proportion of members clubs with a waiting list has sharply risen this year, from 22% in 2019 to 45% currently. This has been accompanied by an increase in the average number of people waiting to join – currently standing at 34.

Average number of people on members clubs waiting lists





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### The impact of COVID-19 on membership

88% of members clubs reported that COVID-19 had affected their membership. For many clubs a consequence of COVID-19 had been an *increase* in new members. Clubs often detailed an influx of membership interest applications, with an appreciation of the value of membership in the context of lockdowns. For some clubs, members having more time on their hands (due to furlough, etc.) also meant more golf being played by existing members.

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### Downgraded memberships

For the first time, the survey asked clubs about the number of downgraded memberships during the year (i.e., reducing from a 7 day to a 5-day member, etc.). This figure ranged from 0 to 137, with an average of 13.

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### Upgraded memberships

The survey also asked clubs about the number of upgraded memberships during the year (i.e., going from a 5-day to a full membership or flexible to full membership, etc.). This figure ranged from 0 to 95, with an average of 11.

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### Member social events considering COVID-19

In the context of COVID-19 and with this in consideration, the number of social events at each club ranged from 0 to 130, with an average of 5.

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### Competitions run considering COVID-19

Also in the context of COVID-19 and with this in consideration, the number of competitions at each club ranged from 10 to 330, with an average of 56.

# Members clubs Facilities

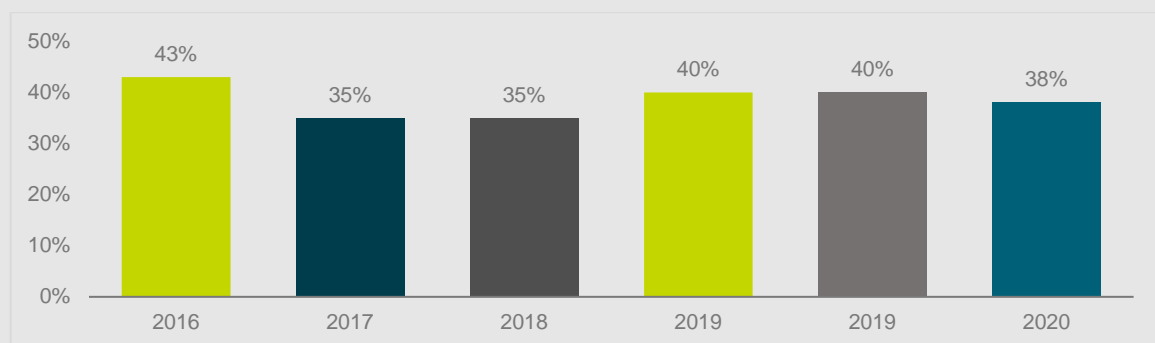
# Facilities

## Most members clubs continue to have no driving range

Many members clubs still have no driving range, with the 38% that do, being very close to the figure recorded in 2019.

Members clubs' yearly driving range income has increased in 2020. This year, 57% of members clubs (compared to 48% in 2019) reported income in excess of £5,000. There has also been a continuing increase in those members clubs that earn over £10,000 from their driving range, rising from 21% in 2019 to 28% currently.

Members clubs with a driving range



## Most members clubs do not offer adventure or foot golf

New to the 2020 survey was a question about adventure and foot golf. Just 2% of members clubs offered foot golf, with none offering adventure golf.

## No members clubs offered a hotel, on-site accommodation, a spa or gym

Also new to the 2020 survey was a question about accommodation and leisure facilities. No members clubs offered these facilities.

# Members clubs

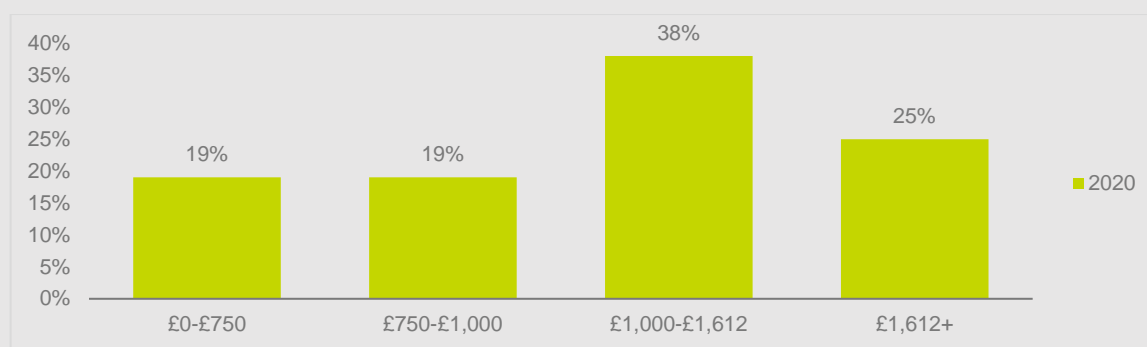
## Fees & charges

## Fees & charges

### Standard playing member subscriptions

Membership fees for standard playing members in 2020 are typically in the £1,000-£1,612 range, with the latter figure being the upper CASC threshold. Category ranges have changed since 2019, so comparisons are limited.

#### Members clubs' standard playing member subscription



### Fewer members clubs planning to increase subscription charges

Fewer members clubs are planning to increase their subscriptions in 2021 – 61% compared to 89% in the previous year. The levels of planned increases range from 1% to 28%, with an average of 4%.

### Social membership charges

The most typical social membership charge was once again £50-£150, though in 2020 the percentage paying this amount (36%) has again continued to fall (46% in 2019).

### Slightly fewer members clubs charging entrance fees

The percentage of members clubs charging entrance fees has fallen in 2020. This year the figure stands at 56%, compared to 60% in 2019.

A decreasing number of members clubs allow their entrance fees to be paid in instalments – 79% in 2020 compared to 90% in 2019. These typically range from 1 to 5 years.

### Now widespread use of booking systems

A booking/tee time system was used by 96% of members clubs in 2020 – a significant increase on the 51% recorded in 2019.

### Green fee charges at members clubs

Average green fee charges are shown below, across weekdays, weekends and all-day use, both with and without members. Charges are very similar in both 2019 and 2020, with an even split of higher and lower fees.

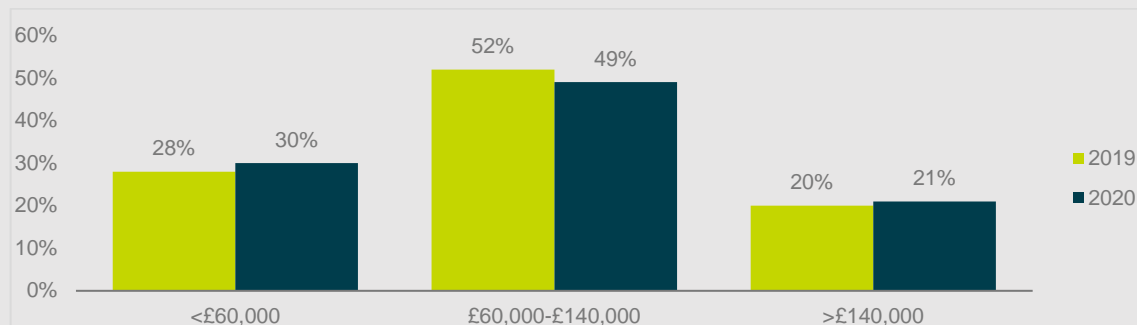
Members clubs' green fee charges



### Increasing green fee incomes at members clubs

This year there has been little change in the distribution of members clubs in relation to green fee income, with the £60,000 - £140,000 range continuing to be typical.

Members clubs' green fee incomes



### Green fee ticket systems

During 2020, 40% of members clubs operated a numbered green fee ticket system – almost identical to 2019. In order to ensure that all visitors have paid before play, these clubs used a variety of ways of monitoring this system, including:

- Monitoring by the Course Marshall
- Honesty and spot-checks
- Issuing, signing in and monitoring by the Professional.

It should also be noted that some members clubs admitted that they do not monitor the system.

### Society packages and their costs

Many members clubs offer society packages, with average costs shown in the chart below. This year shows costs decreasing across almost all categories.

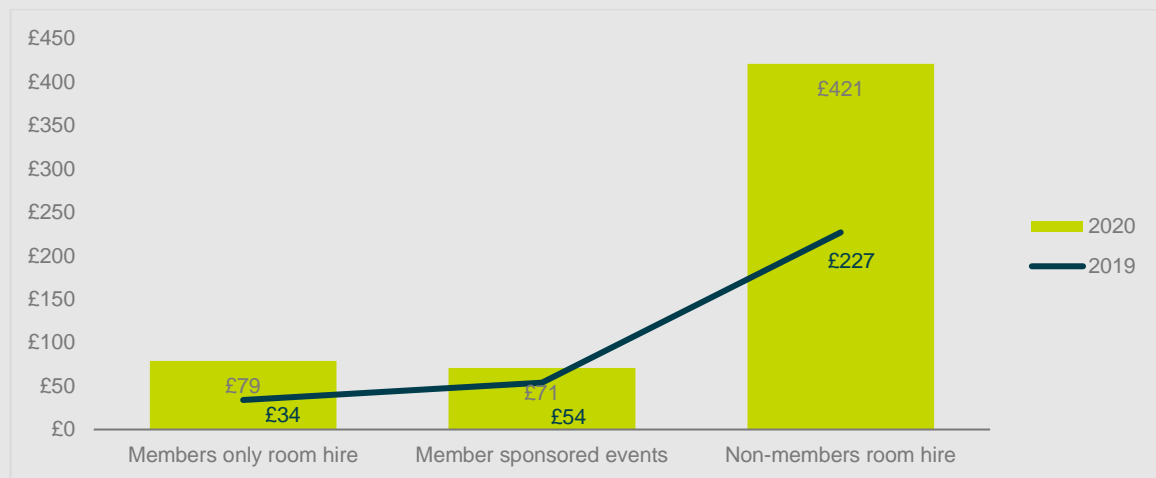
Members clubs' society package costs



### Average room and facility hire

Average approximate rates for room hire within members clubs are presented below. A large number of clubs indicated that this was free for members. Others indicated price per head facilities, hourly rates and variable charges dependent on numbers and catering. All room hire rates have increased since 2019, with a notable increase in the rate for non-members room hire.

