

## The Elmers Court Country Club

Dear Fellow Member,

December 2023

### Management Fees 2024

MRL added an extra exit window in 2023 when one was not expected until 2024. Your committee were completely against this. However, other clubs had agreed to this happening before we were asked, so while we were against this we felt that our members may well belong to more than one Club so we had no choice but to agree. Paying MRL 4 times the management fees when they then rent those units for around 2 to 3 times the management fee seems, to your committee, to be a bad financial decision. Moreover, if such action continues it undermines what all our points are worth in the market and club units continue to reduce. Why do this when you can rent either privately, or through an agent and most times more than cover your management fee? We will endeavor to offer advice on renting club units in the new year so please keep in touch.

#### So where are we?

When MRL took over from Barratts there were 54 lodges in the club. 13 Manor House lodges will be converted into hotel rooms leaving 41 in the Club. Of these and following another 4 exits in 2023 the club now owns 16 units and MRL 25. In simple terminology MRL will own 9 West Court Cottages, 6 Henry Tudors, 3 Courtyard Cottages and 7 Holbeins. The club owns 11 Solent Views, 3 Wyatts, 1 Holbein and Eastways. The committee will be reviewing the apportionment system with Robert in the New Year to ensure the split of costs is done on a fair basis or to the benefit of our members.

As you all know, all of us are on an ongoing basis are feeling the effect of Russia's invasion and now the Israeli war and in consequence the continued increases in cost of fuel and power and, especially in the hospitality industry, of which we are part, the serious impact of the government's decision to continue to increase the minimum wage. Lodge cleaners are now entitled to a minimum wage of £11.44 which is up from £10.44 last year. The problem compounds with maintaining the differential with other staff wages.

#### Budget overspend in 2023.

The out-turn for 2023 is set to show another loss. The three main areas that have contributed to the loss were wages, electricity and cleaning/linen.

Historically we had no choice but to use agency staff to clean lodges due to no local staff being available. Going forward the General Manager, Mark Watts, has stopped all agency staff by changing the MRL changeover day to Fridays and offering minimum wage to all staff according to the government policy. We still keep our changeover day to Saturday. The budget for 2024 Mark has personally agreed to so we can now monitor it more rigidly. Electricity, while still a challenge, should reduce in April 2024 when we renew the fixed term contract at a lower figure. This has been reflected in the budget. Cleaning/Linen for all resorts suffered 3 increases in 2023 but the increases in costs experienced in 2023, we are told, will remain stable in 2024.

## **Budget Proposals for 2024**

The Committee has once again reviewed every budget line, challenged the assumptions behind each part of the budget and assessed the financial risks behind each assumption. Several lines have been adjusted to reflect where the Committee believed that efficiencies can be made. The staffing budget is the largest single annual cost and has been increased due to the latest increases caused by the minimum wage, so it reflects the current cost of staff in the post, and to address last year's overspend. Last year's overspend is covered above.

Energy could remain a major risk. The unit charge was increased to 40p from July 2022. At this stage there are no plans to increase further, and the budget assumes this, but the charge may be reviewed during the year if energy prices reduce, as expected, when the contract is renewed.

**So, while more than we really hoped for, the 2024 Budget proposals will represent an increase in Management Fees of 17.9%.**

Whilst compared to achievable rental income on the open market the management fee represents excellent value, we have all been used to achieving a great holiday at a reasonable cost. Elmers Court is still good value, and the committee plans to ensure it remains so for the foreseeable future.

Members leaving by giving up their units rather than selling them to another new member is causing some of the complications we are seeing. Therefore, we still need our members to support us and not depart at future exit opportunities. As I have said before if we can create a healthy market for 'points' going forward, members can sell points to new members and the status quo will be maintained. This last exit was not welcome and has had some impact on the final figure. If you are unable to sell when you want to then why not try renting direct to the marketplace. If MRL can rent at more than 2 to 3 times the management fee, then as I have mentioned before in most instances owners can more than cover the management fee by private renting.

May I ask all members to please contact me before the AGM in June 2024, by email setting out as briefly as possible what their own future plans are at Elmers Court. I have a number of initiatives planned for 2024 with a few members who are passionate about our resort. It would really be appreciated. We also need to plan refurbishing units and we would be foolhardy to refurbish a unit to then give it back to MRL.

