BMC Independent Organisational Review Group Report

November 2017

FOREWORD

At the British Mountaineering Council's National Council meeting the day after the AGM, in April 2017, it was agreed that a review group should be set up with a view to making recommendations for change in the organisational structure and governance of the BMC.

I was appointed as the chair of the Independent Organisational Review Group (ORG) and over the last six months it has been a pleasure to work with the other members of the group on the complex issues raised by the Terms of Reference given to us by the BMC's National Council.

The work of the ORG began in May 2017 and from an early stage it became clear that it was important for us to communicate with the membership and all the other interested parties who are, directly or indirectly, involved with the BMC. With this in mind the ORG arranged for an outside agency to conduct a Member Research Survey and we held focus group meetings with other relevant individuals and linked organisations.

The data from the Member Research Survey and the feedback from the focus groups, provided invaluable information and this material now forms the backbone to the ORG report and our recommendations.

In order to more easily understand our recommendations, it is important to view the organisation of the BMC, from its base and then move upwards through the structure.

The foundation stones of the BMC are its members and particularly those members who volunteer to play important roles within the organisational structure. The volunteers, for example, who sit on the Local Area Committees and who are able to highlight problems and issues which arise in particular areas of England and Wales. In a similar vein, the volunteers who operate the Specialist Committees, are also a vital part of the structure of the BMC. We must also factor in the staff and managers who also play equally important roles from the head office in Manchester. The very clear message which emerged from the focus group meetings with the volunteer chairs and the staff, was that better communication was needed and a detailed vision and mission statement was required.

With these last two points in mind, we propose that there should be more use of up-to-date methods of communication so that Local Area Committees can be more representative and the members can have better access to the policies and decisions the staff, management teams and volunteers create on the BMC members' behalf. It is also vital that a detailed vision and mission statement is drafted, alongside a new organisational strategy, and communicated to the membership, for their approval, before it is enshrined in a new code of governance.

The feedback from the Member Research Survey and the focus groups, our research into the law and the best practice in other similar organisations, has led us to the conclusion that the BMC Board of Directors must have primacy and the BMC must have new Articles of Association. With this in mind we have instructed an independent firm of solicitors to advise on the best way to amend the constitution of the BMC. We have sent a detailed set of instructions to the solicitors and these include a schedule of the data from the Member Research Survey and the information from the focus group meetings, and had helpful and detailed advice which has fed into our report. We have also set out our recommendations for other proposed changes to the structure of the BMC.

At its heart, however, again reflecting the feedback the ORG has received, the BMC is and must remain a membership organisation. As a result, a further important recommendation we make is the creation of a new Members' Assembly, which will replace the current National Council. Although the Board of Directors of the BMC will exercise all the legal powers of the company, the Members' Assembly will have a crucial role, to consult with the Board, oversee and monitor the work of the Board and in some circumstances, give their prior approval. The powers of the new Members' Assembly will be clearly defined in the new Articles of Association and there should be a schedule of "Reserved BMC Matters", setting out the circumstances where the Board must seek prior approval or consult with the Members' Assembly before taking important decisions.

The focus group meetings with the linked organisations e.g. Mountain Training UK, Mountain Heritage Trust, Association of British Climbing Walls and others revealed the important roles played by these organisations and their desire to remain under the umbrella of the BMC, as the representative body. In these circumstances, acting on the feedback, we recommend that a new Partners' Assembly should be formed so that the BMC management can work more closely with these relevant organisations. This forum will concentrate on partnership issues and will debate the special relationship between other organisations in climbing, hillwalking and mountaineering, with the BMC as the representative body. The forum will also be in a position

to consider the best approach to competition climbing and the role of the BMC as the governing body.

The 51 recommendations for change have been carefully considered and they are supported by the narrative in the report. We have listened to your views, looked at best practice, considered modern codes of governance and taken legal advice, in order to ensure that our proposed changes will improve the relationship between the BMC, its members and partners. We firmly believe that if you approve of our recommendations and they are implemented at the AGM in April 2018, then the BMC will be better organised, better structured, more transparent, more compliant and better able to deal with its duties and responsibilities as we move into the second quarter of the century.

