

## **Notes on the Meeting between BCA and Treasurers of the Regional Caving Councils on 28<sup>th</sup> November 2004, at Alvechurch.**

### **Present:**

Glenn Jones (GJ)	CNCC Treasurer
Clive Owen (CO)	CCC Treasurer
Jenny Potts (JP)	DCA Treasurer
Chris Whale (CW)	CSCC Treasurer
Bob Mehew (BW)	BCA Treasurer
Jonathan Roberts (JR)	
Pat Hall (PH)	BCA Auditor & Facilitator
Mick Day (MD)	BCA Chairman
Eddy Hill (EH)	BCA Secretary

Following welcome and introductions PH outlined the purpose of the meeting and the order discussions were expected to follow. During discussions on tithing, at the British Caving Association's Council meeting of 9<sup>th</sup> October 2004, it was agreed that the treasurers of the Regional Caving Councils (RCC) should meet to discuss and, if possible, to agree on the level of funding that each would expect from BCA and to agree on a mechanism for this funding to be distributed. This would be followed by a discussion on banding subscriptions for clubs.

JP took this opportunity to introduce a set of documents covering the history leading up to the funding mechanism that had been agreed previously.

The meeting proceeded with all RCC treasurers presenting a brief outline of their yearly income and expenditure totals, as well as their main routes of income and expense. It was apparent from the descriptions that whilst all provide a set of core services, some provide higher service levels than others.

### **Options for Funding**

The meeting moved onto recording the following alternative mechanisms for funding:

- **Current Position:** Each RCC raises its own subscription. Member subs vary between RCCs. Some regions collect the sub for the national body; some do not. Some clubs are members of more than one RCC. Membership structures vary between regions.
- **As per Original BCA Prospectus:** Clubs pay subs to BCA and BCA funds regional councils. Clubs and individuals indicate in their subscription form what RCC(s) they want to subscribe to. RCC is funded at a flat rate multiplied by the number of subscribers who selected that RCC.
- **Post Prospectus:** This option is an evolution from the originally proposed mechanism in the Prospectus which arose out of unforeseen difficulties. All clubs and individuals still pay a sub to BCA. RCCs are funded by BCA. The core OneStop spend proposed by RCCs is funded by BCA, so the Tithe is dependent on the costs of each RCC. Funding is now according to need, not to the number of RCC members. A member club of BCA is a member club of all RCCs. RCCs may still raise and apply other funds as they see fit.

At this stage JR stated that clubs paying a unified subscription i.e. one fee covers all membership/affiliation expenditure, is very sensible and that how these funds arrives at BCA may not matter, as long as they arrive. As an example, he presented the pre-1998 method of funding in which RCCs paid a lump sum to NCA; thus making their member clubs members of NCA. He proceeded to propose a fourth option for funding:

- **Revised Pre 1998:** RCCs to pay a lump sum to BCA weighted to reflect their club membership. The fee paid is to cover the costs of running BCA. BCA provide agreed services back to RCCs. The lump sum is based on the cost of services provided by BCA.

The Post Prospectus and Revised Pre-1998 systems would have an annual meeting of RCC treasurers and BCA officers to agree on next year's tithe.

The views of the RCC Treasurers on the relative merits of the 4 options were obtained. CNCC & DCA stated they preferred the Post Prospectus mechanism. CW stated that he believed either the Revised Pre-1998 or Post Prospectus mechanisms would work. He hastened to add that this was his personal opinion and, at the time, not that of CSCC. CCC indicated that they were content with the Post Prospectus mechanism but could work with the Revised Pre 1998 mechanism. CNCC and DCA said they could not work with the Revised Pre-1998 option. No one spoke in favour of the Current Position or Original Prospectus mechanisms. It was noted that DCUC's Treasurer had sent an E Mail (see Appendix 1) to the meeting indicating that he was content with the Post Prospectus mechanism, subject to certain provisos.

