British Mountaineering Council

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Board of Directors

Redacted minutes of the Board meeting held by way of Zoom on Tuesday 24 August 2021 at 6.30pm

Directors Present:	Paul Drew (PD)	Chair
	Paul Davies (PDa)	CEO
	Di Hopper (DH)**	Independent Director
	Martyn Hurn (MH)	Nominated Director
	Peter Salenieks (PS)	Council Nominated Director (CND)
	Fiona Sanders (FS)	CND
	Carl Spencer (CS)	CND
	Andy Syme (AS)	President
	Jonathan White (JW)	Nominated Director (Clubs)
	Caroline Worboys (CW)	Senior Independent Director (SID)
In attendance:	Lucy Valerio (LV)	Company Secretary (CoSec)
	Paul McKoen (PM)	Chief Financial Officer and part of Senior Management Team (SMT) (CFO)

* denotes supporting paper(s) circulated prior to meeting ** left at minute 4.4 ***

Item Topic and Main Aspects Considered **Decision / Action**

1 Welcome, apologies & declaration of interests

The Chair reported that due notice of the meeting had been given. He said that Flavia Alzetta (FA) and Jonny Dry (JD) had given their apologies, and that CW was calling whilst on a train so may drop out at times, but that the meeting was quorate, he therefore declared it open.

Conflicts of interests were declared by PDa, PM, and LV as members of staff and PS declared he had joined the Long Distance Walkers Association.

2 Outstanding Actions*

2.1 The CoSec explained the proposed new system using Teamwork to track outstanding actions, the main points were:

- Board members could comment on actions to demonstrate steps they had taken to complete the action

Item **Topic and Main Aspects Considered**

- Board members could show the progress made on an action and could also mark it as completed themselves
- Notifications to remind Board members they had tasks still to complete could be set up
- The project had been set up using only those actions still outstanding as at 12 August 2021

The Board discussed this and raised the following points:

- Notifications should be managed so that they were not received for every little thing
- Training on how to use Teamwork should be provided
- The project should be refigured so that it mirrored the one set up by the President for Council

The Board agreed that the proposal should be trialled in a drive to be more efficient.

Decision / Action

CoSec to speak to Chris Stone about training.

CoSec to add all directors to the Teamwork project and assign tasks to them.

CoSec to reconfigure the project so it mirrored the Council one.

Teamwork to be used to deal with outstanding actions.

2.2 The Chair asked if the Board wanted to go through some outstanding actions from 25 March 2021 onwards. The CoSec noted she would update the Teamwork project in respect of completed actions and the points noted below:

- The actions from 25 March 2021 at 5.2.1 re Specialist Committee Report to be amended to reflect further discussions re indoor climbing committee and the FAC's position on the splitting of the Finance & Audit Committee to two committees should be closed. Work was ongoing in respect of an indoor climbing committee and the Board agreed that Roger Murray's recommendation of splitting the FAC in two should be actioned.
- The CoSec together with Kate Anwyl and Suzanne Jones were looking at a way to suitably review the management regulations so work was ongoing (meeting 29 March 2021, item 6.6.1)
- Two actions for the CFO from 12 April 2021 re corporation tax calculations and R&D tax credits to be carried forward to this meeting as they were yet to be actioned (meeting 12 April 2021, item 2.1.2)

[redacted]

The meeting then agreed that in the interests of time, the remaining outstanding actions would be dealt with via the Teamwork project.

Decision / Action

CoSec to update outstanding actions list via the Teamwork project

3 CEO and SMT update

3.1 The CEO shared his screen to go through the presentation uploaded to Teamwork called 'Item 3.1_CEO update', the main points were:

- Tokyo was a successful competition, although Shauna did not make the final, coming 10th/20 is a success, especially as she was carrying an injury
- The impact of the Olympics was still being worked through, but advertising reached c.430,000 people, although the email addresses harvested via the Get Climbing campaign so far only totalled 255.

