

## BRITISH MOUNTAINEERING COUNCIL

177-179 Burton Road  
Manchester M20 2BB

Tel: 0161 445 6111  
www.thebmc.co.uk  
email: thom.nixon@thebmc.co.uk

### Board of Directors

Redacted minutes of the Board meeting held as a virtual only meeting on Zoom, on Monday 4 March 2024 at 7.30pm

Directors Present:	Roger Murray (The Chair)	Chair
	Andy Syme (ASyme)	President
	Flavia Alzetta (FA)	Independent Director
	John Willmott (JW)	Independent Director
	Neal Hockley (NH)	Nominated Director
	Martyn Hurn (MH)	Nominated Director
	Peter Salenieks (PS)	Council Nominated Director (CND)
	Andrew Say (ASay)	Council Nominated Director (CND)
	Trevor Smith (TS)	Council Nominated Director (CND)

#### In attendance:

Thom Nixon (TN)	Company Secretary (CoSec)
Paul Ratcliffe (PR)	Chief Executive Officer (CEO)
Gavin Finch (GF)	Chief Commercial Officer (CCO)
Iain Dickinson (ID)	Chair of Finance & Audit Committee

\* Denotes supporting paper(s) circulated prior to meeting

Item	Topic and Main Aspects Considered	Decision / Action
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1	<b><u>Welcome, Apologies &amp; Declaration of Interests, any AOB.</u></b>	
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The Chair opens the meeting and welcomes the directors and senior staff. Laura Needham, nominated director, sends her apologies due to a prior commitment to overseas travel for work. All other directors are present for the duration.

There were no conflicts of interest.

The Chair indicates that there will be a change to the agenda in order to deal with budgetary issues. The 2024 and 2023 budget items will be swapped on the agenda to allow more efficient staff input. This means that agenda item five precedes item four but all others are unchanged.

Item	Topic and Main Aspects Considered	Decision / Action
	No AOB is raised.	
2	<b><u>Approval of Previous Meeting's Minutes</u></b>	
	<p>Draft minutes of the Board Meeting held on the 8<sup>th</sup> February 2024 were circulated to all attendees prior to the meeting and comments were received suggesting slight amendments on grammatical and clarification grounds:</p> <ul style="list-style-type: none"><li data-bbox="197 424 1659 483">• The Chair is happy to amend the minutes based on the grammatical notes. No objections to this approach are raised;</li><li data-bbox="197 496 1682 619">• Amendments are suggested to the wording of the first safeguarding item, including clarifying that the BMC's safeguarding measures should not be seen to unreasonably target club members. The chair agrees to make these requested amendments when producing the final minutes with the CoSec. No objections to this approach are raised.</li><li data-bbox="197 632 1518 655">• The minutes are approved on the proviso that the Chair makes the above suggested amendments.</li></ul>	<p>Action - Make the amends to the previous minutes that have been requested by directors since the draft minutes were sent. These minutes to be redacted and published on the website by 18/03/2024. (Chair/CoSec)</p>
3	<b><u>Approval of Laura Needham as Board Anti-Doping Champion</u></b>	
	<p>The board discusses the appointment of an anti-doping champion. GB Climbing's Competitions Programme Manager informed the Chair and CoSec in February that the vacancy for this role had to be filled before 8<sup>th</sup> April 2024 in order to maintain regulatory compliance. The vacancy was then discussed ex-committee ahead of the meeting and these discussions suggested that Laura Needham (LN), nominated director, is best placed to take on the role. LN confirmed her willingness to accept the role.</p> <p>The approval process proceeds as below:</p> <ul style="list-style-type: none"><li data-bbox="197 1110 1697 1169">• The Chair gives an outline of the case for LN, which is supported by a board pack that has been distributed to all attendees;</li><li data-bbox="197 1182 1653 1206">• LN has already been helpful on anti-doping policy and is an expert in this area due to her professional career;</li><li data-bbox="197 1219 1160 1243">• The chair calls a vote on approving LN as board anti-doping champion;</li><li data-bbox="197 1256 969 1279">• The vote carries unanimously, and LN is duly appointed;</li><li data-bbox="197 1292 1659 1316">• The CoSec indicates he will save all supporting documents and inform LN and the GB Climbing stakeholders.</li></ul>	<p>Decision – Laura Needham appointed board anti-doping champion.</p> <p>Action – Formally record LN's appointment on file and inform LN and GB Climbing of the decision. (CoSec)</p>

**Item Topic and Main Aspects Considered**

**Decision / Action**

**4 Review of 2023 Annual Financial Figures**

The Chair explains that the annual financial figures as previously presented to the board are subject to change and passes to the CEO (PR) to present the background to this.