## **The Future at Elmers Court**

For those of you that attended the AGM this year you will remember seeing the proposals for developing the Manor House and the Leisure Centre. The plan was due to start in November 2023. I am sure most of you will not be surprised to know there is a 'slight' delay. Some of which was due to having to change the plans to include covered walkways between

all buildings to obtain planning approval. You will notice the AGM date has been put back so MRL can share those changes and confirm the start date probably around October 2024.

Please find enclosed a request for payment, together with a remittance slip for your 2024 management charge due on 1<sup>st</sup> January, 2024 which you should send together with your payment. Please note cheques should be made payable to 'The Elmers Court Country Club'. You can also, if you prefer, pay by credit card or by debit card, in which case please call Member Services direct on **01479 815350**. Should you have a direct debit in operation, your fees will be automatically requested on or around 1<sup>st</sup> January 2024

**Again this year we are pleased to offer members the opportunity to pay their management fees online through the new member payment site. You can access this website by clicking on the following link <https://owner.macdonaldhotels.co.uk/app/member> You will find your unique username and password on the email you received with this communication. Please keep this information safe for future access. This website is now working so feel free to have a try but whatever you do please pay as soon as possible to keep your club safe.**

For those members who are not already subject to a direct debit arrangement, please remember that Macdonald Resorts Limited (MRL), as our management company, have entered into an agreement with Premium Credit Limited which provides all members with the opportunity of paying the annual management charge by monthly direct debit. Should you wish to take advantage of this opportunity to spread the cost, then please click on the following link to complete an online application form. Quotes can also be obtained. [www.feesmonthly.co.uk](http://www.feesmonthly.co.uk)

Receipts will be issued upon request and you will appreciate that prompt payment of your fees assists in the running of the Club. We would also remind members that late payment i.e. **after 31<sup>st</sup> January, 2024** accrues interest at the rate of 2% per month compounded monthly in accordance with clause 13.f.1 of the Club Constitution, and occupancy of the apartment or use of the apartment for any transfer or rental will be denied until such payments are received.

On payment of fees, members will again be issued with a MRL loyalty card which still entitles members **to a 10% discount on food and drink purchases when in residence at Elmers Court**. (Please note that if you have paid your fees but not received your loyalty card at the time of your stay, you will still receive loyalty benefits as Elmers Court reception can check your payment status.)

## **Annual General Meeting**

**The 2024 AGM is planned for Tuesday 4<sup>th</sup> June, 2024 at 11.00am.**

I would again encourage as many of you that can spare the time to attend to do so. I am sure we will all want to get the latest update on the future for this great location. Rooms will be available. This year's special rate is for two people for a 2 night stay on 3<sup>rd</sup> and 4<sup>th</sup> of June at £150 per night per room including breakfast on a 'first come first served basis'.

There will also be a member's dinner the night before the AGM for those who are local or on site the night before. This will also be at a special rate for a 3 course dinner with tea and coffee and a welcome drink for £30 per person. It will be a set menu but an alternative dietary alternative will be available. Make contact with Mark at the Club.

### **Owner Issues**

In 2023 occupancy levels were high so entry into lodges has been a problem in enabling us to complete the planned work. During January and February 2024, the refurbishment of the bathrooms in three Solvent View lodges i.e. a total of 6 bathrooms, will be undertaken. Some new fridges will be delivered in December 2023 and in January 2024 the decking in Solvent View will be renewed before the busy season. Velux windows which need replacing will also be attended to during this period. A VOIP telephone system is still to be installed so that all lodges will again enjoy a reliable modern telephone connection.

The online comment system is very useful for Sue in planning future improvements to the lodges and she is always willing to receive your emails as well. The audit of the lodges belonging to the Club will be carried out in January 2024.

Finally, a couple of reminders to members:

- a) Can we all try and leave our lodge in the condition we found them. If you rent it out, lend it to friends or family please ask them to treat it as if it were their own home. This year there has been a small number of cases where extra cleaning time has been necessary to bring those units back to our usual standard.
- b) Please remember to book your weeks in the booking window and ensure the dates are agreed with MRL and you have them confirmed. We have had members turn up for the wrong week and we don't want that to happen to you.

I take this opportunity to wish you all a **Happy New Year**.

I hope to meet as many of you at the AGM as can make it but, in the meantime, please let me, Sue or Chris know of any concerns we can help with.

Yours sincerely,

**Paul Wagstaff**  
**Chairman, On behalf of the Owners' Committee**  
**The Elmers Court Country Club**

**Elected Representatives Contact Details**