Item	Topic and Main Aspects Considered	Decision / Action

The Board discussed the Olympics further and the following points were raised:

- Dame Katherine Grainger, the chair of UK Sport, had been in touch with the Chair to send her thanks to the BMC for a successful Olympics
- The lack of email addresses was possibly due to the link being between people and a wall, as opposed to people and the BMC, this was a lesson learnt
- It was the BMC's first Olympics and so it would be a learning curve but how did it perform against the online strategy for the Olympics? There was a concern that for the previous 18 months various plans had been put on hold to allow the marketing team to focus on the Olympics
- There had been an opportunity missed because there was limited knowledge within the BMC of how to capitalise on the Olympics, this would not be the case for Paris 2024, also the marketing team had been working on the U27 membership
- There was more data to be analysed, in particular the British Olympic Association would provide a media analysis

3.2 The CEO then continued:

- A Covid case in the office had been challenging, but the BMC's procedures had worked well
- [redacted]
- Return to office, the CEO referred to the paper uploaded to Teamwork called 'Item 3.1_HybridWorking' – following lengthy discussions by the SMT it had been agreed that there would be a resumption of business as usual from the 1 October, as staff being able to work flexibly already existed and they could make a flexible working request, so there was no need for a new way of working. He added the SMT recognised some roles might be better delivered through a hybrid model, but that did not justify a BMC-wide change in approach
- Interviews for the Chief Commercial Officer were taking place the next day (25 August), he thanked all the Board members who had been and continued to be involved in the recruitment process
- The closing date for applications for the Growth Marketing Co-ordinator was 6 September

There were some comments on the return to office paper:

- Some Board members supported the approach as home working had not seemed to be very 'productive'
- That it might be a mistake not to implement hybrid working as it might be a de-selection for some candidates and so reduce the pool of talent available to the BMC.
- It would be good to review the plan at some point.

Item	Topic and Main Aspects Considered	Decision / Action
3.3	The CEO then reported on the Strategic Action Plans (SAPs) as they had been reviewed and updated at the end of Q2. The Board noted that the majority of the SAPs were amber and asked if there were underlying issues that needed to be addressed, if there was resistance in some areas and how confident the CEO was with the progress. This prompted a discussion during which the following key points were made: • The whole process of performance management was new to the BMC, and the CEO was working hard to embed SAPs with the SMT so that they could be used as a tool to decide if the actions were too ambitious, unachievable or unrealistic • The SMT needed the capacity and the time to embed the process, they know they have to get on top of it and that it is being used to assess them, and that they should be using it to assess staff they line manage [redacted] • Before any review took place, staff needed to know what the plan was for making the boat go faster The Board agreed that staff would need to understand the plan they had determined as a result of the deep dive session they had held into 'what makes the boat go faster' and the agreed it should be published within the Board prior to it being shared with staff and Council.	The outcome of the deep dive session into the target of 'what makes the boat go faster' to be published within the Board and then shared with staff and Council.
3.4	The CEO then turned to membership information, the Board discussed membership sales, noting: • There had been an increase in sales in the last 3 months • It would be very useful to have the actual membership sales tracked against the budgeted membership numbers, and this information should be captured in future reports to be provided to the Board • The BMC is behind on the budgeted membership, largely due to the issues surrounding travel insurance • A question was asked it was known how much of the net gain was generated by the U27 membership • The revised offer (of getting a 25% discount on a year's membership subscription for new members signing up to pay by direct debit) was now in place. Anecdotal data showed it had not had any negative impact on membership growth, or on people signing up to direct debit, but did carry the intended benefit of retaining an extra 25% of the membership cost. It was recognised that it was very early days, and a fuller assessment would follow. The CEO added that there were to be upcoming seasonal incentives and a big push on buying travel insurance when you book.	CEO to provide the Board with the figures of actual membership sales tracked against budgeted membership numbers for each membership category and how much of the net gain is generated by the U27 membership.
3.5	The CEO then referred to the risk register, he thanked Board members for the feedback he had received. He said the biggest thing was how specialist committees should interact with the risk register, whether they should be alerted to a risk specific to them, or whether each committee should maintain their own, which would be a sub-set of the main risk register. The Board discussed this and noted:	