Since the Current Position and the Original Prospectus options were deemed not viable, the discussion moved to review the pros and cons of the Post Prospectus and Revised Pre 1998 options.

It soon emerged that a common concern was that the sum reaching RCCs from BCA may not cover the cost of RCC core activities, should an unforeseen expense arise. BM noted that NCA did have cash reserves of over £15,000. It was accepted that BCA should have a reserve fund that could be claimed against in case of an emergency so as to cover unforeseen core activity items. BM reviewed the definitions of what the Hub had proposed as core activities (see Appendix 2) which used the terms allowable and non allowable costs. Some detailed comments were made on precise definitions of allowable costs. It was accepted that more detailed work was required to flesh out these definitions and that a Memorandum of Operations should be created to guide RCC Treasurers. It was also confirmed that RCCs would be free to raise funds to cover any expenditure they wish to incur outside of these allowable core activities.

### ***2005 Budget***

BM introduced BCA's budget for 2005 and stated that there were 4 elements to the budget. He described the costs associated with BCA's works element (see paper to BCA Council meeting 9 October for details) and noted the sum required was £5000. BM reported that whilst the insurance premium was still unknown, it was clear that the insurance element would rise due to additional costs being above that for 2004. BM went on to outline the publications element costs and reported that the cost price was £10 per member requiring publications.

The RCC Treasurers then set out their anticipated funding requirements for 2005 core activities based on the definitions of allowable costs. CO indicated that CCC anticipated requiring £550 income to cover core activities in 2005. JP reported that DCA anticipated requiring £800 to cover core activities in 2005. JP noted that DCA would be raising additional money for other work that DCA wished to undertake. CSCC indicated that it anticipated requiring £570 to cover core activities in 2005. GJ

indicated that CNCC anticipated requiring £1500 to cover core activities in 2005, together with a probable need for an additional £500 to cover fencing claims which might arise in 2005. It was agreed that this would be an allowable item of core activity. Following discussion on this example of uncertain needs, it was agreed that this possible fencing claim would be treated as claimable from the reserve fund. Although the costs of DCUC had not been provided, JR was able to quote the last set of data provided by DCUC for 2000 and 2001. These indicated an expenditure of around £800 and £400 for those years. It was agreed that a sum of £500 would be allocated for possible use by DCUC subject to a budget being provided. Thus the so called "tithing" element of BCA's 2005 budget would be £3920 which was rounded up to £4000.

So as to gauge the mood and gain a measure of what progress was being made, the views of the RCC Treasurers was again taken. CCC, CNCC and DCA agreed that the Post Prospectus mechanism remained the preferred mechanism. CW stated that whilst he personally accepted that the Post Prospectus mechanism had a lot to commend it, he was unable to ignore CSCC's declared position of wanting to set their own budget. On further discussion it transpired that CCC found the Revised Pre 1998 acceptable if not the preferred option. CW expressed a similar view. However, CNCC and DCA said they could not work with the Revised Pre 1998 mechanism. CW stated that he would try and sell this process to CSCC but could not guarantee that he would be successful. BM indicated that he was planning to attend the next meeting of CSCC to represent the proposals.

Discussion then moved on to explore what might happen if CSCC continued to oppose the Post Prospectus mechanism and did not join BCA. The point was raised and agreed that clubs do not need to be members of an RCC to join BCA. JR pointed out that it was CSCC's member clubs that voted to create the CSCC policy. It was suggested that many CSCC member clubs might decide to join BCA even though CSCC itself might not join. All RCC Treasurers personally agreed that the Post Prospectus option is the best way forward and that it would be regrettable if CSCC decided to opt out for this year. It was agreed that BCA's "tithing" element would retain the CSCC funding requirement for the purposes of calculating BCA's subscription.