#### Members clubs' room hire charges





# Members clubs

## Financial information

## Financial information

### The impact of COVID-19 on members clubs and their income

Prior to considering this year's financial information for members clubs, it's useful to consider the context of the COVID-19 pandemic and its impact on clubs. Members clubs were almost evenly divided between those who had been affected *positively* (49%) and those who had been affected *negatively* (51%).

Among those who had been affected *positively*, this tended to be due to an increase in membership numbers and waiting lists, often in the context of lockdowns.

The average percentage change in income among those clubs *positively* affected was approximately +20%.

Among those who had been affected *negatively*, this tended to be due to reduced revenue in terms of bar and catering facilities, functions, visiting societies, pro-shops, subscriptions and green fee incomes.

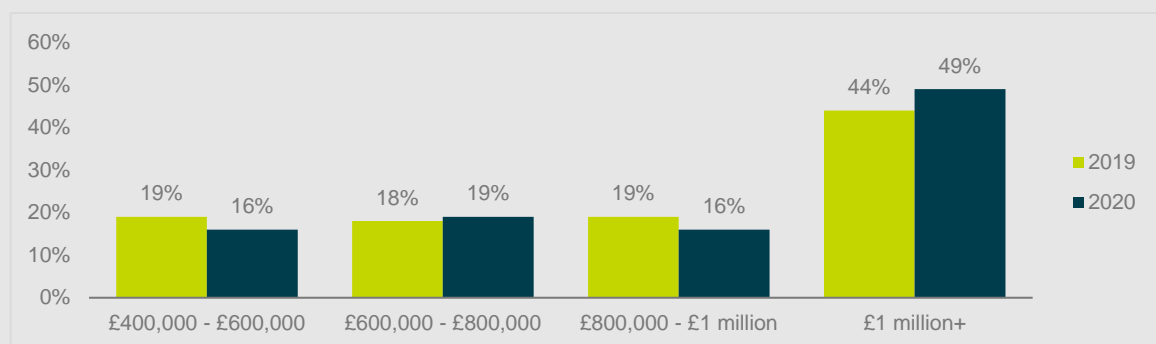
The typical percentage change on income among those clubs *negatively* affected was approximately -23%.

Interestingly, some members clubs felt that they had experienced both a positive and negative impact, with members increasing but revenue decreasing.

### Members clubs increasingly with a turnover of £1 million+

Despite the above, members clubs report turnover levels ranging from £400,000 to £1million+, with clubs increasingly in the highest (£1 million+) category of turnover.

#### Annual members clubs' turnover



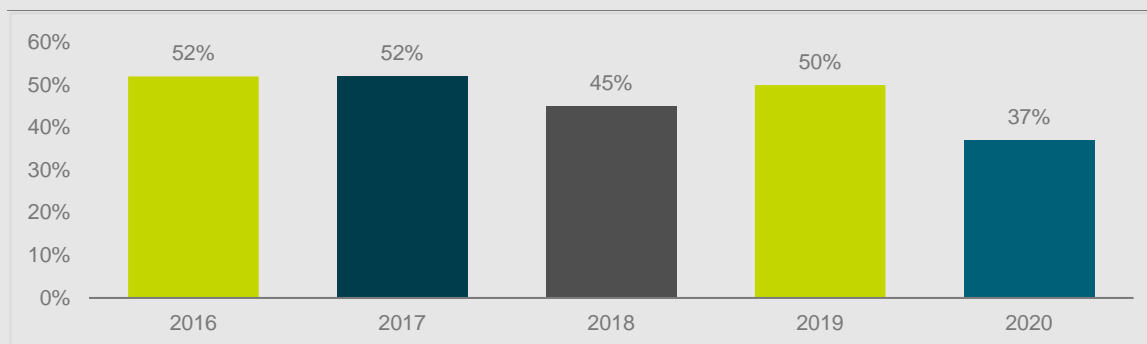
### Lower society income at members clubs

Society income for members clubs is now most typically up to £20,000 (32%), having previously been in the range £20,000-£40,000.

### Reduced bar revenue and activity

The importance of bar usage as an income stream should not be underestimated. Bar income had increased last year, but fell in 2020 to the lowest level recorded, with just 37% of members clubs taking in excess of £150,000 in 2020.

#### Members clubs with a bar revenue > £150,000



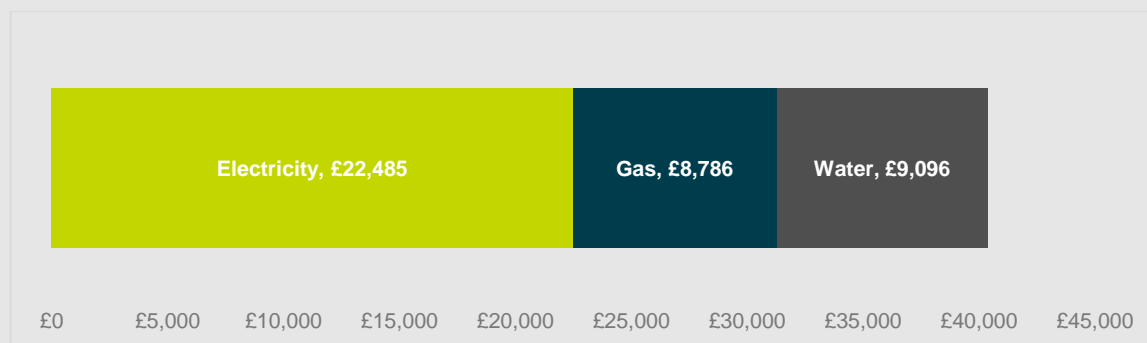
Average margins and rate costs this year were:

- Gross margin 58% (59% in 2019)
- Net profit 16% (21% in 2019)
- Rate cost £51,971 (£38,200 in 2019).

### Utility costs

Average utility costs vary significantly across members clubs. However, averages are as follows, with electricity cost up around 13% on last year, and water costs up around 34%. Gas costs have remained largely unchanged.

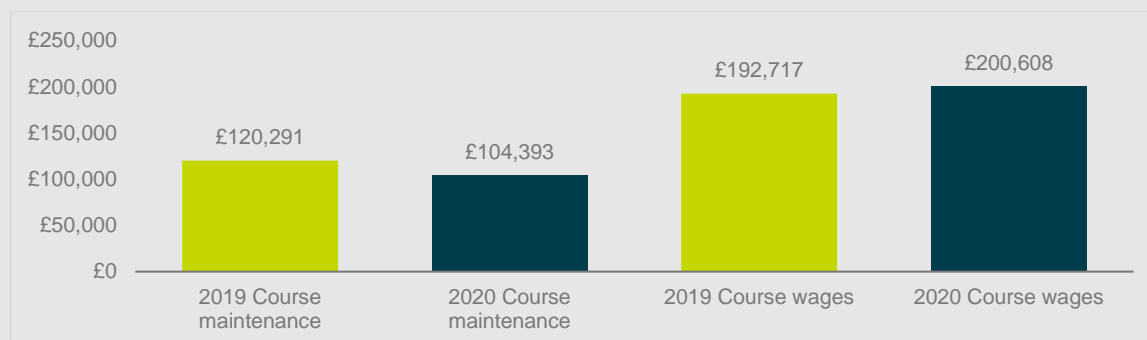
#### Average utility costs in members clubs



### Average course maintenance and wage costs

Course wage costs have increased this year to an average of £200,608, compared to £192,717 in 2019. This has been offset by a further drop in average course maintenance costs to £104,393 in 2020, compared to £120,291 in 2019.

#### Average course maintenance and wage costs



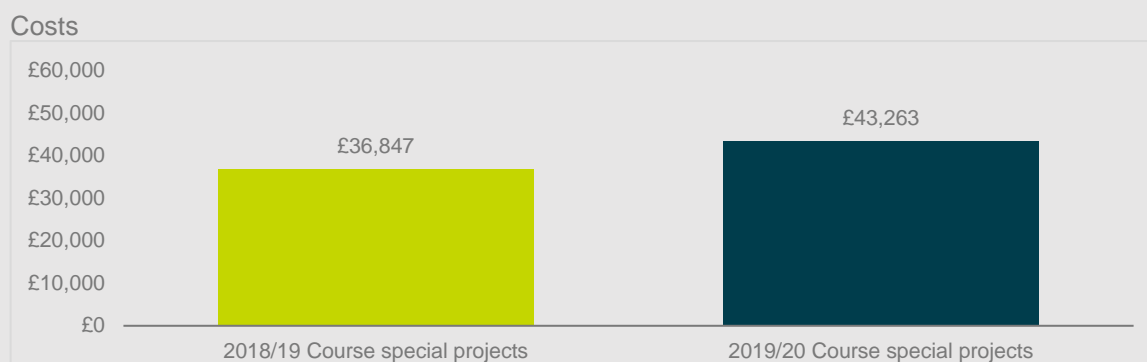
### Irrigation

In 2020, 51% (increasing from 43% in 2019) of members clubs indicated that they currently have fairway irrigation installed. For those members clubs who *do not* currently have fairway irrigation installed, 28% are considering it. Greens and tees' irrigation systems have been updated recently by 33% of members clubs. There was a wide range in the costs of these updates, from £1,714 to £522,200, with an average cost of £196,893.