Item **Topic and Main Aspects Considered** | **Decision / Action**

- A cascading risk register should be used, with each committee having their own so that they could then alert the CEO to any risks they required help with
- If a Risk and Audit Committee is instigated, it would be a great vehicle to get this started and to work out how best to implement it
- The format used for any sub-set risk registers should be consistent with the main risk register

CEO to look at how make a cascading risk register work

This led to a discussion about the BMC's website and IT in general, with the following points made:

- The risk register had shown that the IT capability and hardware was a priority over a new website, but that this would also assist with some of the issues with the website
- There was a concern that the Board had previously approved a budget which included money to be spent on the IT systems, and some Board members were under the impression this work had started
- It was not as simple as just getting a new website, there were a number of stages that needed to be gone through to work out what would work best for the BMC, such as what parts need to be member focussed? Or Area focussed? Or the shop window?
- A real focus on IT is needed at a high level with someone who can take commissions

The Board reiterated they were in favour of investment in the appropriate IT infrastructure.

4.1 Finance Update – half year*

4.1.1 The CFO reported the following as a result of the end of half-year, he referred to the document uploaded to Teamwork called 'Item 4.1_ Helicopter 2022 v5 180821' and the tab called 'Board summary'

- There was a deficit of -£54k at the end of June, which was £106k better than budgeted
- The big variances included lower than budgeted membership growth, with membership income lower by £39k
- Furlough would stop at the end of Q3
- There had been numerous savings on the cost base across all departments.
- The reforecast showed a deficit of -£211k against a budgeted deficit of -£271k
- He was confident the reforecast for the remainder of the year was conservative

The meeting discussed the CFO's report and noted:

- Marketing had cut its costs and they were reluctant to spend money, this was partly due to mixed messages and an understanding that costs needed to be reined in

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	• The Board had previously agreed that the BMC should trade its way out of the pandemic, and now the country is out of lockdown there should be a catch up and a real push by marketing on increasing membership growth, so money should be spent on this • If the money marketing wanted to spend was to help achieve the goal of 100,000 members then they should be spending the money	CEO had a clear mandate to authorise the marketing team to spend money on areas that would make the boat go faster.
	• There was a desire to see what the message of what making the boat goes faster looks like – there should be a very clear membership package linked to this, and the Board reiterated the need to provide clear differentiated membership packages to support this. The Board confirmed that the marketing team needed to spend the allocated money on the goal of 100,000 members. CW offered to spend a day with marketing to look at what she can do to help.	CEO to liaise with marketing about CW's offer of help.
4.2	**Reserves Policy***	
4.2.1	The CFO referred to the paper uploaded to Teamwork called 'Item 4.2_BMC Reserves Policy to Board'. He said the proposal from the FAC was that the BMC amended its policy so that it had a minimum and maximum level of reserves, being £500,000 and £1,500,000 respectively, as opposed to the current policy which was to have a minimum of 3 months and a maximum of 9 month in value of annual expenditure. The Board discussed this and the following points were raised: • The option of a risk-based reserves policy was a possibility in the future, but the BMC was not ready for that yet • It was not clear what would happen if the BMC needed to dip below the £500,000 – it was explained the FAC would expect the budget for the next year to be set to ensure the reserves were topped up accordingly. This should be made clearer in the policy.	
	• It was not clear in the revised policy what the reserves were. The CFO said they were accounting reserves, but the majority of the Board had assumed they were liquid assets, as it would be time consuming for the BMC to have to sell its property in order to dip into reserves – the reserves needed to be readily available. • The Board asked what the impact would be if they were to ask that the reserves be liquid assets • There should be a buffer in reserves of 3 months of salary costs	CFO to take the reserves policy back to the FAC and request that the reserves are liquid assets
4.3	**Subs increase**	
4.3.1	The CFO referred to the paper uploaded to Teamwork called 'Item 4.3_Subs increase paper'. He said he had seen some of the comments on Teamwork about the paper, but it was presented as is, which was that authority was sought from the Board to increase subs from 1 January 2022 for clubs and individuals by 5%, which was the increase in RPI from May 2019 to June 2021.	