Proceedings then progressed to calculate the required RCC subscription element. After reviewing each RCC's core expenditure and club membership size, a sum of £15 per club was accepted as being an acceptable figure for the subscription for RCCs. All treasurers then confirmed that a tithing sum of £15 per club would raise sufficient funds to cover the core activities of the RCCs. Subs would be paid to BCA and RCCs would be funded from the centre as per the Post-Prospectus option. Under this mechanism, members of BCA no longer subscribe to RCCs directly. BCA membership has the advantage that it is no longer necessary for clubs to join several RCCs. Membership of BCA means access to caves in all regions; dependent on the access restrictions of any given cave. BM agreed that each RCC would receive the identified sum for their core activities up front of BCA receiving subscriptions from members.

### ***Banding Subscriptions for Clubs***

BCA Executive had prior to the meeting expressed a view that it would like to see a club subscription based on banding so as to reflect the size of clubs. CO made the point that whilst none of the CCC member clubs had formally expressed a concern, CCC is actively in favour of a banded system for club subs and he had attended the meeting ready to propose the measure. JP declared that DCA has received an expression from its clubs indicating they would like to see a banded system for BCA clubs and noted that DCA had a banded subscription system for its sub.

Analysis of the available data on club sizes based on BCA and DCA data revealed that the majority of clubs are relatively small. ~25% <10 members and ~60% <30 members. Further analysis showed that

the majority of BCA's income would be from these smaller clubs rather than from the big clubs. It was noted that there were only 107 BCA & DCA clubs whose size was known whereas there were a larger number of additional clubs, estimated at around 180, for whom no data was known. It was agreed that these clubs were almost certainly small in size and should thus be assumed as having a size of around 20. A spread sheet was used to make calculations on various banding structures to reveal how much would be raised by having varying subscription sizes. Based upon a minimum charge of £15, it was found that a figure of around £8000 could be raised from the assumed number of clubs. In response to a query about reducing BCA's expenditure, BM noted that producing free BCA leaflets could be shelved for the year. BM proposed that BCA run at a deficit for 2005 to help get BCA fully operational. MD & EH agreed to setting a deficit budget for BCA in 2005.

The cost of publications would add another £10 to this basic charge. A suggestion was made that publications could be split into a mandatory handbook and 6 newsletters with the journal (Speleology) being optional. The cost of the handbook and newsletters was approximately £5 whilst the journal was approximately another £5. It was recommended that the journal should be made an optional extra that clubs/individuals could opt for (rather than opt out of). BM noted that the cost of the journal was based upon having a certain size of print run. Provided sufficient numbers of BCRA members opted to join BCA as Direct Individual members, then the recommended proposal of making the journal optional would work.

The meeting proceeded to discuss several alternative options for banding. PH expressed the view that SWCC would probably not agree to capitation as a means of banding. However, it was likely that SWCC would accept a banding approach which showed some benefit to larger clubs. The meeting agreed that this would probably be the view of the larger clubs. After further discussion, the following banding splits and charges were arrived at:

<b>Club size (members)</b>	<b>Basic Charge</b>	<b>Publications</b>	<b>Basic Club BCA Sub ex insurance</b>	<b>Optional Publications</b>	<b>Club BCA Sub ex insurance</b>
4 to 10	£15	£5	£20	£5	£25
11 to 20	£25	£5	£30	£5	£35
21 to 30	£35	£5	£40	£5	£45
31 to 40	£40	£5	£45	£5	£50
41 upwards	£50	£5	£55	£5	£60

Included in the above discussions was the matter of the sub for Associate members. After a brief exchange it was agreed that Associate members should be charged the subscription fee of £45 inclusive of all publications.

The meeting was concluded with the BCA Executive accepting the proposed method of funding and tithing as being the Post-Prospectus option based on RCC setting their subscriptions. The BCA Executive also agreed with the proposed club membership subscription fees and banding mechanism as detailed above.

