



MINUTES

Of the meeting of the **British Water Ski & Wakeboard Board** held on **Thursday 2nd April 2020** via **Conference Call**

1. To Record Attendance and Apologies for Absence.

Present:

Martin Winter
Steve Sopp
Peter James
Simon Waring
Margaret Curtis
Clare Lobb
Nick Fellows
Patrick Donovan

Apologies:

Abbie Lench

2. Declarations of Interest.

There were no changes made to the register of members interests.

3. To Approve the Minutes of the Meeting Held on 5th February 2020.

The minutes were unanimously approved by those who were present at the last meeting.

4. Matters Arising not Covered by this Agenda.

a) Racing Boat Insurance – still unresolved and it appeared likely the discipline would not operate this season tbc. All international events on the calendar for the whole of 2020 were cancelled today.

b) Access Adventures / BDWWA “merger” – conference call scheduled for next week to hopefully progress affiliation to BWSW.

c) Advisory Council (AC) Protocol – in terms of the AC having a communication channel with the Board and vice versa, Tony Green (Chair) would attend the next Board meeting and a Board representative (or more) would attend AC meetings. Minutes of Board meetings would be circulated to all AC members once released and AC minutes would be circulated to all Board members. Minutes of course were available online in any case once approved,

d) Black Tie Club Event – Simon Waring was progressing this as an end of season event held in Yorks & Humberside with a wider invite.

5. To Note Items for AOB.

None recorded.

6. Development Update.

A paper was circulated prior to the meeting outlining a “refresh” of the Development Committee, the aim being to re-establish the scope and management of its work via clearly defined working groups as follows:

Coaching; Driving; Cutting Edge; Environment; Business Development / Sponsorship; Membership and Safeguarding (currently well established the safeguarding group consisted of senior BWSW staff and a liaison from the Child Protection in Sport Unit).

BWSW member Dush Lukic had agreed that he would be prepared to work with the BWSF board as the Development Co-ordinator. In this role Dush would effectively chair the Development function. As part of this role the Co-ordinator would report to the Board on progress twice per year, monitor the operation of the working groups and conduct an initial fact-finding exercise on the state of play currently with regards to the above development responsibilities. The proposal was approved by all present and its operation would be subject to ongoing review.

7. Finance & Board Related Matters.

a) Approval of Draft Budget – Patrick D provided a set of guidance notes in relation to the budget to assist new Board members in their understanding of how the budget was structured in relation to various reporting requirements on grant spend and to assist with the complexity of VAT calculations (partial exemption).

The budget had been drafted just prior to the current crisis and reflected what was known at the time. An impact assessment had been produced to determine the potential for reduced income from the key income streams of membership, affiliation fees and qualifications (detailed in item 8b further) and reductions in variable costs. The budget was approved in principle, subject to ongoing review and ongoing urgent actions and support measures which would reduce costs and aim to maintain overall income to the best of our abilities.

b) Coronavirus Impact - Peter briefed the board on the material risk that our income was substantially reduced as a result of the impact of COVID-19 on our clubs and activities and the support for sport that Sport England (SE) had announced.

SE had announced a £195m support package for sport. This package consisted of:

1. A new £20m Community Emergency Fund, which is open now for local club and community organisations to bid for grants between £300 and £10,000.
2. A new £5m fund for existing SE partners facing specific and immediate financial difficulty
3. £55m put aside to support the sector during an ongoing period of restrictions; to fund new and innovative ways to keep people active and then, when it is over, to help organisations get back to business and adjust to a different environment.
4. A £115m rollover of current funding into 2021/22 to give certainty to over 100 well established partners who play a vital role in the delivery of sport and physical activity in England, and whose current funding agreements with SE run out in March 2021.

The Community Emergency Fund is support that our voluntary member clubs can look to apply for and utilise to support them in this difficult time. The £5m and the £55m is funding which we can look to gain access to as the NGB to support the NGB as needed over the coming year.

The final element of the funding was to continue the current four year funding round support for a fifth year based on a “light application” which is to acknowledge that sport is not going to be in a place to do a full four year funding application in addition to managing COVID 19 in the current year. This would be particularly helpful to the smaller sports like ours who do not have large resources.