PR explains the conversation on the 2023 figures has changed due to recent developments. A potentially material change to the previously submitted 2023 financial figures was discovered on Friday 1<sup>st</sup> March. The context and next steps are then outlined:

[REDACTED]

- A query from the auditors has led to the BMC discovering a failure in the calculations within the profit and loss account.
- At this stage the calculation difference maybe of the order £100k
- If the calculation difference is as large as £100k, it would mean that the BMC would end the year with £450k of reserves as opposed to the circa £550k reserves previously expected.
- FA is working with the auditors to get to the bottom of what the final figure is and what the resultant mitigation should be.
- PR is looking at what should be done to ensure stability in the finance team. FA, ID and KA will work together to move towards a final set of audited accounts.
- Considering this development, PR is of the mindset to work towards a more detailed set of accounts than ever done in the past.
- In anticipation of members questions at the AGM and more generally, a clear separation of BMC and Grant based income and associated accounts will be beneficial.

Discussion then follows on practical next steps between this board meeting (04/03/2024) and the next (27/03/2024).

[REDACTED] FA states that we are planning to go through the balance sheet and reconcile every transaction for 2023. The expectation is that auditors will deliver a plan for an in-depth audit in the coming few days. In terms of managing expectations, final answers are unlikely to be available in the short term. It will take time to calculate the final figures. [REDACTED]

The Chair states that next board meeting is on the 27<sup>th</sup> March and asks if it will be resolved by then. FA states that we will know as soon as the BMC and the auditors have a plan within which to reconcile the figures.

**Item Topic and Main Aspects Considered**

**Decision / Action**

There then follows considerable discussion about the implications of this change to the expected figures:

- It is agreed that the BMC must treat this very seriously. The auditors will help but their duty and job is around approving accounts. This raises the issue of whether the BMC has enough resource to effectively manage the full financial complexity of the organisation.
- The accountants are required to verify the accounts and may come back with a higher bill if the work has increased because of these uncertainties
- Typically, accountancy work that is outwith verification of the accounts is treated as consultancy and will incur additional costs.
- In the coming year the BMC must provide increased detail and transparency around the accounts for both grant and non grant funded activities
- There is a strong need for an interim CFO (or equivalent role, not titled CFO). It will allow the BMC to bridge the gap until the appointment of a permanent CFO which is expected around August 2024. The potential for funding of an interim CFO position is being explored with UK Sport. UK Sport have recommended a suitable individual to take the role on an interim basis.

In addition to the financial and resource concerns above, there is also discussion on the impact of such issues on BMC staff:

- When employees are operating under a lot of pressure or facing a resource challenge, it raises the risk of mistakes, and this is something we need to be able to safeguard against in future with improved resourcing of key functions.
- There is agreement that the BMC must be satisfied that staff are not being put under unrealistic pressures.
- PR concurs with the above and adds that he has been struck since the beginning of his tenure at how the BMC's staff culture is strong and supportive.
- BMC staff must be provided with adequate training for the roles and positions that they hold and that this training must support any change in underlying systems and processes.

Discussion then follows on messaging to members in light of the financial developments. The tone of the previous Members' Council meeting was universally seen as positive and it is in the interest of all that the Open Forum planned for the 20<sup>th</sup> of March follows the same pattern. Messaging therefore needs to be clear and transparent.

There is also discussion of negative social media conversations about BMC staff that have the potential to negatively affect the morale and mental health of staff. It is paramount that neither staff nor volunteers are driven to resign due to the heat within the external social media comment

**Item Topic and Main Aspects Considered**

**Decision / Action**

The Chair brings the discussion back to the key decisions to make:

- The first one is requesting FA and ID to support the BMC staff in their work with the auditors. This is approved unanimously.
- The second is to give PR permission to resource the BMC with an interim senior financial resource (akin to, but not necessarily titled CFO). This is approved unanimously, with the stipulation that TS will be involved in the process and offer his expertise accordingly.
- The third is to give PR authority to commission additional work to ensure the completion of the accounts and to provide high quality separate accounting for GBC. This is approved unanimously.