### Average course special project costs

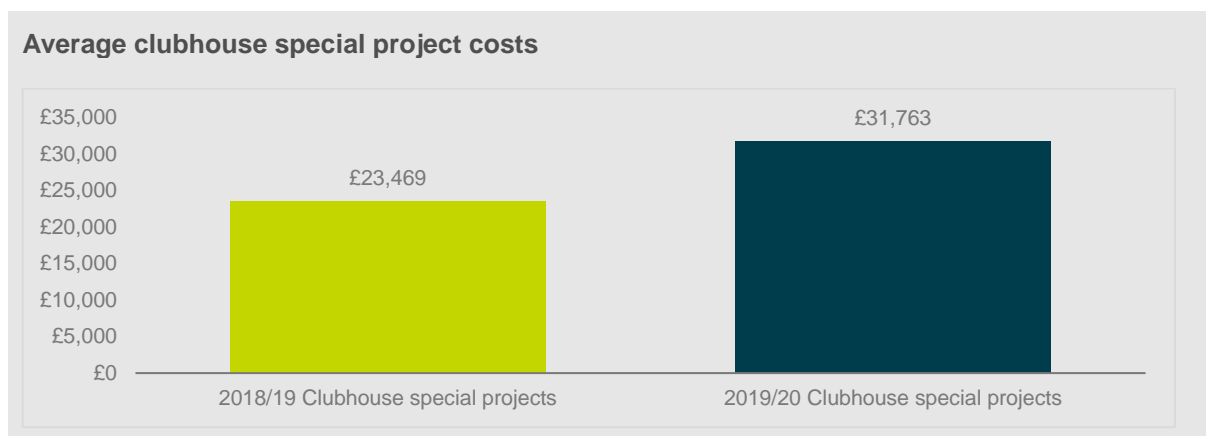
Spending has increased on the previous year's special project course costs, rising from £36,847 in 2018/19 to £43,263 in 2019/20.

#### Average course special project costs



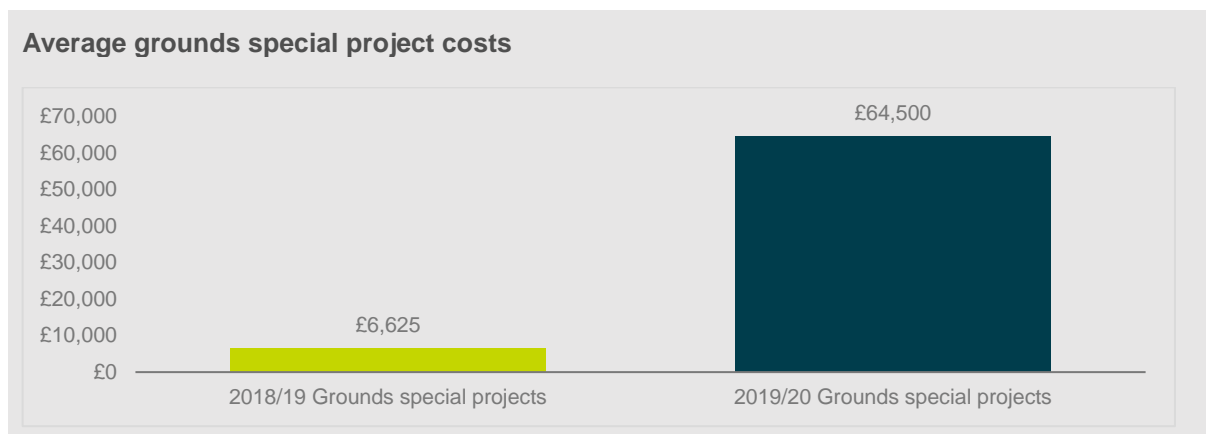
### Average clubhouse special project costs

Spending has increased on the previous year's special project clubhouse costs, rising from £23,469 in 2018/19 to £31,763 in 2019/20.



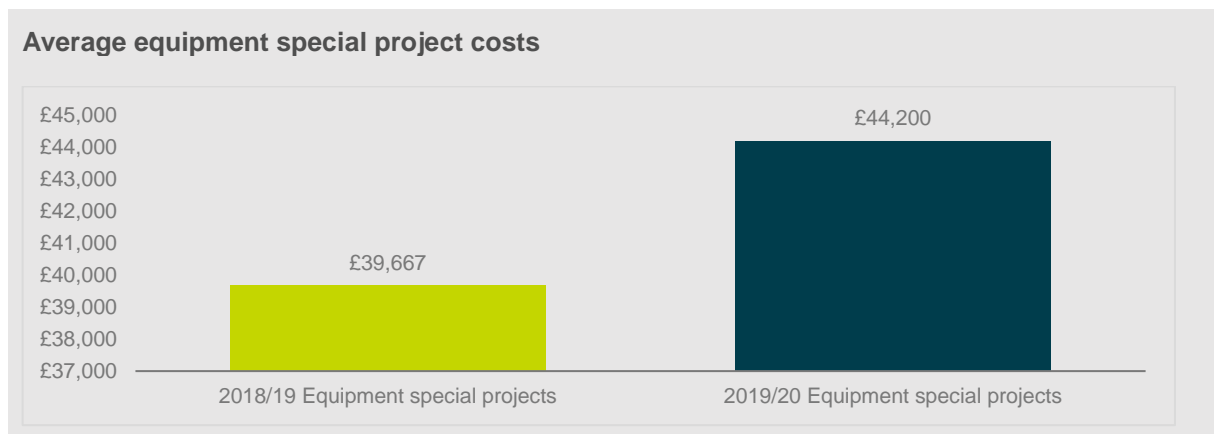
### Average grounds special project costs

Spending has significantly increased on the previous year's special project grounds costs, rising from £6,625 in 2018/19 to £64,500 in 2019/20. Please note that these results are based on very limited data in terms of response numbers.



### Average equipment special project costs

Spending has increased on the previous year's special project equipment costs, rising from £39,667 in 2018/19 to £44,200 in 2019/20.



### Other special projects

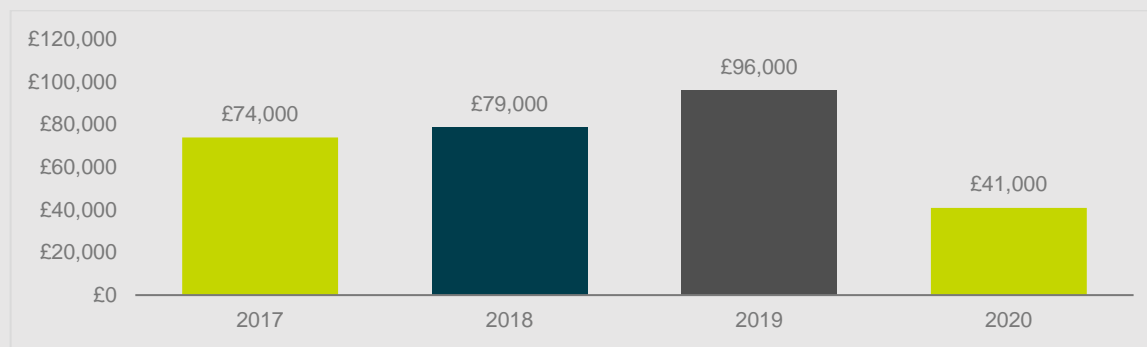
Few members clubs gave an overview of other special projects they were undertaking this year. These included:

- Greens drainage
- Practice range
- New bar and function room.

### Clubhouse maintenance costs and staffing

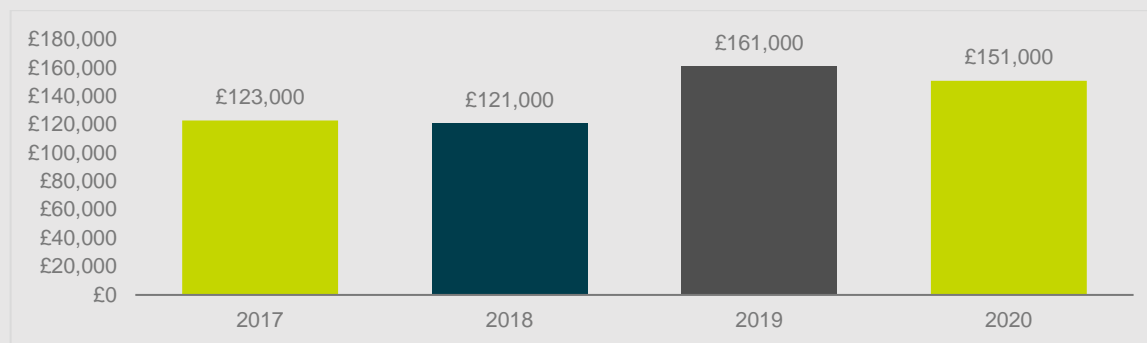
In 2020 clubhouse maintenance costs did not continue their rising trend. Having risen year on year since 2015, this year they fell to an average of just £41,000.

#### Members clubs' clubhouse maintenance costs



Furthermore, clubhouse staff wages among members clubs also decreased this year, from an average figure in 2019 of £161,000 to £151,000 in 2020.

#### Members clubs' clubhouse staff wages



### Members clubs using franchise catering

In 2019, 40% of members clubs were using franchise catering. In 2020 this fell slightly to 37%.

Among those members clubs who cater *without* the services of a franchise, revenue levels from catering range from less than £50,000 to £150,000 plus. The income from catering has significantly fallen compared to the previous year, with just 39% of members clubs reporting catering income of more than £150,000 in 2020, compared to 60% in 2019.

Gross profit margins range from 20% to 70%, with an average of 58% - virtually identical to that of 2019.

