



SLALEY HALL  
LODGES

Meeting Name:	Slaley Hall Owners Club Committee Meeting		
Date of Meeting	21 <sup>st</sup> June 2019	Time:	10am
Minutes Prepared By:	Caroline May	Location:	Slaley Hall Hotel
Attendees:			
Bill Johnston (BJ)	Owners Representative & Committee Chairman		
Chris Harder (CH)	Owner Representative		
Barry Cobley (BC)	Owner Representative		
Maureen Young (MY)	Owner Representative		
Sara Burton (SB)	Representative for Management Company		
David Clarke (DC)	Founder Member		
Ross Grieve (RG)	Observer		
Steve McGinnis (SM)	Observer		
Agenda, Notes, Discussions, Issues, Actions			Actions
Minutes from previous meeting held 11 <sup>th</sup> March 2019	Approved and signed as correct by BJ		
Positions and roles and visions			
David Clarke –	<p>Finance Manager for Seasons Holidays Plc. Here as Founder Member of Slaley Hall Owners Committee. Sits on trust side of Seasons Has background in trust mechanisms.</p> <p>Seasons Holidays offer high quality holidays at competitive prices – trading as Luxury Lodge Estates for the rental side. Aim to improve resorts – carrying out major refurbishments and capital investments across resorts but also have a skill set in resort administration. Continually raising the bar for high quality holidays at competitive prices with a number of resorts across the UK and Euro zone. Seasons saw Slaley as a good fit for the Seasons brand. Seasons aim to have far greater involvement than the previous management company on the day to day management of the site. Seasons take pride in what we do. Feel they will bring great benefits to Slaley and Belton.</p>		

	<p>In the brief period since the acquisition and involvement so far there has been a reduction in costs – at this moment in time there is no need or purpose to raise the management fee for the next 3 years.</p> <p>Seasons ask that you judge the results – we will do what we say, you will see hard evidence.</p> <p>Previous owners had little interest in the time share element at Slaley.</p> <p>During the acquisition there were elements that we saw that were worse than we thought.</p> <p>Our prime objective is to provide high quality holiday experiences to every Slaley Hall member and Seasons holidays member, bringing quality procedures, and good practises. (we hope Seasons members will have the pleasure of visiting in the future)</p>	
BJ	<p>There has been a deafening silence with no correspondence to myself as a committee member or an owner. I only received the Seasons brochure from Barry Cobley.</p> <p>We have been kept in the dark.</p>	
DC	<p>I was under the impression that the magazine had gone to all Slaley and Belton owners</p>	
BJ	<p>We are in favour of working together, however I was angry when I got the brochure as there was no communication to me as Chairman and a committee member. It is not a good practice</p>	
DC	<p>During the acquisition we were under a privacy notice from the previous owners.</p>	
BJ	<p>It is a frustrating situation and we are unpaid to represent the owners. We have been treated with contempt. There has been a deficit in communication</p>	
DC	<p>It was not our intent. We wanted a Seasons Owner to attend today but it was not possible. We wanted a Seasons member here to be able to tell you what it is like</p>	
BJ	<p>It doesn't sit well if you cannot communicate</p>	
DC	<p>From an accounting and administration side – I have a high level of professionalism. Communication is another element – I will communicate back to Seasons that this has been poor.</p>	DC – feed back on communication elements
BJ	<p>We want to know :</p> <ul style="list-style-type: none"> <li>• what your objectives are with the Owners Committee</li> <li>• what relevance the owners committee has to Seasons</li> <li>• long term objectives for the owners</li> <li>• plans for the owners committee in the future</li> </ul> <p>We are here to represent the best interests of the owners club.</p> <p>We want to know how you will engage long term and communicate with the members.</p>	