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	The Board discussed the paper and the following points were raised:	
	• A 5% increase would need to go to the members, as the intention of the articles was RPI in a 12-month period and this was 3.86%, so anything above this would be a reserved matter	
	• It would be very useful to know what other organsiations do in relation to yearly increases, in particular Mountaineering Scotland	CEO to speak to Stuart Younie of Mountaineering Scotland to see if they plan to increase their subs.
	• The optics would need to be right because a deficit was being run, there was the possibility that members' insurance levels would be cut, and it could be seen that the BMC's answer was to ask members for more money	
	• Although the BMC was cheaper than other organisations, it did not offer value for money and so it was a difficult sell to increase subs	
	• The issue of an annual increase and value for money of membership needed to be decoupled, the BMC's costs increase year on year and the articles provide for a yearly increase in subs to help with this	Subs to be increased by RPI annually
	The Chair held a vote to ask if there was consensus to raise subs by RPI annually:	
	For: 8 Against: 0 Abstain: 2	
4.3.2	The Board then discussed when the increase should be effective from for 2022 only. The following points were noted:	
	• The helicopter budget had been prepared on the basis of an increase from 1 January, this was the figure of an increase in revenue of c.£75k	
	• If the increase was introduced in the middle of 2022 e.g. 1 July, then increased revenue would be less than half of £75k, possibly c.£30k	
	• The CEO should find out what the promise was made to clubs in respect of subs increases – Dave Turnbull or Alan Brown may have the details	
	• This was only for 2022, the following years would have the increase effective from 1 January	CEO to find the previous agreement made with clubs re subs increase
	The Chair then held a vote on when the subs increase should be effective:	
	1 January 2022 – 5 votes for 1 July 2022 – 5 votes for	
	The Chair therefore suggested splitting the difference and increasing the subs on 1 April 2022 – the Board agreed with this.	Subs increase for 2022 be effective from 1 April 2022.
4.3.3	The Board then discussed the RPI rate to be applied and a vote was held on whether it should be 5% or 3.86%:	

Item	Topic and Main Aspects Considered	Decision / Action
	5% - 5 votes for 3.86% - 5 votes for	
	The Board discussed this further and that if it was a reserved matter the cost of the EGM to be held would eat into any increased revenue. The point was also raised that a subs increase on 1 April 2022 and then one on 1 January 2023 would be two subs increase in one year.	
	The Board then agreed that the subs increase should be 12 months of RPI – 3.86% - and therefore was not a reserved matter, but that Council should be informed.	Subs increase on 1 April 2022 to be 3.86%.
	The Board then discussed that the improvement to membership package should be a Board only statement, but that it should be share with Council for information only. It was agreed that the CEO would take ownership of the action to improve the membership package prior to 1 April 2022.	CEO to take ownership of improvement to membership packages prior to 1 April 2022.
4.4	**Helicopter Budget**	
4.4.1	The CFO referred to the papers uploaded to Teamwork called 'Item 4.1_BMC Helicopter Budget Board paper' and 'Item 4.1_Helicopter 2022 v5 180821', in particular the tab called 'helicopter'. He said the following: • The helicopter budget for 2022 had been prepared as 6 months actual + 6 months forecast from 2021, and it had been prepared to ensure that 2022 held no surprises • He had prepared a range of possible outcomes – these were the figures in blue – a poorer position and a better position, these however, were not best case and worst-case scenarios • There were further risks that could be added into the budget, it did not assume changes to the membership that the Board want to develop • There were risks and opportunities set out which could result in a range of £85k to £180k additional income, these included additional grant funding, commercial income and a review of capitalisation policies • He asked for a steer from the Board as to how bullish they wanted to be in respect of anticipated travel insurance income, level of deficit etc. The Board discussed the budget and the following points were made: • Membership growth of 6% was challenging what was credible in 2022? The budget had assumed 4,000 new members in total as the CFO felt it was better to assume a low number • If the poorer option was used then this would result in reserves at the end of 2022 being about £900,000 • It did not include transformational spending on IT • There was a business as usual option, but it depends what the Board let the BMC do with the membership package and make a step change	