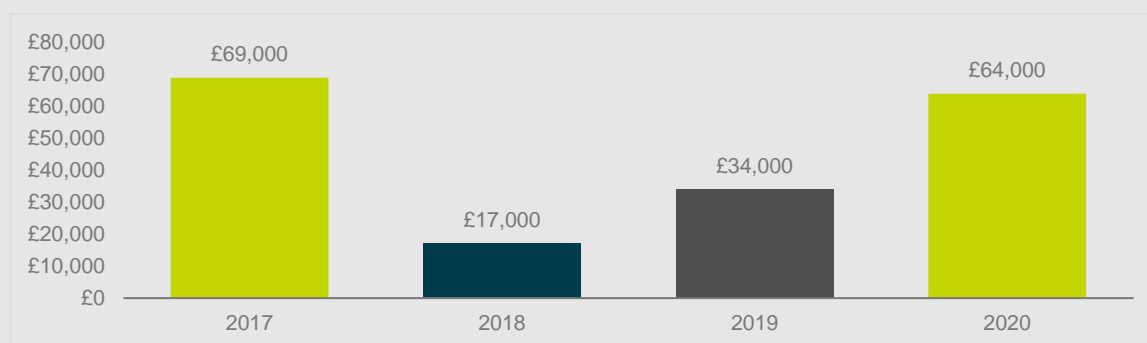
Net profit margins range from a loss of 72% to a profit of 61%, with an average net profit of 9% - again almost identical to 2019.

### Club surpluses and deficits

Among members clubs, the highest surplus figure was £681,000, with a highest deficit of £316,000.

The average surplus of £64,000 was an improvement on the £34,000 reported in 2019.

#### Members clubs' average surplus



### Annual general insurance

Showing an increase on previous years, members clubs are now typically paying between £10,000-£15,000 for annual general insurance (49%).

Just 5% pay up to £5,000 and 38% pay £5-10,000. 8% of members clubs pay in excess of £15,000.

### Freehold properties

An increasing percentage (rising from 44% in 2019 to 49% currently) of members clubs indicated that they hold freehold properties other than the clubhouse. These clubs each held between 1 and 6 such properties, with 32 properties in total - 11 of which were valued at over £500,000. Almost 80% of these were being rented out, sometimes to staff, but in most cases to third parties. This figure was previously 57% in 2019.

### Raising finance

A variety of methods are used by members clubs to raise finance for the club - the most popular being hire purchase/finance leases (used by 62% of members clubs). Other popular methods include loans from banks (44%) and members (41%), donations from members (21%), grants (18%) and bank overdrafts (15%).



# Members clubs

## Business

## Development

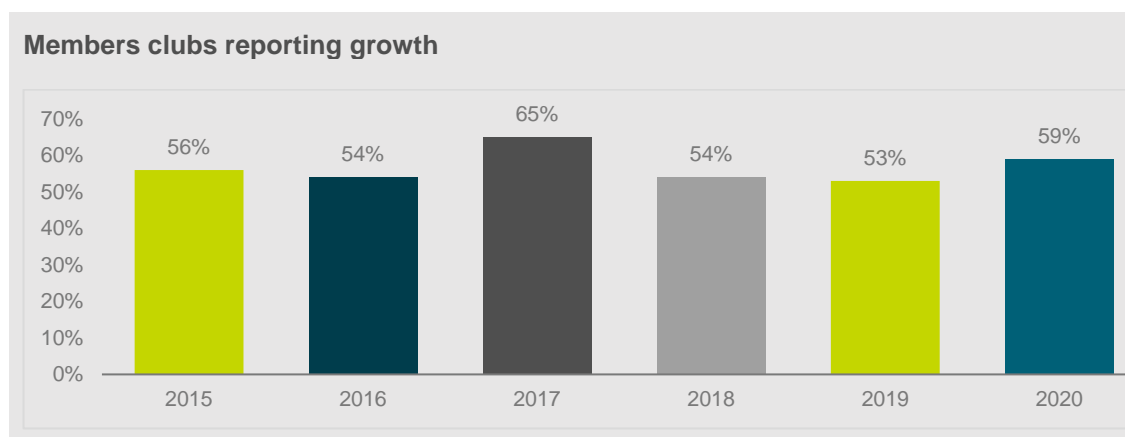
## Business Development

### An increasing proportion of members clubs reporting growth

The number of members clubs reporting growth has risen from 53% in 2019 to 59% currently.

The level of growth in the last 12 months varied between 2% and 20%, with an average of 8%.

The number of members clubs reporting a reduction in 2020 is 8% - a slight increase on the 6% reported in 2019.



### Members clubs investing in marketing and social media

In 2019, 45% of members clubs were intending to invest in marketing. This has dropped to just 22% this year.

Amongst those marketing, member referrals remain the most utilised method of marketing activity, remaining at 86%.

Social media marketing remains at around the 70% mark, followed by advertising (43%) and email campaigns (41%).

Other forms of marketing used in 2020 included networking (by 32% of members clubs), special offers (27%), events (24%), corporate brochures (16%) and direct mailings (11%).

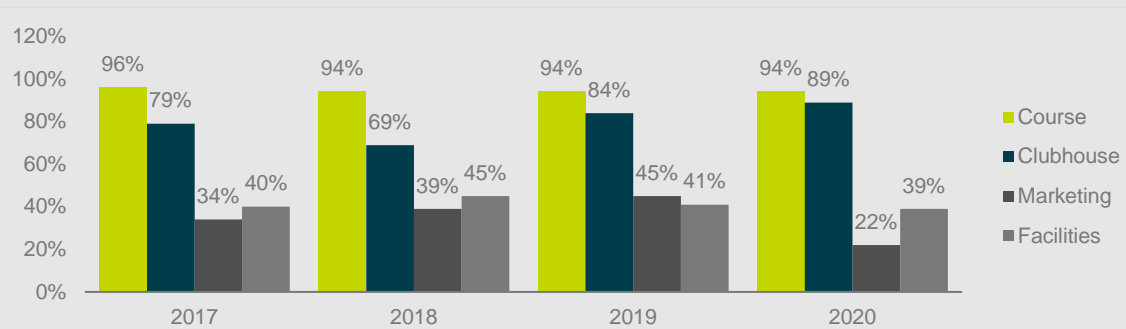
Member referrals continue to be perceived to be the most successful method of marketing. The proportion of members clubs reporting this in 2019 was 53% - slightly down on the 64% reported in 2019.

There was a very large gap between this and the next most effective activity reported (social media), which despite its popularity in being used as a marketing tool, was perceived as being the most successful marketing activity by 29% of members clubs. However, this represents an increase on the 16% recorded in 2019.

### A continuing focus on the golf course as the major source of investment

Investment in courses, clubhouses and facilities has largely remained steady since 2017, with levels of investment in courses being consistently high. Note that this year has seen a large decrease in the level of investment in marketing, dropping from 45% in 2019 to 22% in 2020.

#### Members clubs' investment



# Members clubs

## Miscellaneous

## Additional

## Information

## Miscellaneous additional information

### Dress codes

The percentage of members clubs that have a dress code remained at 92%. Codes frequently included 'smart casual' and golfing attire, and discouragement of denim, jeans (with or without rips), shorts, tracksuits, t-shirts, football shirts and trainers.

### Sports channel subscriptions

62% of members clubs indicated that they had a SKY and/or BT Sport subscription – very close to the figure recorded in 2019 (65%). The average monthly cost of subscriptions has increased, rising from £577 in 2019 to £612 currently.

### Anticipated changes affecting golf clubs in 5-10 years

The following changes were suggested/anticipated by members clubs. Changes anticipated within the next 5 years largely mirror those anticipated over the next decade, and are as follows:

#### Membership issues

- Addressing an ageing membership profile - recruiting and retaining younger members
- Ensuring accessibility and flexibility for members
- Ensuring membership has value to give it preference to casual play/nomadic/visitor golf
- Retaining new members post-COVID-19.

#### Commercial and Financial issues

- Investing/improving to revitalise/renovate/diversify and making facilities fun
- Building on a growing interest in/ability to play golf as a result of COVID-19 and more flexible working
- Increased in-house catering
- Return of course to natural states (i.e. heathlands)
- Being more business-like.

#### Environmental considerations

- Adapting to climate change and ensuring environmental friendliness in ecology and maintenance practices
- Irrigation changes - due to bans on grass treatments, water shortages, etc.

#### Golf rules and regulations

- More 9-hole competitions
- Providing indoor teaching/practice facilities.

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### The impact of the living wage

An identical proportion to 2019 (53%) of members clubs suggested that the increase in the minimum Living Wage and workplace pensions would impact upon them. Members clubs indicated that this would apply to an average of 4 staff in 2020 – falling from the 11 staff recorded in 2019.

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### Community Amateur Sports Clubs (CASC)

An increasing proportion of members clubs indicated that they were Community Amateur Sports Clubs – 29% in 2020, compared to 20% in 2019. Changes introduced to meet the new rules for this included:

- Trading subsidiary
- New membership category
- Other articles of association
- Other constitution.

Of those members clubs not already Community Amateur Sports Clubs, six out of sixteen indicated that they were considering becoming one. Of the clubs that were not considering becoming one this was due to being newly incorporated, or meeting strong resistance from members.

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### Rules and regulations

69% of members clubs confirmed that they were prepared to change their rules and regulations to modernise the club – however, this represents a decrease from the 88% reported in 2019. Reasons for non-change included:

- Having already made changes
- Not having a reviewing governance
- Planning to review in the future
- Strong resistance from members
- No revised articles.

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### Club structure

82% (rising from 56%) of the members clubs in this year's survey indicated that they are currently incorporated. Almost half (30%) of the members clubs that are not already incorporated are considering this.