	<p>We are volunteers here, unpaid representatives elected annually for a four year term. We have an implied responsibility to the owners.</p> <p>If we want to work together to deliver a consistent message to the members, this is not the way to do it.</p>	
DC	<p>Seasons members do not have an elected committee – they are not a club. Seasons have no voting right – they buy weeks/colours across the year. Seasons have SOP committee</p>	
BJ	<p>We as owners have purchased and spent lots of money here based on a structure or mechanism of operation.</p> <p>If you are intending to change this operation agreement from the members needs to be sought but there is a lack of understanding from a lot of members. We as the committee don't want them to feel cheated due to massive changes.</p> <p>What are your objectives for the constitution?</p> <p>Are you looking to change the owners club to more of what you currently do ?</p>	
DC	<p>We will look to have a committee</p>	
BJ	<p>Not an elected club then ?</p>	
DC	<p>Clowance Management Company run and report to the Clowance committee</p>	
BC	<p>With no votes ?</p>	
BJ	<p>You can't set a management fee with no agreement. You can't spend capital without agreement.</p> <p>If you want us to be Clowance mark 2 it will need significant changes</p>	
RG	<p>I am MD of Seaham Hall and Seasons – I started 6.5 years ago. Today I am here as an observer.</p> <p>My background is in luxury hotels of high-end market. Seasons have key expertise in all elements with operational backgrounds. We work within budgets, with cost control and all other elements of good management.</p> <p>As David stated with the maintenance fee - there are a number of elements where money is being wasted at the moment, there will be other areas which will appear in time.</p> <p>Cappex spends all have to be agree- there is no one person who makes the decision without consultation. At the moment there is a considerable amount which isn't being spent in the best way possible, whether this is a previous committee agreement or previous management company decision we do not know.</p> <p>As said earlier – give us 12 months – the management fees are frozen for 3 years, even in time we may be able to reduce them down if we can cut costs elsewhere.</p> <p>You may get a better investment.</p> <p>In Seasons we have spent over 10 million last year with the same spend anticipated this year – we will be introducing new spas.</p>	

	<p>We are involved in every spend, we negotiate and discuss and put out to tender.</p> <p>Our interests are to serve the members. We have uncovered horrendous flaws in the brief time we have been here.</p>	
BC	Can you give examples	
RG	<p>From a manning point of view it takes 10hrs to clean a lodge – people are not working hard, standing around.</p> <p>Cleaning practices – using a bathroom mop to clean the kitchen – cross contamination.</p> <p>The list goes on</p> <p>Key examples – We visited 3 times prior to purchase</p> <ul style="list-style-type: none"> <li>• H&amp;S audit – on the surface it looks ok.</li> <li>• Stock holding – 4 henry hoovers, 8 brabantia bread bins, numerous dualit toasters all in stock – these things can walk. We can have deliveries within 48hrs so there is no need to have a high stock holding.</li> </ul> <p>The management company have been spending committee money.</p> <p>Refurbishment – 90k spend on a refurb – this is high with little or no structural work.</p>	
BJ	How much would you say the over spend is ?	
RG	<p>We have no full cost analysis as yet – it is estimated 20-30k over, this would still be using high quality items.</p> <p>There are silly overspends – dishwasher tablets – most guests are here for 7 days yet we give 14 tablets. If we give 7 and they need more they can ask. Over the weeks and years all these spends add up.</p> <p>These decisions are not a reflection on Sara, it is just appalling decision making by previous management companies.</p>	
BC	We haven't had a management company before whose core business is the management of timeshare and holiday resorts.	
BJ	<p>My initial reaction is enthusiastic.</p> <p>Previous management companies have had a lack of understanding of timeshare. However I am surprised at the analysis of Q. The Finance Director of Q was much more engaged. Aprirose were dis-interested.</p>	
CH	Are there any local changes that we need to know of ?	
RG	The Cheesmans have departed. There was a disregard of looking after the wellbeing of the committee and owners.	
CH	Day to day hands on are lacking ?	
RG	We can't blame the day to day running	
CH	What is the plan long term ?	

