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## Council

### Minutes of a special virtual meeting by Microsoft Teams Saturday 4 April 2020 at 13:00

<b>Present on Teams:</b>	Craig Poxon	-	Chair
	Paul Applegate		
	Mary Barratt		
	Mark Bayada	-	MDC Chair
	Adrian Bond	-	Vice Chair
	Jack Davies		
	Kate Lindsley		
	Natasha Higman	-	Treasurer
Sam Lee	-	EPC Chair	
<b>In attendance on Teams:</b>	Liz Ashley	-	Editor, Skydive the Mag
	Tony Butler	-	Chief Operating Officer
	Angel Fernandez	-	Communications Manager
	John Hitchen	-	Vice President
	Jeff Montgomery	-	Safety & Technical Officer & STC Chair
	Lise Moore	-	Finance Manager
	Martin Shuttleworth	-	Secretary-General (Secretary)
Martin Soulsby	-	Vice President	
<b>Observers:</b>	Kieran Brady	-	Skydive Strathallan
	Alex Busby-Hicks	-	Skydive Tilstock
	Mike Carruthers	-	Skydive Northwest
	Bryn Chaffe	-	Sky High
	Martin Crossley	-	North London Skydiving Centre
	Jeremy Denning	-	Army Parachute Association
	Mike Evans	-	Sky High
	Ady Green	-	RAFSPA
	Martin Harris	-	London Parachute School
	Jane Hopkins	-	Skydive Headcorn
	Pete Marsden	-	Skydive Isle of Wight
	Pete Mather	-	Sky High
	Grant Richards	-	UK Parachuting
	Mally Richardson	-	Skydive Jersey
	Helen Simpson	-	RAFSPA
	James Swallow	-	Skydive Hibaldstow
	Gareth Thomas	-	Skydive Langar
	Jason Thompson	-	UK Parachuting
	Paul Yeoman	-	Black Knights
	Chris Wood	-	Cornish Parachute Club
Dave Wood	-	Cornish Parachute Club	

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#### Item Minute

##### 34/20 Third special meeting

This third special virtual meeting had been convened to consider the effect on the sport of the national lockdown during the coronavirus pandemic. The Chair would contact an absent Council Member from whom we had not heard since before Council started its weekly special virtual meetings on 21 March,

***Action: Chair***

### **35/20 Declarations of interest**

Per minute 20.

### **36/20 Minutes**

**COUNCIL APPROVED** the minutes of the second special virtual meeting on Saturday 21 March 2020 (circulated) as a correct record.

### **37/20 Drop Zone Defence Fund (DZDF)**

The Chair reported that he had contacted John Lines, a Vice President, who had been involved in the establishment of DZDF during the 1990s when he had been Treasurer and subsequently Chair. DZDF was funded by the voluntary donations of members, its purpose being to help to defend Drop Zones from external threat of closure, by matching pound for pound the cost of their defence, John Lines had agreed that the threat to the survival of some Drop Zones during the coronavirus national lockdown was very much the kind of existential threat to which DZDF should respond.

### **38/20 Reports from Committees of Council**

#### **38.1 STC - amendments to the Operations Manual**

STC had not met because of the national lockdown, but business was being transacted by e-mail, including amendments to the Operations Manual.

**COUNCIL AGREED** the amendments to the Operations Manual (see Appendix) following an e-vote by Chief Instructors that closed on 30 March 2020.

#### **38.12 EPC special virtual meeting on Wednesday 4 April 2020**

The minutes had been circulated in advance and were noted by Council. Sam Lee (EPC Chair) said the meeting had been convened at short notice to consider several scenarios that might arise in relation to the possible postponement or cancellation of the Mondial 2020. This event was still scheduled to be held in Tanay, Russia, from 11-21 August, beginning a few days after the end of the now-cancelled Tokyo 2020 Olympics.

The International Skydiving Commission of FAI had stated it would announce its intentions by the end of May, The EPC Chair had yesterday written to members of the British Delegation to update them on the position and the decisions taken by EPC, whose minutes, already approved electronically by EPC, would now be published on the website. The EPC Chair would recast his message to the delegation as an announcement which the Communications Manager would post on social media.

