

British Parachute Association

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Development Committee

Minutes of the meeting held on
Tuesday 9 October 2007 at 1645
at the BPA Offices, 5 Wharf Way, Glen Parva, Leicester

Present:	Adrian Bond	in the Chair
	John Horne	
	David Ibbotson	
	Eddie Jones	Chairman of Council
	Paul Ledden	
	Paul Moore	
	Grant Richards	
	Mike Rust	
	Weed Stoodley	
In attendance:	Paul Applegate	
	Tony Butler	Technical Officer
	Jon Gretton	Financial Administrator
	David Hickling	Chairman, Insurance Subcommittee (to item 31.1)
	John Hitchen	NCSO
	John Page	Vice Chairman of Council & Competitions Chairman
	Martin Shuttleworth	Secretary-General
Apologies for absence:	Debbie Carter	Treasurer
	Robin Durie	Development Chairman
	Julian Storey	Media Co-ordinator
	Alex Wilson	
Observers:	Kieran Brady	
	Pat Hammond	from item 32
	Ian Marshall	from item 32
	Craig Poxon	

Item Minute

29/07 Minutes

John Horne proposed, and Grant Richards seconded, a motion that the minutes of the Development Committee meeting held on Tuesday 14 August 2007 should be approved as a correct record. This carried unanimously.

Approved

30/07 Matters arising

30.1 The Airkix Fund (minute 23.1)

The total from the Airkix Fund received by the BPA to date was £620. The total could still increase, but was unlikely to do so by a large amount. John Page said that he and Simon Ward of the Airkix wind tunnel had been disappointed with the uptake. The agreement between Airkix

and the BPA had been for the Airkix offer to BPA Members (which generated income for the Fund) to remain open for a year. It was possible uptake might improve during the winter.

Kieran Brady said there had been a set up cost of £4K. Simon Ward had agreed to pay half of it. This still left the BPA with a contribution of £2K to the set up costs. Tony Butler said that no money for good skydiving causes would be generated until this cost had been covered, and with the Fund currently standing at £620, it was £1380 short of break-even for the BPA.

John Page said he would discuss with Simon Ward how to communicate the position through the Magazine, and report back to the next meeting.

Action: John Page

31/07 Reports on areas of responsibility

31.1 Insurance

David Hickling (Chairman, Insurance Subcommittee) reported that Council policy was to retain the protection of the current BPA umbrella policy for the whole sport. The Insurance Subcommittee was therefore seeking to obtain the best value quotation for this policy, and he was reasonably sure that at least two quotations would be forthcoming for the insurance year beginning on 1 April 2008.

David Hickling the reported on progress (*italicised below*) in pursuing the eight Action Points that had arisen from the meeting on insurance with DZ Operators held on Thursday 6 September 2007:

- 1 Clarify the arrangements for a DZ to put in place their own (non-BPA) third party public liability insurance for tandem P6 students and / or their full student parachutist operation.

The BPA had taken informal legal advice to clarify the question of whether Clubs & Centres could, if they so wished, opt out of part of the BPA insurance package by providing alternative insurance for student tandems. The advice received from two sources to date was that insurance was an integral part of the BPA's package of benefits. It was therefore David Hickling's current understanding that it was not a reasonable expectation for Clubs & Centres to Affiliate to the BPA and then to seek to cherry pick some of the insurance cover and opt out of the rest, because this could undermine the collective economic viability of the BPA's insurance arrangements and cause the policy to collapse, to everyone's loss.

David Hickling said it might be helpful for the BPA officially to take independent legal advice, as the informal advice taken to date had been from sources close to the BPA. [Note: The Office has obtained a ball-park-figure quote for the cost of such advice as £2K. David Hickling has asked that this figure should be made known to the Council.]

- 2 Explore the possibility of the BPA becoming self-insuring.

This suggestion had been referred to the BPA's current broker, who is investigating it. The broker's initial advice was that it would probably be possible for the BPA to become self-insuring, but that it would be a complicated and high-risk strategy that, in the broker's view, should only be used as a last resort, in the event that no commercial underwriter was prepared to offer insurance to the BPA. If the Council decided to become self-insuring, a couple of big claims could bankrupt the BPA.