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	• What capacity and capability was needed and how much should be spent to get them? • A catch up was needed with IT spend in 2022, as money was budgeted for this in 2020 but it was not done • A clear mandate on the CEO and staff providing the Board with a plan to develop all disciplines of the sport and all grades of membership had been provided in June 2020 and a brief prepared. Specialist Committees should be brought into the development. • It takes time to develop ideas and the right people needed to be given the right amount of time to do this • That some large expenditure next year would not be unreasonable seeing as reserves are so high, it would make sense to spend big in 2022 on a transformative change and aim for reserves of £500k, as long as the expenditure was to improve the BMC and sustainability and membership packages, and put the BMC in its gold medal position • The above would depend on marketing and IT strategy • The 2022 budget would also need to have a better ability to track spend and to turn expenditure off or redirect it as necessary	
	The Chair summarised that there was a mandate to include transformative expenditure in the 2022 budget as with the 2021 budget and to draw down on reserves.	2022 budget to include expenditure for transformative change
5	**Sport England Bid**	
5.1	The CEO ran through some slides on the new Sport England (SE) bid process. SE have identified five big issues: • Recover and reinvent • Connecting communities • Positive experiences for children and young people • Connecting with health and wellbeing • Active environments SE had also identified four key demographics as part of their desire to tackle deep-rooted inequalities within sport and physical activity: disabled people, lower socio-economic groups, women and girls, Asian and Black backgrounds. The process to bid had changed as SE recognised that funded organisations each played one or more role within the sport and physical activity eco-system from: a systemic role, a governing role and a delivery role. The BMC was a 'System Partner' operating within a systemic and governing role, with its funded partners being part of a delivery role. The CEO added the following: • The BMC was currently in phase 1 of the process which is to provide SE with strategic alignment and organisational assurance, and financial details. There was also a section on mandatory standards, but SE	

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	were yet to publish the guidance on the new Code for Sports Governance so it was not possible to complete all of this at present. • The SMT were going to sit down on Thursday 26 August and add in the information required by SE to demonstrate its systemic and governing role • The CEO would then send this to the Board prior to the Bank Holiday weekend • The CEO asked that the Board send comments on the document back to him by Tuesday 31 August • The documents to go to SE would be submitted to the Board on 20 September • The documents would be discussed at the Board meeting on 27 September • All documents for Phase 1 of the process would be submitted to SE on 1 October	CEO to email the Board with the draft document for Phase 1 of the bidding process by Friday 27 August. Board to provide comments on the document to the CEO by Tuesday 31 August.
5.2	The Board discussed this and it was noted that there had been an analysis of SE's strategy and how the BMC's strategy fit, and the terms of engagement were: 1. BMC strategic theme fully aligns with SE – Action: pursue SE funding to deliver the theme 2. BMC strategic theme enhanced by SE funding – Action: pursue SE funding to enhance offer 3. SE objective aligns to BMC ethos but not in current strategy – Action: review and consider inclusion in funding bid Other points raised in the discussion included: • Challenge would be the need to explain to SE how the climbing world had changed and how the BMC was now closer to SE in terms of its aims • The BMC should be more bullish as it gets significantly less funding than other sports • Sport Wales not currently being pursued as the BMC did not tick their boxes for funding	
6	**Leadership Session Feedback** There was a brief discussion of this and it was agreed that the relevant documents regarding the Board Charter and Managing Board Business would be discussed offline via Teamwork.	
7	**Governance Matters**	
7.1	**Director on Finance and Audit Committee (FAC)** The Chair said he had spoken to ID (chair of the FAC), Tim Raffle (an FAC member) and Dave Brown (a Members' Councillor and member of FAC) following an email received from the President on behalf of Dave Brown and	