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### Board structure

Members clubs reported in 2019 that they had an average of 8 board members in each club (9 in 2019), with the numbers at individual clubs ranging from 4 to 15.

The expertise present in the board of members clubs in 2019 was mainly in Business (in 92% of members clubs) and Finance (89%). Other areas of expertise present included Marketing (49%), Legal (43%), HR (24%) and other (such as Property, Construction and Engineering – 8%).

# Proprietary clubs

## Proprietary clubs key highlights

# 19 clubs

This year we bring you data from 19 proprietary clubs across 9 regions, with 26% from the South West. Clubs are predominantly 18-hole or 36-hole clubs.

# 40%+

A steady proportion of proprietary clubs have 600+ members. A decreasing proportion of members (now just 54%) are aged 50+

# 25%

Of proprietary clubs have a waiting list – slightly higher than the 20% recorded in 2019. For many clubs an undoubted consequence of the COVID-19 pandemic was an increase in members.

# 46%

The most typical standard playing member subscription is in the £750-£1,000 range, as indicated by 46% of proprietary clubs. More than 60% of clubs are planning to increase their subscription charge in the next year.

# 59%

Of proprietary clubs now have a turnover of £1 million+. This percentage has notably increased in the last year, rising from 40%.

# 60%

Of proprietary clubs reported growth in the last year.

# 38%

Of proprietary clubs have a dress code – a sharp decrease from the 60% reported in 2019.

# 67%

Of proprietary clubs were prepared to change their rules and regulations to modernise.



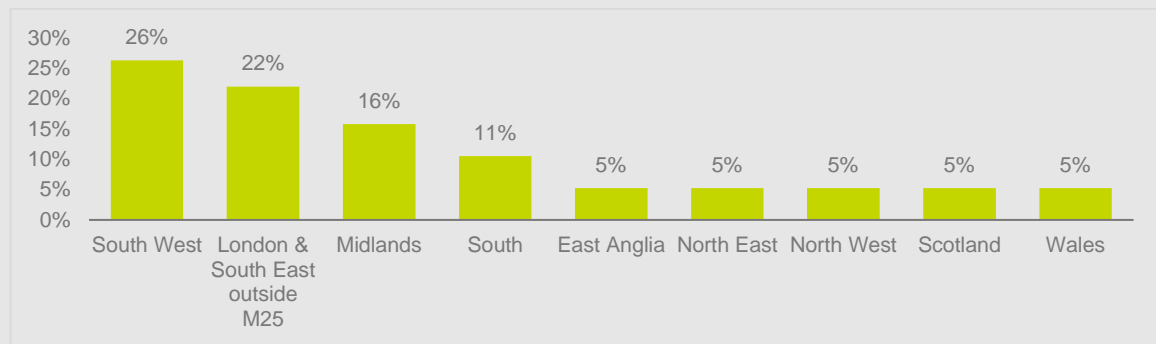
# Proprietary clubs' results 2020

## 19 clubs from across the UK, typically with 18-holes

This year we bring you data from 19 proprietary clubs from the South West (26%), London and the South East (outside of the M25) (22%), the Midlands (16%), the South (11%), East Anglia (5%), the North East (5%), North West (5%), Scotland (5%) and Wales (5%).

These were predominantly 18-hole (58%) or 36-hole (32%) clubs, with 5% 9-hole and 5% 27-hole clubs.

### Residence of proprietary clubs



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# Proprietary clubs

## Staffing

# Staffing

## A typical remuneration package of up to £40,000+ for Managers; on par with that of members clubs

There was again a large variance in the remuneration packages of survey respondents this year, ranging from under £20,000 to over £65,000.

The Head Green Keeper remuneration package was higher than in previous years. In 2019, 40% were paid £40-£45,000, and the remaining 60% were in the £35-£40,000 range. This year, 17% were in the £50,000+ plus range. Around 60% of clubs have a Steward – remuneration was typically within the £25,000 to £35,000 range.

Typical remuneration packages		
▼	▼	▼
Secretary/Manager Up to £40,000+	Head Green Keeper (Extremely variable) £25-£35,000 or £35-£45,000	Steward £25-£30,000

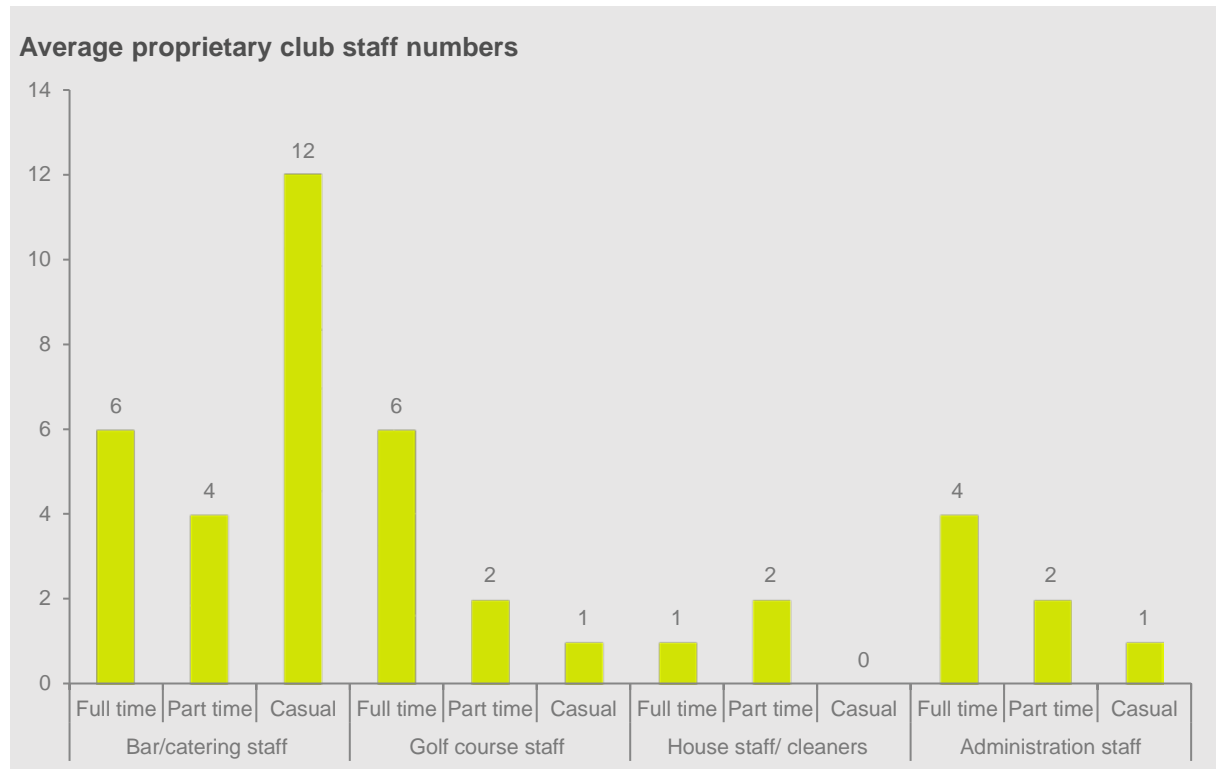
## PGA Professionals

As in 2019, in this year's survey 60% of proprietary clubs indicated that they *do not* have a PGA professional, with the monthly professional retainer typically £2,000-£2,500.

### An average of 33 staff at proprietary clubs

Always highly variable and dependent on the size and needs of each club in question, staffing figures range from 17 to 57 across proprietary clubs, with an average total staffing number of 33 – an increase on the 21 reported in 2019.

Average numbers across staff roles are broken down as follows.



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# Proprietary clubs

## Members

# Members

## Proprietary clubs typically with 600+ playing members

As in 2019, over 40% of proprietary clubs have 600+ members, with a small percentage of these having 800+. Again, around 20% have fewer than 300 members and the remaining 38% have between 300-600 members. These are figures very close to those recorded last year.

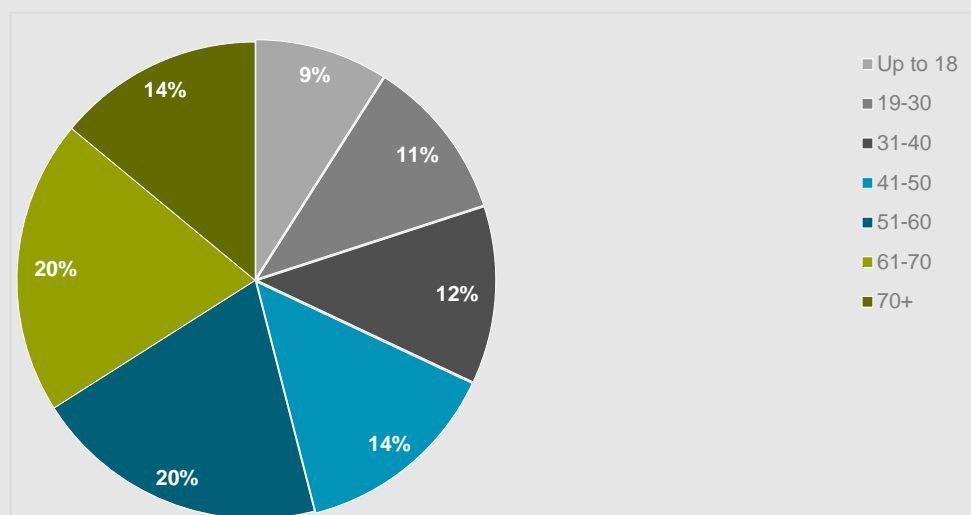
## Flexible membership

Whereas in 2019 all proprietary clubs offered flexible membership, in 2020 this is now offered by just over half of all clubs (56%). Flexible membership offerings include 20 round packages, reducing subscription and green fees with every play, twilight, services, 5 and 7-day memberships, and weekday and weekend discounts.