- 3 Explore the arrangements and costs for DZs to opt to increase their limit of cover from £2m to £5m.

The current underwriter, St Paul Travelers, did not appear to be keen on offering this, but another underwriter had indicated that it would be possible. Only certain Drop Zones were interested – it was not being proposed as a blanket increase in cover from £2m to £5m per incident for all Drop Zones. Discussions were continuing about whether an optional add-on premium might be available to increase the limit of cover for those DZs that wanted it.

- 4 Explore how far the premium could be reduced by limiting the policy to 'disaster only insurance' by introducing a significantly higher excess of liability to cover smaller claims.
- This may be possible but might have little benefit as most of the reserves on the current policy related to claims of significant value – the trend over recent years had been for fewer, higher-value, claims. A possible new insurer had suggested that the excess on claims might be £500 but it was unlikely that this in itself would have significant affect on the premium for the reason set out above.*
- 5 Consider breaking down the insurance element of student P6 membership subscriptions to reflect what the premium actually covers – the greater part of it is de facto DZ insurance, the remainder the 'real' student insurance. The need for transparency alone may justify a clarification of this nature.
- Tony Butler, BPA Technical Officer, had highlighted what he believed was the need for the BPA more clearly to specify who was protected by the student P6 insurance premium and, in a significant measure, this was the Drop Zone. It was the Drop Zone that was normally named in any claim by a student, not the instructor or the Drop Zone Operator. David Hickling said that Tony Butler's paper on this had been circulated to the Council, and could be taken on board by the Council if it so wished. David Hickling said he understood that if the idea were to be adopted, there was likely to be a small financial gain by the Drop Zones in corporation tax, but possible pitfalls on VAT.*
- 6 In association with 6.5, consider a start date to allow DZs to opt to charge the reformulated BPA Student P6 Membership subscription (BPA element plus reduced student insurance element, with a separate DZ insurance contribution to make up the difference), as a supplement to their tandem jump fee.
- Covered in 5 above.*
- 7 Consider offsetting an increase in the burden of the insurance premium shouldered by full members, in fairness to tandem P6 students, by reducing the Magazine element of the BPA annual subscription (the Magazine element currently being £17.50).
- This was a matter for the Council, to whom it has been referred. However, there were those who had spoken against this idea at the DZOs meeting on insurance, and their view was 'leave the Magazine out of discussions on insurance – it is a separate matter'. It was up to the Council to decide: this was not a matter for the Insurance Subcommittee.*
- 8 Explore whether a differential premium could be negotiated based on each individual DZ's claims history (NB Not all DZs were in favour of this: some expressed concern that it may make some DZs uninsurable).
- This suggestion had been referred to the broker, whose initial reaction was concern that it could lead to a significant increase in insurance costs for some DZs and may even leave some, on their own without a quotation for insurance.*

Grant Richards asked why the written proposal he had made to the DZO meeting, about allocating the premium differently between groups within the BPA, had not yet been considered. David Hickling said that Grant Richards' proposal could not sensibly be considered until the quotations for next year's insurance premium had been received. It would be meaningless to try to respond to the proposal without relating it to specific figures. However, David Hickling assured Grant Richards that the Insurance Subcommittee would consider the proposal once the quotations for next year's insurance were available.

Mike Rust asked why, on the draft new Affiliation forms circulated to Council Members, it stated that Clubs & Centres had to take BPA insurance. He said that this had not been the case for the former Ipswich Parachute Centre, which had arranged its own insurance. Tony Butler said that consideration of the draft new Affiliation forms was on the agenda for tonight's meeting of the full Council. However, the answer to the question was that the insurance market had changed

significantly since the days of the Ipswich Parachute Centre, and what was appropriate then would not be reasonable now. The status quo in recent years had been that all Clubs & Centres took BPA insurance cover. Tony Butler said he had been asked where this had been written down and, in the absence of a clear statement, had suggested including it in the Affiliation forms not as a change to the status quo, but as confirmation of it. He said that at tonight's meeting of the full Council, he would ask the Council to approve the draft new Affiliation forms in principle, with the rider that they should not be issued until the Council had reconfirmed the position on insurance.