Item	Topic and Main Aspects Considered	Decision / Action
	concerns he had about the relationship between the Board and FAC. The outcome of those conversations was that two options had been proposed: • A finance specialist should be appointed to the Board, as it was when Huw Jones, and then Rosi Yule, were appointed • The CFO should be made a director and he would be the link The Board discussed this and it was noted: • The Code for Sports Governance required that the maximum board members of a funded organisation was 12, the BMC's articles of association reflected this, so it would be difficult to make the CFO a director unless one other existing director role was replaced • The Chair and JW were happy to attend the next FAC meeting in October • The Board felt there could be other options to pursue and that they would discuss this further at a later date The Board then agreed that JW would be the link between the Board and the FAC until another director could step in and take over the role possibly in early 2022.	JW to be the link director between the Board and the FAC.
7.2	**Director to lead on Anti-Doping** The CEO referred to the paper uploaded to Teamwork called 'Item 7.2_Director for Anti-Doping' and noted the following: • As the NGB for competition climbing the BMC had to comply with the requirements of the UK Anti-Doping Assurance Framework • This included having a designated Board member to lead on anti-doping and ensure that that individual has completed an e-learning course made available by UKAD • This individual would ensure that anti-doping was discussed as part of a Board meeting at least once a year • It was not possible to delegate this to a Board committee, it had to be a Board member • UKAD regulations applied to competition climbing not recreational climbing The Board agreed to discuss this role at the meeting organised by JW to discuss the portfolios of directors. The meeting was to be held on 13 September.	
7.3	**NomCom update re Chair** [redacted]	

Item	Topic and Main Aspects Considered	Decision / Action
	[redacted] the closing date for applications was 5 September.	
7.4	**Mountain Heritage Trust (MHT)** The President reported that MHT made some of the amendments to its new articles that the BMC had proposed. He added that he was happy with the amendments, as was JD and the CoSec. It was agreed the CoSec would upload the amended articles to Teamwork for the Board to read and approve.	CoSec to upload amended articles of MHT to Teamwork for the Board to approve.
8	**AOB**	
8.1	The Council should make the decision about whether to run the Lord Greaves Award in 2022, as it was a new award introduced in 2021.	
8.2	The Council should decide how and who to appoint as patrons of the BMC, they should ensure that diversity was thought of as part of the process.	
8.3	It was proposed that JD be the Board's equity champion as he had already done a lot of work on this. The Board agreed with this proposal.	
9	**Date and time of next meeting** The next meeting was to be on 27 September to discuss the SE bid and also a date for the 2022 AGM. There was some confusion over when the next face to face meeting would be and it was agreed that the CEO and FS would speak further about this. *PMN – there was then agreed a meeting to take place on 13 September to discuss portfolios.*	CEO and FS to speak about remaining board meetings required in 2021.
10	**Close of meeting** There being no other business, the Chair closed the meeting and thanked everyone for their time.	

Item	Action	Involving	Target date
2.1	CoSec to speak to Chris Stone about the possibility of him providing the Board with training on Teamwork.	LV	By 13.09.21
2.1	CoSec to add all directors to the Teamwork project re board actions and document approval and assign their tasks to them	LV	By 07.09.21
2.1	CoSec to reconfigure the Teamwork project so that it mirrored that of Council's	LV	By 16.09.21
2.2	CoSec to update the outstanding actions via the new Teamwork project	LV	By 07.09.21

Item	Action	Involving	Target date
[redacted]			
3.3	The outcome of the deep dive session into the target of 'what makes the boat go faster' to be published within the Board and then shared with staff and Council.	PDa ??	??
3.4	CEO to provide the Board with actual membership sales figures tracked against budgeted membership numbers for each membership category and how much of the net gain is generated by the U27 membership	PDa	??
3.5	The CEO to look at how to make a cascading risk register work	PDa	??
4.1.1	CEO to liaise with Alex Messenger to arrange a meeting with CW	PDa	By 07.09.21
4.2.1	CFO to take the reserves policy back to the FAC to review impact of having liquid assets as reserves and not accounting reserves	PM	??
4.3.1	CEO to speak to Stuart Younie of Mountaineering Scotland re increase in subs	PDa	By ??
4.3.2	CEO to find the previous agreement made with clubs re subs increase	PDa	By ??
4.3.3	CEO to take ownership of improvement to membership packages prior to 1 April 2022	PDa	Ongoing
5.1	CEO to email the Board Sport England document for their consideration and comments	PDa	By 27.08.21
5.1	Board to provide CEO with comments on Sport England document by 31 August	All	By 31.08.21
7.4	CoSec to upload amended articles of MHT for Board to approve	LV	By 06.09.21
9	CEO and FS to speak about remaining board meetings required in 2021	PDa and FS	By 13.09.21