## Member ages distributed towards the 50+ age group

As in previous years, the age distribution of proprietary clubs shows fewer younger members and more older members. Category ranges have changed this year, so commentary on the comparative distribution to 2019 is limited. However, this year 54% are aged 50+, compared to 59% 2019.

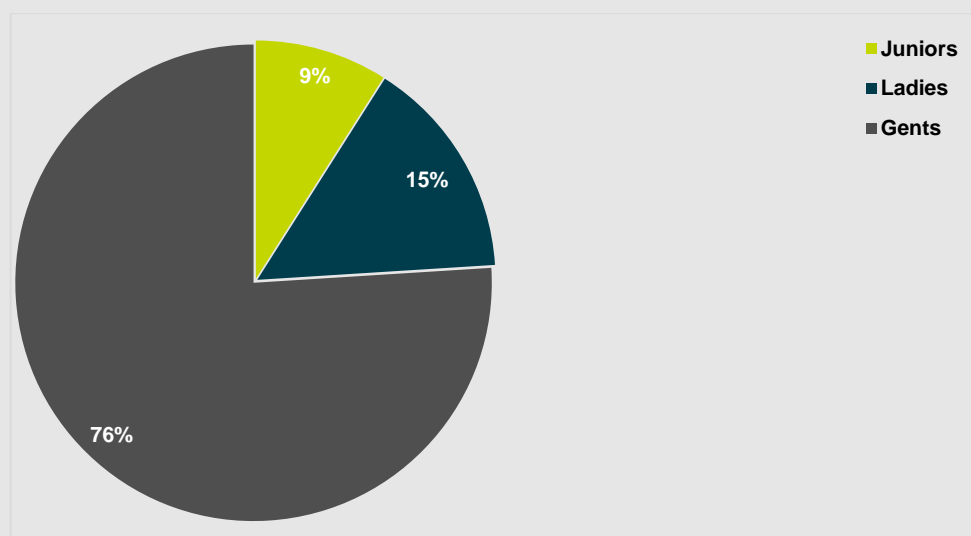
The age of proprietary club members



### A small reduction in lady members and an increase in junior members

This year the proportion of gentlemen members (at 76%) is almost identical to last year (75%). There has been a reduction in the percentage of lady members (from 18% to 15%) whilst the junior member percentage rose from 7% to 9%.

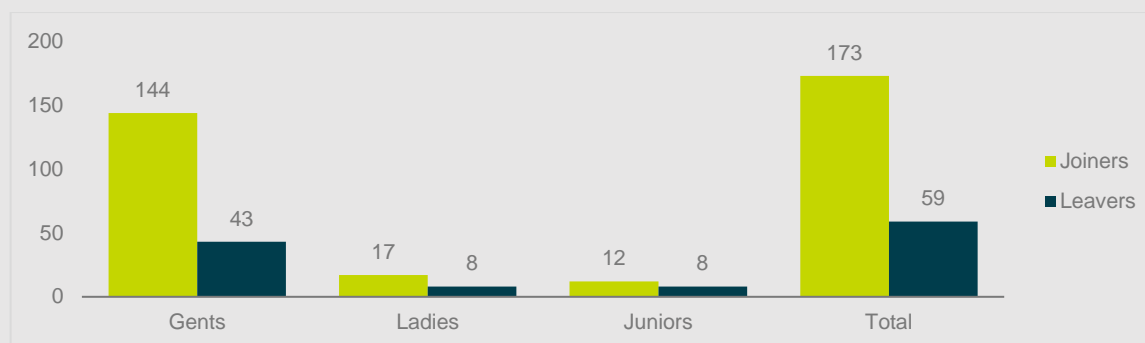
#### The profile of playing members at proprietary clubs



### Joiners and Leavers

As in 2019, the survey asked proprietary clubs for numbers of joiners and leavers during the year. All proprietary clubs had more joiners than leavers and the averages for all clubs against different member profiles show that net membership levels increased significantly.

#### The profile of joiners and leavers at proprietary clubs



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### **Decreasing numbers of social members at proprietary clubs**

The proportion of proprietary clubs with a social membership exceeding 25 people fell from 60% in 2019 to just 29% in 2020.

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### **Society rounds**

The number of rounds played by societies has also decreased this year, ranging from just 30 to 5,000, with an average of almost 2,000, compared to 6,000 in 2019. Over 90% of proprietary clubs reported that the number of rounds played had decreased since 2019.

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### **Welcoming new members**

A variety of activities are offered by proprietary clubs to welcome new members - the most frequent being induction programmes and introduction to the club professional. Others included free coaching sessions, social events and complimentary rounds.

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### **Member social events**

Around half of all proprietary clubs surveyed in 2019 ran member social events during the year, with the number of events at each club ranging from 3 to 18, with an average of 10 – slightly higher than the 7 recorded in 2019.

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### **Member competitions**

Around half of all proprietary clubs surveyed in 2019 also ran member competitions during the year, with the number of competitions at each club ranging from 20 to 250, with the average number being 105 – again higher than the 66 recorded in 2019.

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### **Some proprietary clubs have a current waiting list**

25% of clubs had a waiting list; a slight increase on the 20% in 2019.



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## The impact of COVID-19 on membership

83% of proprietary clubs reported that COVID-19 had affected their membership. For many clubs an undoubted consequence of COVID-19 had been an *increase* in new members. Many clubs detailed a healthy growth in new members, with footballers and cricketers joining, and an appreciation of the value of membership in the context of lockdowns and the ability to take exercise outside of the home environment.

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### Downgraded memberships

For the first time, the survey asked clubs about the number of downgraded memberships during the year (i.e., reducing from a 7 day to a 5-day member, etc.). This figure ranged from 0 to 25, with an average of 8 – slightly lower than the 13 recorded in relation to members clubs.

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### Upgraded memberships

The survey also asked clubs about the number of upgraded memberships during the year (i.e., going from a 5-day to a full membership or flexible to full membership). This figure ranged from 0 to 30, with again an average of 8 – slightly lower than the 11 recorded in relation to members clubs.

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### Member social events considering COVID-19

In the context of COVID-19 and with this in consideration, the number of events at each club ranged from 0 to 6, with an average of just 1.

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### Competitions run considering COVID-19

Also in the context of COVID-19 and with this in consideration, the number of competitions at each club ranged from 5 to 125, with an average of 51.

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# Proprietary clubs

## Facilities

# Facilities

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## More proprietary clubs have a driving range

This year there was an increase in the proportion of proprietary clubs with a driving range – rising from 60% in 2019 to 89% currently. Among those clubs who *do* have a driving range, incomes from this source are similar to previous years, ranging from less than £5,000 to over £25,000.

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## Most proprietary clubs do not offer adventure or foot golf

New to the 2020 survey, was a question about adventure and foot golf. Just 11% of proprietary clubs offered adventure golf, with none offering foot golf.

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## A small proportion of proprietary clubs offer a hotel, on-site accommodation, spa and/or gym

Also new to the 2020 survey, was a question about accommodation and leisure facilities. Just over a quarter (26%) of proprietary clubs offered a hotel or other on-site accommodation. 17% had a spa and 26% had gym facilities.

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# Proprietary clubs

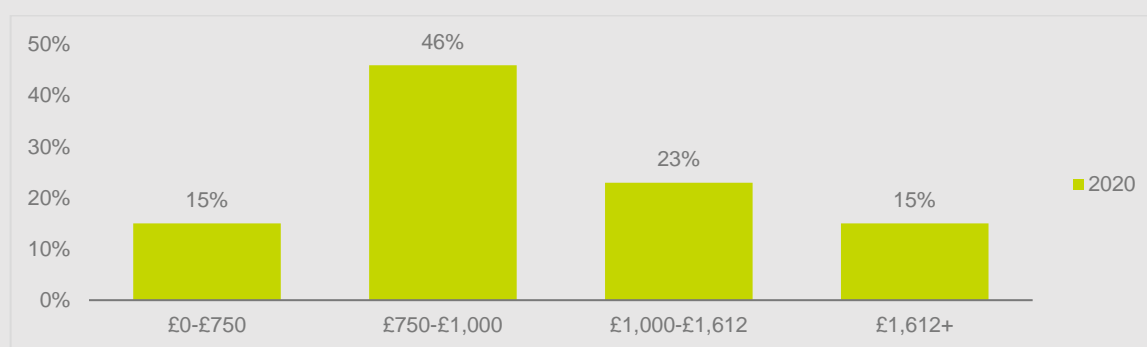
## Fees & charges

# Fees & charges

## Subscriptions

As in previous years, membership fees for standard playing members vary significantly. However, this year there are more clubs at the lower end of the range. Membership fees for standard playing members in 2020 are typically in the £750-£1,000 range. Membership fees tend to be lower in Proprietary clubs than in Members clubs. Category ranges have changed since 2019, so comparisons are limited.

### Proprietary clubs' standard playing member subscription



## Increasing subscription charges

Just over 60% (compared to 100% in 2019) of proprietary clubs plan to increase membership fees in 2020, with planned increases ranging from 2%-10% with an average of 5%.

## Social membership charges

Charges for social membership have decreased in comparison to previous years. In 2019, just 40% of proprietary clubs had fees of less than £25. In 2020 this has risen to 60%.

## Entrance fees

In 2019, 60% of proprietary clubs charge an entrance fee. This has now decreased slightly to 54%. More clubs (around half) now allow their entrance fee to be paid in instalments.

## Booking system

A booking/tee time system was used by more proprietary clubs in 2020, rising from 80% to 92%.

## Increased green fee charges in 2020

Average green fee charges are shown below, across weekdays, weekends and all-day use, both with and without members. In a number of categories, the fees are lower in 2020 than in 2019.