DC	To own more weeks at Slaley.	
BJ	Your ambition is to acquire more weeks ? I represent the owners who have invested in fix weeks – this may well suit a lot of owners, if the objective is to acquire a vast majority of weeks	
DC	The mechanism of acquiring more weeks will demonstrate the seasons product	
BC	Will the exit strategy be made redundant ?	
RG	No, it would be wrong to remove the exit strategy. It protects everyone and gives a level income. There are two groups in the owner basis– they either love it or hate it.	
BJ, CH, BC, MY	There is a middle ground. The middle ground feel the maintenance fees are too high	
BJ	There was a survey of all owners across the 4 sites, 4 to 5 years ago – it was informative and insight into the concerns and changes. The only consistent was inconsistent answers. Middle group – were significantly happy however they have concerns of when they get to 70-85 yrs old how to get out of contract. Flexibility may appeal. They would not pay to exit as they are already paying for their week. Pricing would be an issue – owner base are looking for change. I want to understand the real objectives	
CH	We are aware of what already has been said and can identify with a lot of what Ross has said, and we want to work together. How do you find replacements for staff so quickly ?	
RG	We already have	
BC	From exiting operations ?	
RG	Yes	
BJ	I can't ignore those that we have had long term relationships with – I trust they have been dealt with legally and procedurally. I do not perceive any malice	
RG	It would be incorrect to use malice. They have both been financially remunerated to the appropriate levels.	
BJ	How do you do redundancy on roles that aren't redundant ?	
RG	They are. There were clear levels of nepotism – 4 family members working the management company – 1 with an appalling sickness record, one picks and chooses when they work. The other two with poor management practises.	
BJ	I don't challenge your judgment – I feel I have responsibilities to long term staff and feel they should have been corrected firstly.	
RG	One of them went off sick the moment change was expected	

BC	Richards departure ?	
RG	<p>There was total acceptance of practices going on. If this was 6-7 weeks ago – he would still be here. There were games being played and blocks put up which didn't benefit the owners or the cub.</p> <p>For example housekeepers standing around for 1-2hrs when they should be working. Grounds – aren't productive – come in at 7.30am. The grass isn't cut properly near villa 27, dirty bollards – not looked after. Grass doesn't get cut when it rains. The general overall look was poor. Everywhere on site was his responsibility from grounds, to stock, to the units.</p> <p>PO's were signed off, it felt like the budget had to be spent just because it was there.</p>	
MY	<p>Are you suggesting Richard doing this ?</p> <p>Was he falsifying records ?</p> <p>This wasn't demonstrated in the feedback and figures.</p> <p>In the past couple of months there have been bullying decisions made</p>	
RG	<p>There have been no bullying tactics and I take offence at that statement</p> <p>We carried out due diligence prior to purchase – our key issue was to make sure the leisure agreement was in place for the owners and members and they were looked after.</p>	
DC	Slaley and timeshare are on a leasehold. We had to make sure what was in place had the interest of the owners in mind	
RG	There will be a full H&S report from a Seaham employee who is fully qualified and trained – this will cover guests, employees and all legislation	
MY	Richard used to give a H&S report – we were made aware of any accidents	
BC	Can you give examples of failings	
RG	There are no training agreements in the team – manual handling, fire, no statutory training in place, no COSHH to cover chemicals, and accidents	
BJ	<p>H&amp;S assurances in the past were driven by Q and their infrastructure. Prior to that De Vere were engaged.</p> <p>There is a H&amp;S meeting every quarter up until the aprrose involvement we were assured it was covered. Hoseasons carry out an annual report.</p>	
RG	<p>Ian has chosen to move on within the early weeks.</p> <p>In the early weeks I visited Belton 5 times and Slaley 8 times, prior to that I had never visited Slaley before.</p> <p>Ian was GM of two sites – he only visited the sites for meetings, there was no other involvement on site. You cannot manage without visiting sites.</p> <p>Seasons give high level of management presence. There will be a high level of management presence – different sets of eyes and core objectives</p>	