Decision & Action – FA and ID to support the BMC in its work with the auditors on the 2023 finances.

Decision – CEO to resource the BMC with an interim senior financial employee. TS will work with PR to support resourcing (PR/TS)

Decision and Action - CEO to commission additional work through the accountants in order to ensure the completion of the 2023 accounts.

**5 2024 Budget**

PR presented on how the 2024 budget will change from how it has previously been presented. This is in light of the differences discovered in the 2023 accounts which will have a direct impact on financial strategy for 2024.

All agreed that a very different landscape has emerged compared to that presented in the CEO's most recent meeting with Members' Council. We should prepare to cover bases for the worst-case scenario of the 2023 budget which realistically means preparing for worst case reserves of £450k at the end of 2023. It is unrealistic to set a budget aiming for £600k reserves at end of 2024. Even though that level is desirable, it would involve unrealistic cuts to resource when we should be aiming to build a stronger BMC.



**Item Topic and Main Aspects Considered**

**Decision / Action**

The next question is what events to run. Budget is circa 40k for GBC events. In person meets for council and board could be cut, perhaps saving £8k. Office resource budget cuts can be made, perhaps cutting £3-4k. However, moving into big drastic changes and redundancies without a proper plan moves the BMC into more problems in the short and long term.

Discussion then follows on the topic of cost-cutting and general financial strategy for 2024:

- The BMC faces big cost pressure which may result in asking members to contribute more, but this must be handled properly and justified clearly.
- The budget being proposed by PR creates a surplus in 2024.
- Members Council have asked questions about reserves and future plans, and the BMC needs to be mindful that reserves of £500k have been seen as an absolute minimum level.
- Substantial problems will appear if the BMC posts a loss for the next financial year. We should therefore ensure that the approved budget enables the BMC to generate a surplus through 2024.

Action – ID and FA to lead FAC into recommending where the BMC should be with respect to reserves at end 2026 (FA / ID / FAC)

The Chair summarises the discussion with two points: Firstly, we don't know the financial outcome from 2023 and work is still being done to calculate this. Secondly, the BMC is likely to need two years to return to reserves of greater than £600k.

PR is to report on the 27<sup>th</sup> of March board meeting with some options around managing through 2024 such that the board can review and potentially agree the proposed budget. PR makes the point that the board should be seen to be united and supporting the BMC strategy - and the Board concurs. There is also agreement that where cuts are made, the BMC must be transparent and open with members about why these cuts are necessary.

Action – A Strategic options paper for the board to be prepared for discussion at the 27<sup>th</sup> March 2024 board meeting (PR, with assistance of SMT).

There then follows further discussion about the financial future of the BMC and the board concurs that from a morale and confidence point of view, the BMC needs to make a sustainable surplus in order to build reserves.

[Redacted content]

**Item Topic and Main Aspects Considered**

**Decision / Action**

[Redacted]

Further questions are then asked about potential cost savings for 2024 and these are answered as below:

- It is queried whether the membership administrator transferred to GB Climbing could transfer back in order to make a cost saving on replacing the role. PR confirms that the GB Climbing role is funded entirely by the grant from the governing body so no cost saving could be made.
- It is queried whether the salary increase, and insurance continuation can be included in the budget and still result in a surplus. This answer is as yet unclear pending reconciliation of accounts for end 2023 and performance during Q1 2024. If we continue with personal accident cover, it may be difficult to achieve £500k of reserves and we also need to account for salary, performance and the cost of the interim senior financial position.

[Redacted]

There is agreement that there is no route out of this situation that pleases all of the membership, and the possibility of increasing subscriptions should be looked at. There is agreement that modelling of future membership levels should be realistic and not predict trends unless they are supported by clear data.

The view is raised that the membership would be unlikely to take issue with a well-considered increase if we clearly set out the things it covers - an example being an explicit mention of the insurance premium rise.