### Proprietary clubs green fee charges



## Range of green fee incomes

The income generated by green fees ranged from £80,000 - £180,000+, slightly higher than the ranges reported in 2019.

## Green fee ticket systems

Just 8% of the proprietary clubs surveyed in 2020 indicated that they use a numbered green fee ticket system – typically being monitored with a Pro shop check-in.

## Society packages

Many proprietary clubs offer society packages, with average costs as follows. Both 27-hole and 36-hole package prices have increased by around 25% since last year.



## Average room & facility hire

Due to the low number of proprietary clubs providing these figures, it is not practical to present or compare them with previous years' figures.

# Proprietary clubs

## Financial information

# Financial information

## The impact of COVID-19 on proprietary clubs and their income

Prior to considering this year's financial information for proprietary clubs, it's useful to consider the context of the COVID-19 pandemic and its impact on clubs. 63% of proprietary clubs indicated that they had been affected *negatively* by COVID-19, with just 37% reporting being affected *positively*.

Among those who had been affected *negatively*, this tended to be due to reduced revenue in terms of bar and catering facilities, functions, visiting societies, pro-shops, subscriptions and green fee incomes.

The typical percentage change on income among those clubs *negatively* affected was approximately -27%.

Among those who had been affected *positively*, this tended to be due to an increase golf participation, tuition and membership in the context of lockdowns.

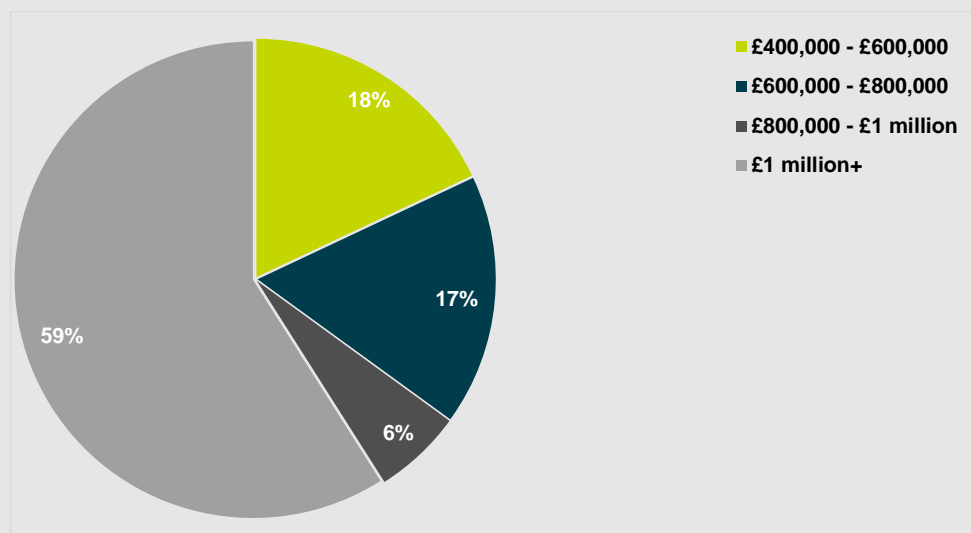
The average percentage change in income among those clubs *positively* affected was approximately +39%.

Interestingly, some proprietary clubs felt that they had experienced both a positive and negative impact, with members increasing but revenue decreasing.

## Typical club turnover of £400,000 - £1,000,000+

Proprietary clubs reported turnover ranges from £400,000 to over £1 million. These figures show a healthy increase (rising from 40% in 2019 to 59% in 2020) in the percentage of clubs with a turnover exceeding £1 million.

Annual proprietary clubs' turnover

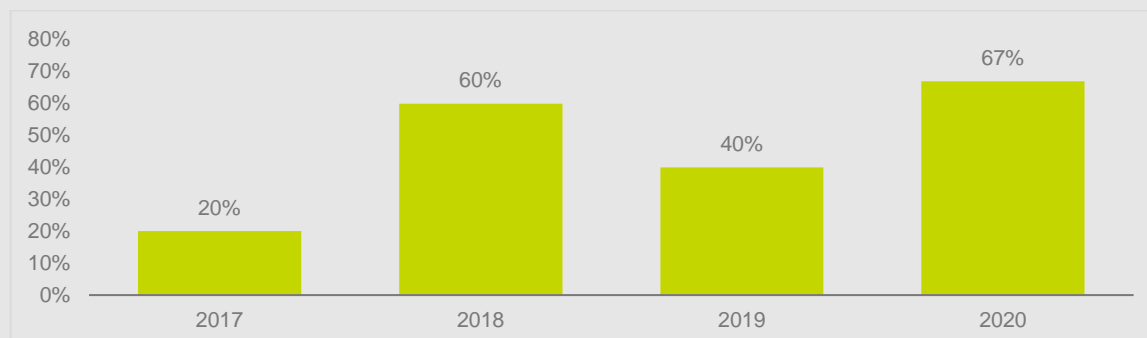




## Society income

The number of proprietary clubs with a society income above £60,000 has also notably risen in 2020.

### Society income above £60,000



## Bar revenue and activity

Average margins and other costs this year were:

- Net profit 11% (down from 13% in 2019)
- Rateable value £39,000 (down from £68,000 in 2019)
- Rate cost £27,000 (up from £18,000 in 2019)
- Club maintenance cost £50,000 (up from £16,000 in 2019)
- Wages level £133,000 (almost identical to the £132,000 recorded in 2019).

These should be regarded as indicative of only those proprietary clubs who chose to disclose figures – with a majority choosing not to do so. However, over half of all proprietary clubs reported their annual bar revenue, which was in the range £50,000- £150,000+, with average gross margins of 63% - almost identical to 2019.

## Utility costs

Due to the low number of proprietary clubs providing these figures, it is not practical to present or compare them with previous years' figures.

## Average course maintenance and wage costs

Proprietary clubs' average course maintenance and wage costs have increased in 2019, with respective increases of around 40% and 20%.



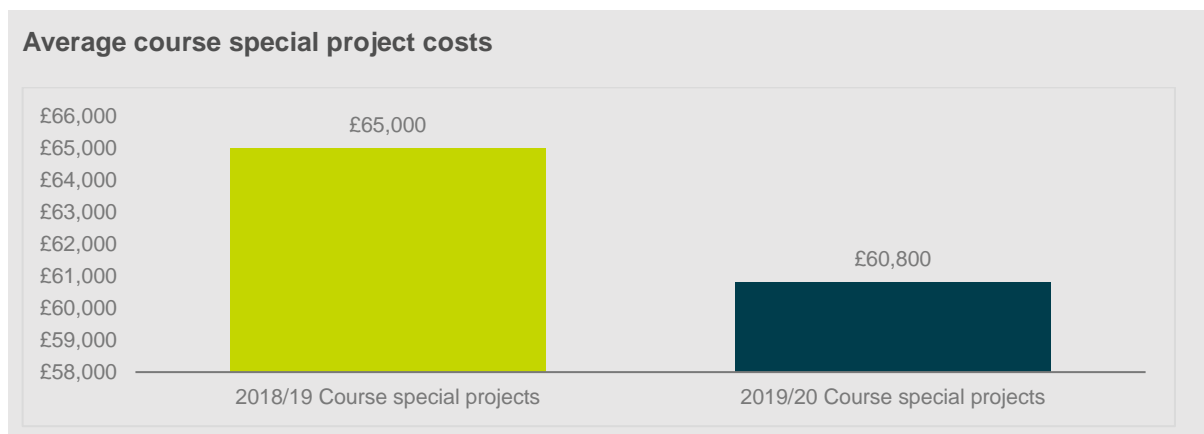
## Irrigation

22% of proprietary clubs indicated that they currently have fairway irrigation installed (20% in 2019), with a further 17% of clubs reporting that they are considering installing it.

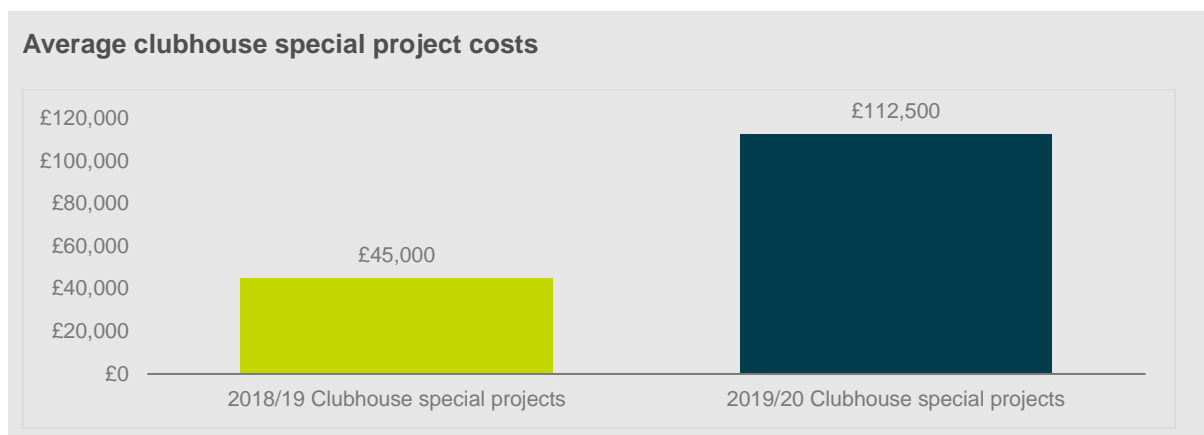
33% of proprietary clubs indicated that they have updated their greens and tees irrigation recently, at an average cost of £30,000.

The following graphs present average current and estimated costs for special projects. Due to the small number of proprietary clubs providing this information it is not possible to comment on trends.