John Horne proposed, and Eddie Jones seconded, a motion that the Development Committee recommends to the Council that Clubs & Centres Affiliating to the BPA should benefit from BPA insurance, and not have the facility to opt out of all or part of this to make their own arrangements for insurance. The vote was:

For – 6, Against – 2 (Mike Rust and Grant Richards)

Carried

31.2 CCPR

Adrian Bond (BPA liaison officer with CCPR) reported that there was now a second opportunity to bid, through CCPR, for funding from the Sport England Impact and Improvement Fund. He had therefore lodged an application, and the result was expected to be known within the next month or two.

Await response from CCPR

31.3 Sport England / UK Sport

In the absence of Alex Wilson, who looked after liaison with these bodies, no report was available.

31.4 Media

In the absence of Julian Storey (Media Co-ordinator), no report was available.

32/07 Development Action Plan: 1 July 2007 to 30 June 2008

32.1 Research methods of membership recruitment and retention

John Horne said that Paul Moore's suggestion of reducing the cost of conversion to full Membership to encourage people to stay in the sport, had been considered by the Insurance Subcommittee, but the outcome (as reported in minute 25.1) had been that the loss of income to the BPA would be too great.

Eddie Jones said that a working group of the Development Committee had been established to progress this work, and he hoped that other ideas would be forthcoming.

Ongoing

32.2 Investigate replacement of reduced exchequer funding

John Horne said that he had drafted a paper for the Income Streams Subcommittee, and summarised some of the options it contained. The BPA had expert staff and real estate in the form of its Leicester offices. Did the BPA charge a realistic fee for services such as DZ inspections? Should the amount the BPA charges for Clubs & Centres to Affiliate be reviewed? Was there any scope for hiring the BPA Board Room at the Leicester offices to outside organisations when it was not in use by the BPA? Should the £10 charge for FAI licences be reviewed? And likewise the charge for instructor courses?

Other avenues that might be pursued included loans below the bank rate to new parachutists to help them cover the purchase cost of kit. The availability of possible funding from outside agencies could be investigated – there were some 400 agencies listed for sports funding within the EU. Of course, by no means all would be applicable to sport parachuting in the UK – but some might: it was a question of identifying them.

Weed Stoodley said that tandem booking agencies made a lot of money out of the sport. A contribution of say £1 per tandem jump would easily compensate for the loss of exchequer funding. John Horne said that about 27 years ago, the then Council had taken the view that it was not morally right for the BPA to become a tandem agency. Had the Council taken a different position, the BPA might have £10m in the bank by now.

Eddie Jones said it was encouraging to hear of so many possibilities. He believed it would be appropriate for the Income Streams Subcommittee to identify the two or three ideas that were likely to have the greatest potential, and to come back to the table with specific proposals on these. Mike Rust agreed.

The Chairman thanked John Horne for his contribution and looked forward to hearing about the shortlisted proposals at the next meeting.

Action: Income Streams Subcommittee

32.3 Support and encourage Clubs & Centres to run more safety events

Paul Hollow, CCI of Target Skysports, had made a written application for 4 x £50 grants for a series of four safety evenings he was running at the Centre. Grant Richards proposed, and Weed Stoodley seconded, motion that the application should be approved.

Carried unanimously

32.4 Research functional (back-end) development of the BPA website for members and the general public

Grant Richards reported that because there seemed to be no progress to date on this, he had approached two web-design companies for quotations to develop the functionality of the BPA website, to include the facility for online membership renewal. The Chairman asked him also to seek a quotation from the BPA's current website consultants, ZCT Ltd. The Office said that any facility for online membership renewals would also need to involve Mike Gorman who had programmed the BPA membership database, with which any online renewal service would need to interface.

Action: Grant Richards

33/07 Date of next meeting

Tuesday 4 December 2007 at 1600 at the BPA Office, Leicester.

The meeting closed at 1805.