The Chair steers the board towards voting on the necessary decisions:

[Redacted]

- Should the BMC delay change to personal accident and third-party liability cover until the next full membership review occurs? This passes unanimously.

[Redacted]

**Item Topic and Main Aspects Considered**

**Decision / Action**



- Should a Task and Finish Group look at the insurance landscape going forward to decide re future cover offering? This passes unanimously.
  
- Should the BMC consider the membership subscriptions and consider the possibility of an increase and look to present this at the AGM? This passes unanimously.

Decisions – Changes to personal accident and third-party liability insurance to be delayed and included within the full membership review. Personal Accident Insurance will continue unchanged until the Membership Review is completed.

Action - A task and finish group to be put together to work on options for personal accident and third party liability insurance and membership changes which will be put before the board. (GF)

Action – The Task and Finish Group will look at the insurance landscape going forward to decide what, if any, future cover can be offered. (GF)

Decision – The potential for an increase in member subscriptions is to be considered ahead of AGM.

Decision – 2024 budget agreed with proviso that both

Tonight's agreement is that the 2024 budget is agreed based on the previously agreed £575k reserves level at the end of 2024 but with the caveat that careful management of both income and expenditure will be critical through 2024. This passed unanimously and enables the staff to run with the 2024 operating plan without bringing each item of the 2024 budget for approval at a board meeting.



**Item Topic and Main Aspects Considered**

The directors expressed an interest in understanding more about both the UK Sport and Sport England Contracts. There is agreement that this would be very useful in terms of helpful

The Meeting closed at 22.00

**Decision / Action**

income and expenditure will need to be managed extremely carefully throughout 2024

Action – Induction into the UK Sport Contracts to be arranged for the Directors – UK Sport to be present at the May Board Meeting. (RM)

**Action and Decision Points Summary**

Item	Decisions and Actions	Involving	Target date
2	<b>Action:</b> Make the amends to the minutes of the Board Meeting that was held on the 8 <sup>th</sup> February 2024 and requested by directors. These minutes to be redacted and published on the website.	Chair/ CoSec	18/03/2024

Item	Decisions and Actions	Involving	Target date
3	<b>Decision:</b> Laura Needham appointed as Board Anti – Doping Champion		
3	<b>Action:</b> Formally record LN's appointment on file and inform LN and GB Climbing of the decision.	CoSec	08/03/2024
4	<b>Decisions:</b> Changes to Personal Accident and 3 <sup>rd</sup> Party Liability Insurance to be delayed and included within the Full Membership Review. Personal Accident Insurance will continue unchanged until the Membership Review is completed		
4	<b>Action:</b> A task and finish group to be put together to work on options for personal accident/ third party liability/ membership changes which will be brought to the board.	GF	29/04/2024
4	<b>Action:</b> The task and finish Group will look at insurance landscape going forward to decide what, if any, future cover can be offered.	GF	29/04/2024
4	<b>Decision:</b> The Potential for an increase in member subscriptions is to be considered ahead of the AGM	GF	29/04/2024
4	<b>Action:</b> ID and FA to lead FAC into recommending where BMC should be with respect to reserves at end 2026	ID and FA with FAC	21/09/2024
4	<b>Action:</b> A strategic options paper to be prepared for discussion at the for 27 <sup>th</sup> March board meeting	PR with assistance of SMT	15/03/2024 for papers
4	[REDACTED]		
4	[REDACTED]	RM	29/03/2024
4	<b>Decision:</b> 2024 Budget agreed with proviso that both income and expenditure will need to be managed extremely carefully throughout 2024		
4	<b>Action:</b> Induction into UK Sport Contracts to be arranged for directors – UK Sport to be present at May Board Meeting	RM	29/04/2024
5	<b>Decision and Action:</b> FA and ID to support the BMC in its work with the auditors on the 2023 finances.	FA/ID	Ongoing with reporting at 27/03/2024 board meeting.

Item	Decisions and Actions	Involving	Target date
5	<b>Decision and Action:</b> CEO to resource the BMC with an interim senior financial employee or consultant. TS will work with PR to support resourcing	PR/TS	31/03/2024
5	<b>Decision and Action:</b> CEO to commission additional work through the accountants in order to ensure completion of the 2023 accounts	PR	31/03/2024