CH	Eric from Housekeeping ?	
RG	Has been disciplined, its not fair to comment on that situation	
Hoseasons Contract	<p>The Hoseasons contract is on a rolling basis, to be reviewed in July, at this moment in time no decision has been made on the contract.</p> <p>Hoseasons control the self catering market and are currently always on the agenda for discussion with seasons. We will demand and push where it is needed from them however it may not work at Slaley as they need consistent weeks and periods to be able to yield correctly.</p> <p>They bid on the name of Slaley Lodges. to move away from Hoseasons we would require a separate booking engine Maybe if Hoseasons is to work then owners may be asked to move lodges to allow a clear run on weeks. 70% of the market is short breaks not full weeks. DC confirmed Hoseasons is used elsewhere.</p>	
	Meeting broke for refreshments	
11.15am		
BJ	<p>What does seasons want from the committee</p> <p>My role is to represent 70% of owners.</p> <p>If seasons acquire more weeks then it will reach a tipping point of shares.</p> <p>In 5 yrs time – do you see the club existing ? or would the committee be a sounding board ?</p>	
DC	Gave reference to Clowance estates purchase in 2006 as an operating company with 100 lodges in timeshare with 1200 weeks v's 4000 weeks. It's still a working committee with independent auditors. The committee are a sounding board. It is assumed the natural course/result/desire would be for more weeks	
BJ	I see the role of this committee diminishing and it can go 1 of 2 ways – of which it would be taking the owner base with us – if that's what they want.	
RG	Can I see a copy of this survey	Jen – copy of survey
BJ	Yes – Jen should have shared it. It has been referred to in previous meetings. There were differing results across the four sites.	
RG	Our objective is to offer a holiday with enjoyment for members and owners from arrival through to departure. We as Seasons have taken over South Lodge in its entirety.	
BJ	I wasn't aware of this.	
RG	We feel we can improve on this again – everyone from the operation will be in the same location from housekeeping to stores to deliveries. The next meeting will be held in South Lodge as we see there being a meeting room there for such occasions.	

	<p>The experience at Belton and Slaley are like chalk and cheese right now – we are looking to improve on this. (BJ feels his experience of Belton was satisfactory)</p> <p>Our objective is to offer great holidays/locations/accommodation, touching on efficiencies – cutting costs which is down to inefficiencies.</p> <p>Steve is my right hand man at Seaham – we communicate daily on PO's invoices etc.</p> <p>We have already implemented a PO system to question purchases, yes there may have been delays but we are only looking after the pennies.</p> <p>The units are a great size, it is subjective as to what has gone into the refurbishments</p>	
BJ	The feedback on the refurbished units is they are pleased with them	
RG	We aim to accelerate the refurbishment programme and make better use of the sinking fund. At the moment the day to day spending is being reviewed in the hope that any cost saving can mean the money is moved into the sinking fund.	
BJ	<p>The refurbishment programme started in 2010, there was a significant increase in membership fees. The level of funding didn't support the refurbishment so the fee was increased 2/3 of the way through.</p> <p>There is the matter of style – of which most are pleased.</p> <p>If buying powers means we get more for less then we won't argue.</p> <p>Our aim is for 7 lodges to be refurbished every 2 years. We don't want to see this reduce.</p>	
CH	Ross said he can do cheaper – there are 3 planned for 2019	
RG	<p>Yes and we may be able to do a 4<sup>th</sup>. Our ambition is to refurbish the stock not already done and invest back into the properties when monies are available.</p> <p>KG is currently on hold and will be asked to re-tender for works. The value of what they are charging doesn't make sense.</p> <p>Seasons have two very experienced individuals who know how to buy and co-ordinate. The units are not difficult apart from removing the saunas.</p> <p>(everyone agreed the utilisations of the saunas is low and are in agreement for their removal)</p>	
MY	<p>Buggies?</p> <p>Confirmed they are on 5 year agreement and that the majority of owners want to keep the buggies and there would be a lot of unhappy owners should it be proposed they be removed at a later stage. However, they don't think they should be charged for the provision of the buggy.</p>	
BJ	<p>Could the cost of the buggy be offset against the cost of the heating of the lodge ?</p> <p>There is mains gas on site – would cost half million to put in gas heating with the thought of moving away from charging the heating separately. Every lodge is charged for a buggy</p>	