**Action: EPC Chair / Communications Manager**

### **39/20 Membership**

#### **39.1 Chair's message to Members**

The Chair had sent a message to members by e-mail on Thursday 2 April as an update on Council's responses to the coronavirus lockdown. Many messages of thanks and support had been received in response, together with some questions. He had therefore followed the message with a Facebook Live question and answer session last evening, in which some 188 members had taken part at peak. He said it had been an effective way to maintain a dialogue with members particularly in these difficult times when physical gatherings were not possible, and he would look to hosting another session in due course.

#### **39.2 Special subscription rates**

**COUNCIL AGREED** a paper from the COO (circulated) setting out his suggestions for the British Skydiving element of subscription rates for members renewing later in the year because of the coronavirus lockdown. The rates had been calculated pro-rata to the number of months remaining in the membership year. Proposed by Sam Lee, seconded by Tash Higman and carried unanimously,

The COO said he was continuing to liaise with the broker on the insurance element of the special subscription rates. This was more complicated as two insurers were involved, one insuring up to the first half of the indemnity limit, the second the other half. He was anticipating some reduction on the full annual premium, but not on the same pro-rata basis as for the British Skydiving element, as there was likely to be a limit to any reduction. As soon as he had the figures from the broker, he would put them in a paper to Council.

**Action: COO**

The reduced subscription rates for members renewing/re-joining later in the year was a different benefit to that for members who maintained continuous uninterrupted membership. These members would receive a discount on their membership subscription for the membership year beginning on 1 April 2021 in respect of the months during which skydiving had been unable to take place because of the government's national lockdown (minute 30.1).

The COO confirmed he would continue to liaise with the insurers on a possible extension to the one-year duration of student provisional membership for those in this category of membership who may need an extension because of the national lockdown. The demand for this was likely to depend on the duration of the lockdown. If jumping was able to resume in say a couple of months, he did not expect the demand for an extension to be high.

**Action: COO**

### **39.3 Currency of ratings, medicals, etc**

The COO reported that he had already sent a paper for consultation to Chief Instructors and DZ Operators from Dr John Carter, Medical Adviser, regarding extensions to Instructor Medicals and that he was in the process of preparing a paper covering other areas where one-off permissions or exemptions may be required, such as rating/qualification renewals/extensions, reserve repack extensions etc. The COO hoped that this paper would be ready in about a week's time and it would then be sent out for consultation.

The Communications Manager said he would liaise with the COO to keep members informed on the website and social media about the work currently going on behind the scenes to consider arrangements for the currency of ratings and medicals, etc, and that an announcement to members would follow in due course.

**Action: COO / Communications Manager**

Sam Lee said we should manage expectations by putting out messages to say that as much as money and logistics came into it, safety remained the primary consideration. As such, less experienced jumpers should not expect extensions or waivers that might prejudice their safety. The COO said the CI of each Affiliated PTO would decide on how each jumper should become current again within a general framework of guidance from STC. Planning was made more challenging because there was yet no indication of when the national lockdown might ease to allow skydiving to start again.

The COO reported that the STO was one of four members of staff on furlough from next week for at least three weeks under the government's coronavirus job retention scheme, and that the COO would be covering his post.

### **39.4 Digital communications**

The Communications Manager reported on the Chair's Facebook Live session last evening (minute 39.1). It had lasted an hour and been well received notwithstanding intermittent audio issues.

The Communications Manager said some sponsored athletes had been in touch with him who were keen to offer videos and webinars for social distance learning. He was planning to run 'hero of the day' stories on social media about members who were contributing to the national effort during the coronavirus pandemic. He asked that if any Council Members or DZOs knew of skydivers who were contributing in this way, they should please let him know.

It was important to keep members engaged during the lockdown. The Communications Manager was planning a series of posts to highlight the facilities at various Drop Zones to whet members' appetites for when jumping resumed.

### **39.5 Skydive the Mag**

Liz Ashley (Editor, Skydive the Mag) reported that the April issue went to press last Monday and should reach members over the next few days. It was a little thinner than usual because it contained fewer advertisements, given the current downturn in the advertising market.

After discussion of various options for the next Mag in June, Tash Higman suggested that we should consider combining the June and August issues into a single issue in July but postpone a firm decision until as late as possible. This would enable Council to consider variables at the time, such as the number of current members, which might affect the print run, and whether Warners Print and its distribution arrangements were still working normally. A smaller, digital Mag might be another option. The Editor was continuing to work on content and would discuss options with Warners next week and report back.

***Action: Editor***

#### **40/20 Requests from Affiliated PTOs for financial support**

##### **40.1 Open session**

Further to Council's decision at its special meeting last week to make secured loans available, on application, to Affiliated PTOs in most urgent need of financial assistance (minute 29), the Treasurer reported on the research she had carried out since then.