#### Average current and anticipated course special project costs

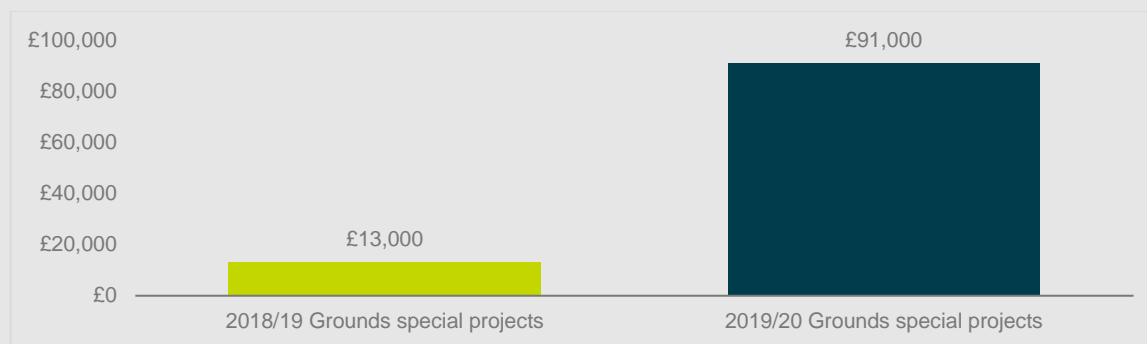


#### Average current and anticipated clubhouse special project costs



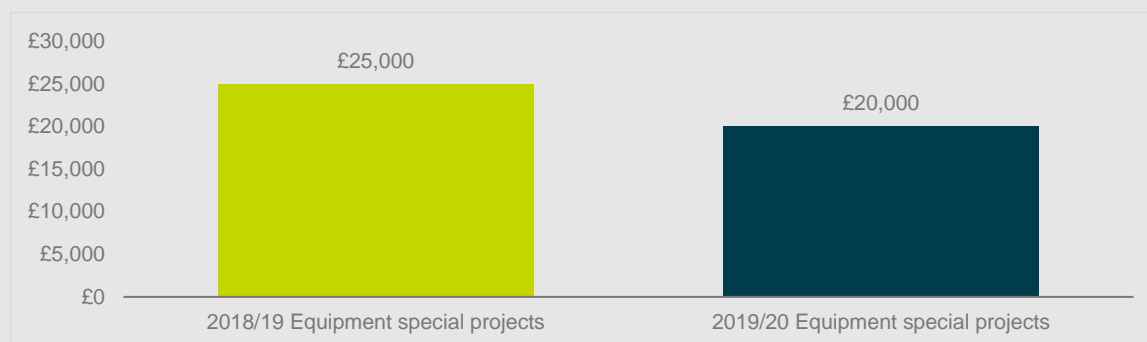
### Average current and anticipated grounds special project costs

#### Average grounds special project costs



### Average current and anticipated equipment special project costs

#### Average equipment special project costs



### Other special projects

Proprietary clubs were asked to describe any other special projects they were undertaking this year. Just three were detailed – range refurbishment (x2) and enlargement of water storage.

### Proprietary clubs using franchise catering

No proprietary clubs used a franchise for their catering this year - a reduction from 20% in 2019. Among those clubs who cater without the services of a franchise, gross profit margins average 50% (down from the 59% reported in 2019) and net profit comes in at an average of 18% (again down from the 27% reported in 2019). Revenues generated by proprietary clubs carrying out their own catering ranged from £50,000 to over £150,000.

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### Club surpluses and deficits

Proprietary clubs reported an average surplus of £54,000, compared to an average of £61,000 in 2019.

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### Annual general insurance

Proprietary clubs pay up to £20,000 for their annual general insurance, with a typical payment of £5,000-£10,000.

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### Freehold properties

Whereas 66% of clubs indicated that they held freehold properties other than the clubhouse in 2019, this year the equivalent figure was just 22%. These clubs held 3 properties in total, none of which were valued at over £500,000. All proprietary clubs holding these properties indicated that they were being rented out to staff and other parties.

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### Raising finance

A variety of methods are used by proprietary clubs to raise finance for the club. The most popular methods are bank loans and private finance. Other methods used consisted of hire purchase/finance leases and grants.

# Proprietary clubs

## Business development

# Business development

## A reduction in the number of proprietary clubs reporting growth

The percentage of proprietary clubs reporting growth in 2020 was 60% - down on the 80% recorded in 2019. The level of growth in the last 12 months varied between 10% and 25%, with an average of 19%.

## Proprietary clubs continue investing in marketing

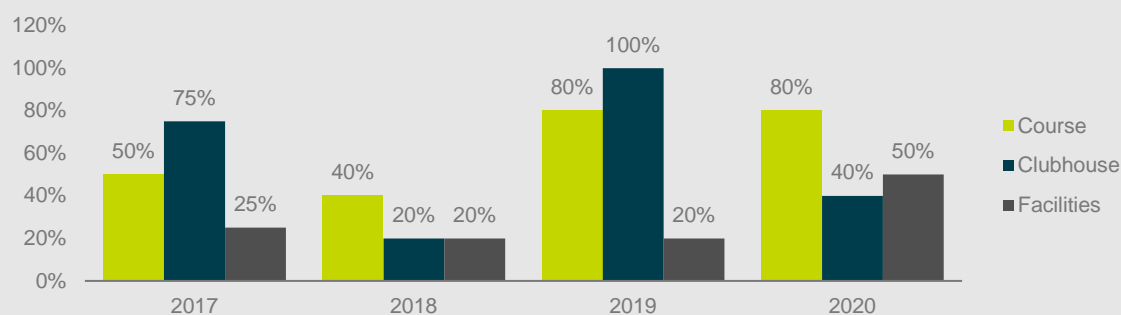
Proprietary clubs continue to market their offer, with activities including member referrals (100%), social media (used by 78% of proprietary clubs), email campaigns (33%), special offers (33%), events (33%), networking (33%), advertising (33%), direct mailing (22%) and corporate brochures (11%).

Member referrals were identified as the most successful marketing activity by almost 40% of proprietary clubs.

## Proprietary clubs increase investment in facilities

This year, investment has fallen in relation to the Clubhouse (falling from 100% to 40% of clubs intending to invest), but has risen (from 20%-50%) in relation to facilities.

### Proprietary clubs' investment



# Proprietary clubs

## Miscellaneous additional information



# Miscellaneous additional information

## Dress codes

38% of proprietary clubs indicated usage of a dress code – a decrease from the 60% reported in 2019.

## TV subscriptions

56% (60% in 2019) of proprietary clubs indicated that they had a subscription with either SKY or BT Sport.

## Anticipated changes affecting golf clubs in 5-10 years

The following changes were suggested/anticipated by proprietary clubs.

### Within 5 years

- Changes in the gender and age split, requiring a diversified membership interest and offerings.
- Reduction in demand post-COVID-19
- Economic changes
- Changes in fertilizers, treatments and greenkeeping processes due to climate change
- Restriction of players' time to play golf
- Players needing to give encouragement to those less skilled at golf
- A need for improved etiquette
- Traditional private member clubs will fade unless very prestigious
- Local authority investment in municipal clubs
- WHS will be a big success and increase membership. CONGU will be realised as a failure.

### Within 10 years

- Changes in gender and BAME interest in golf and reduced interest in the current membership offer
- Increased demand/need to cater for the pay and play side of the business
- Reduction in demand post COVID-19
- Municipal type courses need to be run by people who know about business, not local government employees
- Dropping of dress codes and more power given to the secretary manager. More golf pros becoming club managers, GCMA slowly fading
- Changes in fertilizers, treatments and greenkeeping processes due to climate change.

## The impact of the Living Wage

60% of proprietary clubs suggested that the increase in the minimum Living Wage and workplace pensions impacted upon them – lower than the 80% recorded in 2019.

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### **Community Amateur Sports Clubs (CASC)**

No proprietary clubs indicated that they were Community Amateur Sports Clubs - with just one club considering becoming one.

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### **Rules and regulations**

Just over two-thirds (67%) of proprietary clubs agreed that they are prepared to change their rules and regulations to modernise the club – a slight decrease from the 80% recorded in 2019.

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### **Club structure**

60% (40% in 2019) of proprietary clubs who responded in 2020 indicated that they are currently incorporated, with a quarter of the remainder considering incorporation.

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### **Board structure**

Proprietary clubs reported that they had an average of 5 board members in each club, with the highest number being 8.

As in 2019, the expertise present in the board of proprietary clubs in 2020 was mainly in Business (in 100% of proprietary clubs) and Finance (63%). Other areas of expertise present included Legal (50%), HR (50%), Marketing (38%) and other (such as Property, Construction and Engineering – 13%).

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# Key messages

## Key messages

Membership is up but for how long? Clubs will have to prove the value of membership to keep these new members.

Your employees are the key to your success so rewarding them and keeping them is vital.

Tee booking systems have improved usage at most clubs. Whilst some clubs have always prided themselves on not requiring this is it time to re-evaluate?

Continued expenditure on the course will be required particularly as the usage of fertilisers becomes more difficult. The course is your major asset and will need extra care and attention.

The age profile for most clubs is still a major issue and whilst some clubs are addressing this more needs to be done to encourage younger members.

It is certain that in the longer term many members will have less disposable income so clubs need to continue to be careful about increasing subscriptions and keeping costs under control.

The absence of bar and catering income has brought the profitability of these operations into focus. These income sources are vital to many clubs so perhaps it is now time to review these and ensure these provide a good return in the future.

Clubs will need to adapt to changes rapidly if they wish to continue to be successful.

If you have questions about anything in the survey or report, or to find out more about how we could help your club, please get in touch, our experts will be happy to help.

## Our golf club specialists



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