	but most of the lodges are not really used Oct to Mar. If the heating was all in this would benefit those who don't use the buggy. In winter its around £100 to heat a lodge a week. SB confirmed there is a big difference between heating a lodge and the cost of the buggy. RG	
RG	Confirmed nothing can be changed right now with the buggy situation. Utilities will be reviewed in September and they will be out for procurement. In the next 6-8 weeks we will have a better understanding of this. Other resorts are on LPG or electric. They have been looking at different electric heaters for other resorts with new on the market heaters, this is something that will be looked at.	
BJ	There is a big difference between efficient and effective – the current ones we have are effective but not efficient.	
RG	Payroll, utilities and laundry are our biggest costs in our business	
CH	But not maintenance ?	
RG	Confirmed things break – we have 2 refurbishment teams who do big projects – they are all experienced professionals on full time employment who are moved around the resorts as and when required. The Senior managers have great expertise across the resorts and know how to get best prices and haggle between the suppliers. Ultimately we negotiate to get best price for the best quality.	
CH	The current plan in place has been agreed by the committee – this has been approved by 7 but potentially could be changed by 3. We need to avoid major fall out – more committee meetings need to happen before any changes are made.	
BJ	There's no downside to co-operating however I am still unclear What is the long term ambition – is it to change the committee ? We need to communicate to the owners of what's going on – give them the news, we need you to be clear of what you want.	
DC	I understand – leave it with me and I will feed back to the seasons board and feed back to you by 28 <sup>th</sup> June 2019.	DC
	It was confirmed onsite maintenance will remain – broken things will get fixed, the agreement is still in place for out of hours between maintenance and the hotel.	
BC	Is interested to see a refurbished Seasons lodge – to see the comparison between Slaley and Seasons	
RG	Confirmed quality is as good – across bathrooms. Furnishings - some elements in bedrooms at Slaley are bland. There is some question of wear and tear and life span on some item in heavy used areas.	

	<p>Kitchen design could be better thought out but are to a good level, however they are not value for money. Refers to tiled areas, wallpaper in heavy used areas etc.</p> <p>Seasons have secured bespoke beds across all accommodation for a fraction of the costs.</p> <p>We believe in less money spent doesn't equal less quality.</p> <p>Seasons have 2 grades of stock – one is 5 star, the other is 4 star due to the different markets using seasons.</p> <p>The spend of 4k+ on a sofa at Slaley is domestic pricing – I have seen this in the ledgers.</p>	
BJ	<p>I take your point on style, there needs to be scope for variation on style, no one would disagree the same quality for lower costs.</p>	
BC	<p>Is there a plan to improve the quality of the offering from the hotel?</p> <p>RG – confirmed nothing can be done about the hotel, we would estimate it would be need about 5million spending on it.</p> <p>The survey confirmed poor service in the hotel. There is a lot of frustration around the hotel and the lack of benefits offered to the club and members/owners. RG confirmed they will lobby hard to work on benefits for the members and guests of the club but can't make promises.</p>	
RG	<p>South Lodge development – believe that this will improve efficiencies – the welcome is there – the hours of operation will be reviewed for check in days.</p>	
DC	<p>Confirmed the level of involvement from Seasons will only add value and they will forge a relationship, which will only benefit that club and members.</p>	
BC	<p>Do you see the number of lodges increasing over time from 37 ?</p>	
	<p>RG - Confirmed there is no 'spare land', it is owned by the trust,</p> <p>DC confirmed if it was feasible and not to the detriment of the current lodges then they could increase</p>	
BJ	<p>Is there a desire to acquire weeks – could suggest to the board to sell weeks for Seasons to buy ?</p> <p>DC – yes – we need to visit in the short-mid-long-term strategies</p> <p>BJ – main concern is mid-term – certain members may agree to sell shoulder weeks or school holidays week. I can confirm members would not pay to get out of their lease. I want to play fair for all owners. I am interested but also have concerns in what has been said today. I can't see why we can't be aligned.</p> <p>I won't be messed around.</p>	