This was summarised in two papers by the Treasurer which had been circulated with the agenda. The papers were on (i) interest rates and (ii) legal advice on drawing up loan agreements. As PTOs, as observers, did not have access to Council papers, the Treasurer summarised the content of each of her papers. Considerations included evaluation of risk, interest rates compared with market rates, period of loan, arrangements for repayment, and security/collateral.

The legal specialists the Treasurer had consulted, who had referred to our Articles of Association, were comfortable that Council was acting within its powers to offer secured loans to PTOs constituted as private limited companies. A straightforward loan agreement would need to be drawn up. The Treasurer reported on her discussion with three legal firms about the cost that was likely to attach to this work, and how it could be kept as low as possible.

The Chair said the pot available for financial assistance of PTOs was limited and that priority had to be given to cases of most urgent need. The Treasurer reported that four or five PTOs had been in touch to request a loan, and she had sought basic information for due diligence where this had not already been provided. The Treasurer recognised that every PTO was different in its situation and its outgoings so each application for a loan had to be considered on a case by case basis. Some PTOs had indicated that they were not seeking financial assistance from British Skydiving; others faced an existential crisis without it.

An email dated 3 April from Alex Busby-Hicks of Skydive Tilstock, sent on behalf of the Owners and Operators of 18 Affiliated Parachute Training Centres, had been circulated with the agenda.

The Chair invited him to speak to his letter, which requested emergency financial assistance to PTOs as non-repayable grants rather than loans. The letter asked Council for a grant of £5,000 per month for three months to Affiliated civilian PTOs, which he said would cost approximately £390,000, which was equivalent to about 11% of British Skydiving's financial reserves.

Alex Busby-Hicks said loans would only add to the debts of PTOs. He highlighted the many contributions of PTOs to British Skydiving, both in kind and through student membership subscriptions that contributed more than half of British Skydiving's income. Over the years, British Skydiving had built up financial reserves for a rainy day, and this was it – surely the ultimate challenge to the survival of our sport.

Speaking to his letter on behalf of 18 PTOs, which was the majority of PTOs, Alex Busby-Hicks said that if Council would not or could not agree to the PTOs requests as set out in his letter, they would request an online vote by the membership on the proposal by those civilian PTOs he was representing, each for a grant of £5000 a month for three months.

The Chair adjourned the open meeting to go in camera for Council to consider the PTOs request.

##### **40.2 In-camera session**

Council held a detailed discussion about how best British Skydiving could help to reduce the risk of an existential threat to our sport by supporting those Affiliated PTOs in most

urgent need of financial assistance to survive through the coronavirus lockdown. This help had to be proportionate to, and cognisant of, the circumstances of each individual Drop Zone applying for financial assistance. It was a clear fiduciary responsibility of Council, as the directors of British Skydiving, to exercise due diligence over the application of British Skydiving funds.

It would not be responsible for Council to sanction grants indiscriminately to all 18 PTOs listed on the email from Alex Busby-Hicks. The individual circumstances of each of these Drop Zones, including their assets and financial obligations, would be likely to be significantly different in each case.

The Treasurer summarised loan applications she had received from four PTOs, including the amount requested and how it was intended to be used. The Treasurer had prepared a simple spreadsheet of these loan requests (not yet circulated), containing key information, as available, for due diligence.

Not all applicant PTOs had provided enough basic information to justify their application and provide Council with comfort that financial assistance would be applied purely to the bona fide purpose of helping to secure the survival of the Drop Zone as a site for skydiving. With her experience of working professionally in sub-prime loans, the Treasurer reported that she believed two of the four applicants had, to date, provided compelling evidence of a genuine and urgent case for financial assistance. She believed that without this assistance, their operations would be likely to fold, jeopardising the continuation of skydiving at significant, well-established sites for the sport.

Council was determined to do the right thing in balancing the needs of all stakeholders in British Skydiving. It wanted to help those Affiliated PTOs survive a dire emergency whilst assuring the responsible application of British Skydiving funds, for which Council was responsible to the membership as members of the company.

Council had offered loans, for which some PTOs had applied, and the majority had requested non-repayable grants by way of the letter from Alex Busby-Hicks on their behalf. Council therefore resolved to offer a two-part package of financial assistance, to provide both.