Eddy Hill  
28<sup>th</sup> November 2004

## **Appendix 1 – Text of E Mail from DCUC's Treasurer**

**From:** Bill Tolfree [mailto:[Bill@tolfree.demon.co.uk](mailto:Bill@tolfree.demon.co.uk)]

**Sent:** 26 November 2004 23:06

**To:** Robert Mehew; Clive Owen; Eddy Hill; Mick Day; Chris Whale; Jenny Potts; Glenn Jones; Jonathan Roberts

**Cc:** Dave Millin

**Subject:** Re: Re: meeting on 28 November to determining the tithing mechanism

Thanks for your e-mails. Unfortunately pressure of work at this time of year very much restricts my movements away from Devon unless planned months in advance. I very much regret that I will not be able to attend meeting on the 28th November.

I would, however, like to take this opportunity of putting forward points that have been raised at DCUC Meetings

1. The DCUC is very much in favour of a one stop shop which I understand to mean that the clubs deal directly with BCA and pay only one subs to the main body. This is on the assumption that the following will apply.
2. Regional Councils retain a modicum of financial independence in that they can raise funds in other ways. DCUC currently administers the Key for one cave on behalf of the local Rescue organisation, a percentage of fees collected is taken as an admin fee and the balance passed on.
3. Reasonable Admin costs of purely of running Regional Councils should be claimable from BCA (Probably in arrears). These should include Insurance for Officers as well as the normal admin and running cost.
2. Regional Councils administer access and conservation in own areas and can obtain necessary landowners insurance to facilitate this. Also grants for minor works should be available although it is appreciated any major expenditure should be through UKCCF.

## **Appendix 2 – Definition of Core Activities which are Allowable Costs for Tithing**

The following text is taken from the Minutes of the Hub on 9 May 2004 as amended by RCC Treasurers meeting (see item in *italics*).

### ***Sub Budget Head - Meetings***

Allowable - photocopy, postage, room hire, stationary, phone bills, and travel expenses of officers to meetings

Non Allowable – travel expenses of members,

### ***Sub Budget Head - Conservation & Access***

Allowable - Negotiating access to caves and mines, gating of entrances, stabilising (?) and opening up of alternative safer) of entrances, working with landowner to maintain access, payment of “peppercorn” rents for access, other liaison and public relations work related to maintaining access and promoting conservation, travel expenses for meetings, photocopy, postage, stationary, phone bills

Non Allowable – digging as part of new exploration

### ***Sub Budget Head - Insurance***

Allowable - Provision of Public Liability cover for all persons (including officers, members, *key holders*, volunteers and land owners & their employees) involved in activities on behalf of the RCC activities, public liability cover for land owner access agreements

Non Allowable – insurance for clubs or individuals not undertaking authorised work on behalf of the RCC.

### ***Sub Budget Head - Provision of Information***

Allowable – Production of “Regional” Circulars (regular or spasmodic) on access, Production of “Regional” Access Handbook (regular or spasmodic),

Non Allowable – Production of a “Regional” newsletter (regular or spasmodic), Production of Handbook (regular or spasmodic), Production or sponsoring of “Regional” (Area) Guide Book, Topo sheet, Bolting Guide etc, Participation in events to promote caving,

### ***Possible extra Allowable Costs***

Several other areas of costs were identified (by the Hub) as being potentially eligible for grants or support from BCA (the meeting did not consider grants available from BCRA).

### ***Regional Website***

Provision of free website by BCA

### ***Regional Cave Registries***

Grants are available from Conservation and Access Committee. NB National work is coordinated by the National Cave Registry Officer under the Publications & Information Committee.

### ***Training Events***

Grants are available for all types of training events for “recreational” cavers from Training Committee.

### ***Eco Anchors***

It was proposed that grants be made available from Equipment Committee for the cost of Eco Anchors, but not for resin. NB this needs to be agreed by Equipment Committee and is also dependent upon availability of funding for Equipment Committee’s work (which has just been substantially cut back owing to the loss of the Sport England grant).

### ***Training in placing Eco Anchors***

Grants are available to cover the costs of the instructor and consumables for training (including refresher training) in the placement of eco anchors from Equipment Committee.