Peter and Patrick had already held an initial call with Greg Clements (Strategic Lead - Partnerships & Investments) at SE.

SE confirmed that the Board could utilise the current funding for the 2020/21 financial year in any way needed to ensure that the organisation could continue to function. This removal of the restrictions on the use / application of the funding did enable flexibility in how costs could be reduced and enabled the Board to take actions which would retain our capability to support the sport more effectively once the COVID 19 restrictions are reduced / lifted.

SE also understood that there might be a need for additional support for our sport in the current year however they would not provide any commitment at this early stage as to what support they could provide, however Greg committed to work with Patrick over the coming weeks personally to understand the issues which BWSW were facing and to work to address them.

SE are absolutely looking for BWSW to take actions to manage the shortfall themselves however they are also wanting the NGB to be in a position to support the sport post COVID-19 and ensure that participants returned to their sport and are not lost. As a result Peter believed that BWSW could access support from SE to the extent that we needed it once we had taken all the available actions to address the deficit ourselves and there was a reasonable prospect that SE would be supportive albeit at this stage there were no guarantees or commitments.

b) Risks & Impact Season 2020 – the financial risk to the business was outlined above and clearly there was currently significant impact on the competitive calendar, the ability of clubs to open (the vast majority were closed), the viability of international events etc. The situation would be closely monitored particularly during the key months of April / May. Currently an affiliate survey was taking place by telephone to assess the situation on the ground and to understand and offer support where possible.

BWSW potential financial position

Our income in a normal year was ~£0.8m of which ~£0.3m is SE grant funding (falling to £0.25m in 2020) and ~£0.5m of self-generated income (£0.3m membership, £0.1m Discipline income £0.1m Coaching Driving and Other income). Largely the federation lives to its means utilising the majority of its income, however it was noted that historically we have generated a small surplus.

It was highlighted that there was a real risk that in a bad-case scenario that self-generated income in the year to March 2021 could fall to as little as £150k (reflecting a potential deficit before mitigation of £350k).

Peter went on to further explain that a large proportion of the costs of the federation are fixed costs however there were however costs that would be mitigated and actions that we needed to take to mitigate costs to address the potential shortfall.

Costs which will not be incurred or can be controlled / reduced are as follows:

Excellence / Discipline costs - largely match the income therefore the income shortfall would be offset by cost reductions of circa £75k.

Development programme costs (coaching, driving, centre inspections etc.) would be substantially reduced a reasonable estimate ~ £75k.

Other cost mitigation activities (meeting costs, lower insurance due to lower membership / social functions etc) could be reduced at a reasonable estimate ~ £25k.

This would leave a deficit of circa £175k.

The only other costs which could be addressed were:

Magazine costs which total ~ £50k including postage for 4 magazines therefore for each magazine that is not sent we could save ~ £12.5k however this mitigation would be a last resort as it substantially reduced our ability to engage members and participants.

Wages and salaries which total ~ £0.3m.

Peter explained that while the development roles were fully funded by SE those staff such as the CEO, Operations Manager and Admin which support the membership and development were within our core costs which were only 24% funded. He reiterated that SE confirmed that

we were able to re-deploy resource and funding to ensure the federation could continue to deliver its support for its sporting objectives as effectively as possible.

As a result, in this unprecedented time Peter and Patrick recommended that the much-reduced development activities of the federation would be best delivered by those with the most experience and knowledge of the membership, the sport and stakeholder clubs. Therefore, as agreed with SE the grant funding would be re-deployed to support those key, active staff roles in supporting the preservation and development of the business and would look to furlough those development roles where workload and role objectives were critically impacted by the current crisis (namely coaching, talent development and business development).

The overarching principle in claiming furlough support in addition to the current SE grant funding already awarded was that we do not claim more than 100% of the wage bill as this would be “double dipping” which would not be appropriate. Patrick confirmed that by furloughing the three staff recommended below we would not be claiming more than 100% of the wage roll.

In the current environment the coaching programme role and the main business development role were not active in their key objectives / substantially reduced. As a result, the development resource of the three development roles overall were not fully utilised, and the talent development lead was unable to operate currently and the seasonal admin workload had not increased as it normally would.