#### **COUNCIL AGREED:**

##### **40.2.1 To provide grants (not repayable)**

In accordance with the ethos of the Drop Zone Defence Fund (DZDF), which was established to help Drop Zones under an existential threat by matching their defence costs pound for pound, Council agreed to match the £35,000 in DZDF from the voluntary donations of British Skydiving members, with an equal amount of £35,000 from British Skydiving funds, to create a pot of £70,000. Proposed by Sam Lee, seconded by Tash Higman and carried with one abstention from Mark Bayada (conflict of interest in working at a Drop Zone).

The doubled DZDF would be immediately available, on application, to PTOs in most urgent need of an emergency cash injection. Grants of up to £5,000 per PTO would be offered. Applicant PTOs would be asked to provide details on how the grant would be applied to enable Council to exercise due diligence and be assured that the money would be used to help to secure the survival of a facility at which members would be able to continue to jump once the sport was able to resume. Proposed by Jack Davies, seconded by Kate Lindsley and carried with one abstention from Mark Bayada.

##### **40.2.2 To provide interest-free loans (repayable)**

Having already agreed last week to offer a loan facility to provide longer-term financial support (minute 29), Council now agreed that the offer of loans to PTOs would be at zero per cent interest. Proposed by Kate Lindsley, seconded by Mary Barratt, carried with two votes against by those who had favoured a 5% interest rate which would have recouped British Skydiving's loss of income by withdrawing investments before they had matured, and one abstention from Mark Bayada.

The loans were intended to provide longer-term financial support, available on application, to PTOs constituted as private limited companies. As with grants, the loans were designed to help to assure the survival of key Drop Zone facilities around the UK at which members of British Skydiving could continue jump once the sport was able to

resume. Loan agreements would include sympathetic repayment terms designed to help to promote the long-term survival of the Drop Zone.

Loans would be subject to due diligence and security and would be set out in a straightforward written agreement for which British Skydiving and the applicant PTO would share the legal costs equally. These costs would be kept to a minimum. The security would be proportionate to the amount of the loan, for example on tandem equipment rather than aircraft. Proposed by Tash Higman, seconded by Sam Lee and carried with one abstention from Mark Bayada.

As previously agreed (minute 29), the Treasurer, Vice Chair and Finance Manager would consider loan applications, together with any other members of the Finance Committee the Treasurer may wish to involve, with the COO providing background information, and make recommendations to Council. Independent external professional advice may also be sought on the evaluation of applications, should this be considered appropriate.

#### **40.3 Resumption of open session**

The meeting resumed in open session and the Chair reported on Council's decision to offer a two-part package of financial assistance as set out in minute 40.2.1 and 40.2.2 above.

Alex Busby-Hicks, speaking on behalf of the PTOs on whose behalf he had written his letter (minute 40.1), thanked the Council for its consideration of his request. He said he was a little disappointed that Council had not granted his request in full, but he appreciated the gesture of Council matching DZDF pound for pound and making a pot of £70,000 available for non-repayable grants of up to £5,000 per PTO in urgent need of a cash injection to survive an immediate existential threat. His disappointment was that this might typically cover but a single month's outgoings.

On loans, he considered Council had still missed the point about these adding to PTOs debts. However, he would consult outside this meeting with the PTOs for whom he was speaking, to consider the wider implications of Council's offer of interest-free loans by application from those most in need, and report back to next week's Council meeting.

#### **41/20 British Skydiving staff**

The COO reported that, from the beginning of next week, approximately half the staff had been furloughed under the government's coronavirus job retention scheme that would cover 80% of the pay of those on furlough, with Council making up the remaining 20%.

#### **42/20 Dates of future meetings**

The next virtual special meeting was agreed for one week's time, Saturday 11 April 2020 at 13:00 by Microsoft Teams.

Previously scheduled meetings were for Tuesdays at British Skydiving HQ, Leicester LE2 9TF: 16 June, 15 September and 24 November. However, physical meetings were suspended whilst government restrictions on social distancing remained, so these dates were now reserved for virtual meetings by Microsoft Teams.

The meeting closed at 15:45 (duration 2:45).

## **Appendix**

### **AMENDMENTS TO BRITISH SKYDIVING OPERATIONS MANUAL**

Following a postal vote by Chief Instructors, which closed on 30 March 2020, the following amendments were made to the British Skydiving Operations Manual:

#### **SECTION 9 (FLYING), Paragraph 5 (Flying Operations), Sub-Paragraph 5.6**