Property Reports	<p>H&amp;S Incidents – no accidents recorded since last meeting for employees or guests</p> <p>Pot holes – tarmac next week near bungalows – using the same contractor as pre-agreed, carried out in 2 phases – doesn't include the coal road – its council controlled</p> <p>Guttering programme – complete</p> <p>Balconies – on going</p> <p>Painting – assessing units and painting where possible between lets</p> <p>Refurbishment – KG paused for now, do intend to complete the program at the same speed. However we will be more due diligent in asking to move a week so we can refurbish/upgrade units</p> <p>KG contract will be reviewed.</p> <p>Saunas – agreed</p> <p>Buggies – we are where we are. Belton has made their decisions. It is deemed that not all lodges require a buggy and there is definitely the opportunity to manoeuvre given the decisions taken at Belton. The buggy contract sits with the Management Company so when this is up for renewal it will be taken to the committee. 75% lodges want a buggy.</p>	
Confirmation of reporting	Board meeting discussion to take place, DC to report back	
Staff Issues	<p>Remain a concern</p> <p>It is regarded that long term staff are regarded as working for the club – admittedly not in a legal way. Relationships are strong between the club and staff. We hope that all staff are treated in confidence and treated fairly.</p>	
Exit Routes	<p>No change to criteria</p> <p>There have been three requests known</p> <p>RG – confirmed we won't acquire weeks at any cost.</p> <p>If exit requests meet the criteria then they will be pursued</p>	
Developments at hotel	<p>Covered off</p> <p>Need to grow relations between GM at Hotel to lobby for benefits to be implemented.</p>	
Activities for onsite	<p>Owners have requested for activities to be made available on site</p> <p>Eg – Welcome meeting</p> <p>RG – confirmed poor attendance in the EU seasons resorts, always attended by same guests.</p> <p>They don't happen in UK</p> <p>Other examples put forward</p> <p>Putting green</p> <p>Tennis courts</p> <p>Treasure hunt</p> <p>Confirmed – we don't have space but can look to work with hotel to best of our ability.</p> <p>Unsure if children as access putting/driving range – may need a guardian with them</p>	
Year End Accounts	Underspend of 2.5k	

	<p>Figures displayed Budget remains the same for maintenance fee Accounts approved by auditors – everyone in agreement – signed off as accurate</p> <p>Severance pay to be funded by Seasons but met by Slaley Hall Lodges Ltd BJ – the club is not looking to pick up the costs as they had no part in the decision making RG – the management company are responsible for the employees. Severance pay will come from management costs, however we will still perform saving costs. BJ – confirm not happy to sign for costs incurred that aren't pre-approved. No idea of the costs incurred. We should not be expected to pick up the costs that we aren't aware of. RG – I'm not asking the club to. We have discussed several areas today, ultimately, we acquired two Ltd companies that run the clubs – we are freezing the maintenance fees. We aim to deliver reductions in fees – we will see the results in 12 months. We will work within the parameters of everything and demonstrate savings even after special expenditure. The four of us on this side of the table are committed to this but not to the detriment of the holiday experience.</p>	
	<p>It was confirmed the accounts will be printed in the AGM leaflet as usual. BJ handed documents for approval within a week . BJ – to send letter of summary by end of wc 24/06 to SB</p>	
Debtors	<p>Increase on amount collected compared to this time 2018 It was confirmed that any outstanding debt that needs actions have been sent to RG. The same process is still in place. Each case will be taken on an individual basis before any action is taken as this is spending club money. Any that need pursuing will be dealt with BJ requested to be consulted and communicated to before any go to court. All agreed that the message needs to be clear and strong that outstanding debt will be pursued.</p>	
Communications with others Feedback	<p>Monthly feedback to be distributed ASAP, no reason why it hasn't been sent out – Louise ? Normally BJ gets a letter every 3-4 weeks – he has received nothing. RG confirmed all correspondence goes to Louise, nothing is being withheld. DC to follow up and report back by end of wc 24.06.19</p> <p>RG confirmed a feedback form taken away from Seasons – if anyone has any issues, they write direct to the Chairman. Renters – use the Hoseasons feedback form of revoo</p> <p>No negative feedback</p>	

Date of future meetings	03/10 – pre AGM meeting @ 3pm 04/10 – AGM @ 11am – meeting room at Slaley Hall Hotel 11/01/20 - January walk around - Slaley 16/03/20 - Budget Meeting – venue TBC 19/06/20 - Slaley Hall Owners Club Committee Meeting – venue TBC	
Other Actions	SB to look into issue raised at last meeting of gent with disable son who requested exit It was confirmed that there is a no dog policy	