As a result the following was proposed with the following actions (Patrick D had sought advice on the matter with our HR advisor and would continue to seek advice on an ongoing basis):

- 1) Membership Services – Competition Licences / qualifications processing (seasonal role currently in post for circa 3 weeks would be terminated).
- 2) Talent Lead, Coaching Lead and Head of Business Development would be furloughed under the government support programme on the lower of 80% of salary or £2,500 maximum per month as an immediate cost mitigation action.
- 3) Business Development Officer role would be retained to support the much reduced but needed development activities of the clubs. This would include actively engaging with Clubs to encourage and support them to be members of the federation, support them in accessing SE grants noted above where they need them, engaging with commercial sites (which are not eligible for SE support) to ensure they are aware of the support that is available for businesses which has been provided by the Government.

Peter highlighted that should the furlough programme not be continued by the Government the Board may need to look at further cost mitigation as the current programme is only committed until the end of May. Therefore, the cost mitigation could be as little as £4-5k, however this does provide “runway” to continue to evaluate how much deficit in membership is arising and what further action might be necessary.

He further suggested that we review the status of membership at the end of April and compare to the prior year as this would give an indication as to the potential level of deficit. The question was raised as to whether membership fees might be refunded, or part refunded should the situation extend beyond e.g. June or if the season was completely cancelled. Martin outlined that BWSW would of course act “fairly” in any matter and would assess the situation on subscriptions on an ongoing basis. Club affiliation fees and voluntary club insurance cover was highlighted re clubs who had not yet paid. BWSW in fact “rolled over” liability cover for clubs in the New Year period (the insurer typically left any renewal to December when they had a full assessment of the claims experience of the scheme at end of the calendar year). Each season as part of HQ processes for late payers beyond an acceptable threshold, clubs were contacted to highlight that non-payment could prejudice any claim made against the club. This would be chased up this year in late April not least given those policy risks around unattended facilities.

Greg at SE had agreed to continue a dialogue which Patrick and Peter. This dialogue will ensure that SE understand our position as it develops and to discuss what support we may be able to access in terms of additional financial support.

Peter recommended that as this is a live situation that the Board would be updated as to the progress on both the SE support and the potential shortfall over the coming weeks and the potential further actions which might be appropriate.

The Board discussed the above items in detail and concluded that the actions in terms of actively mitigating spend and staff furlough were appropriate short-term actions to conserve cash and provide opportunity for further review and evaluation of additional actions which may be required.

c) Senior Independent Director – as per item 1.20 of the Code for Sports Governance and following on from a change in Board personnel it was agreed for current independents Clare, Abbie and Nick would be left to decide on who would take on the Senior Independent role. Peter suggested (and it was left for the independents to discuss) that any Senior Independent should attend Advisory Council meetings).

Action: Clare would set up a conference call with Nick and Abbie to discuss the above point.

8. CEO Report.

a) Staffing – Patrick D outlined the current staffing situation – our HQ was currently closed as per current guidance however there were very occasionally two staff members visiting HQ to carry out essential work (though working in separate offices). Matters in relation to salary, pensions, accounts access, direct debit collection etc. were therefore uninterrupted. All staff had access to email and phone messages though a number of roles were of course subject to varying levels of disruption to include critical. It was highlighted that much of the work carried out at HQ on a daily basis was “season led” in terms of calls, payment processing, competition entry etc.

Patrick D further thanked Martin, Steve and Peter for the immense amount of time over the last working week and weekends as we grappled with the current situation and its financial implications for the Company.

10. Confirmation of Future Meeting Dates.

Board

Weds 13 th May	08:15, Conference Call re Advisory Council & Action Log
Thurs 25 th June	14:00, Taylor Wessing, London
Thurs 10 th September	14:00, Taylor Wessing, London
Weds 21 st October	08:15, Conference Call re Action Log
Thurs 26 th Nov	14:00, Venue TBC
Weds 13 th Jan 2021	08:15 Conference Call re Action Log and AGM

Advisory Council

Thurs 22 nd May	Heron Lake 11am Postponed
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AGM

Sun 24 th January 2021	Queens Club, London TBC
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The meeting closed at 16:15

Minuted by:

Patrick Donovan
CEO