Ray Wigglesworth QC

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EXECUTIVE SUMMARY

Introduction

The British Mountaineering Council (BMC), is a membership organisation, which exists to serve the priorities of Britain's climbers, hillwalkers and mountaineers. It was set up in 1944 as a body to represent and speak on behalf of all climbers in Britain. Unlike many of the mountaineering clubs at the time, membership was open to all, regardless of race, religion or political party.

Throughout the last 73 years, the BMC has frequently been remoulded by its members, volunteers and staff, in order to meet the needs and priorities of its members. Many of these changes have been driven, and overseen, by the figureheads of climbing and mountaineering, some of whom remain, and are honoured, as Patrons of the BMC.

The BMC was initially set up by a variety of clubs as an umbrella group to support participation by providing accommodation, training and procurement of technical equipment. As the BMC's membership grew, its priorities and the breadth of the activities it oversaw increased. Since 1973, and the formation of the Access & Conservation Department, the BMC's top priority for members has been seen to be - and remains to be - to lobby, nationally and locally, on access, conservation and environmental matters. The majority of members who completed the ORG Member Research Survey agreed that the BMC had successfully delivered on this priority, notwithstanding the fact that we live in an environmentally changing and more governed and regulated world.

The landscape of climbing, hillwalking and mountaineering, and the society in which we live, has changed significantly since the BMC's creation in 1944, and incorporation in 1993. Climbing, hillwalking and mountaineering as a combined activity now has participation at a level equivalent to football1. Climbing is now an Olympic sport, and indoor climbing is booming as an industry as well as an introductory pathway for new climbers seeking to take their participation outdoors. Society is more diverse, and people are healthier, living longer, and getting active outdoors more than ever before.

Whilst for some, climbing, hillwalking and mountaineering are anarchic, individualistic and traditional pastimes, adventurous and free of rules, the world in which we now operate requires the BMC both to support the traditional aspects of these activities, and balance this with the needs of a growing and diverse BMC membership. It also needs to manage the challenges of an even more diverse and increasing participation amongst non-members. Similarly, as the BMC's membership has grown, its relationship with government has changed. Since the mid-1980s the BMC has received funding from Sport England (previously, the Sports Council) to support its activities.

Over two thirds of the representative sample of the membership the ORG surveyed thought that the BMC should seek to increase its membership, and also encourage participation in climbing, hillwalking and mountaineering. BMC members also recognised the conservation and environmental challenges related to increasing participation, coupled with the broader economic and regulatory landscape. The ORG considers that such a balance can only be achieved by a BMC which has broad stewardship of the activities in which it operates.

Whilst the BMC was seen to be performing well against its priority of access and conservation, it became clear throughout the ORG's engagement with members, partners and stakeholders, that the BMC currently lacked a clear and binding vision, strategy and direction, and that in some cases, the desires of the membership were in conflict with the current perception of the BMC's aims. Members often felt that they were not properly consulted in decision making, and that organisational governance and the development of policy were not always transparent.

Balancing support for such a broad range of participation presents a range of challenges for the future of the BMC, not least in terms of funding, structure, governance, leadership, strategy, decision making and communications.

A range of these challenges have already presented themselves to the BMC in recent years. In particular, Sport England's review of the BMC, and subsequent withholding of funding, exposed a number of statutory and governance requirements that the BMC, its Memorandum and Articles of Association (M&AA), and organisational structure, do not currently comply with. After consultation with those experienced in governance and seeking specialist independent legal advice, the ORG recommends that the BMC reviews and restructures certain parts of the organisation, in order to meet its statutory requirements and independent good governance codes of practice.

[1]Active Lives Survey May 16/17, Sport England (September 2017)

"In our view, the M&AA as currently drafted do not reflect best practice, do not reflect good governance, create legal uncertainty and risk for the BMC and those involved in its governance."
- Womble Bond Dickinson

A number of the recommendations made by the ORG will require changes to the M&AA in order to be implemented. The key changes - to be reflected in new Articles of Association - are outlined in the report.

Similarly, some of the recommendations will require changes to the M&AA of the BMC's charitable subsidiaries. The legal advice we received has highlighted that there is a need to both further review and amend the M&AA of each subsidiary (which are currently not fit for purpose), and also put in place a legally binding operational framework between the BMC and each subsidiary.

It is simply not the case that such reforms are being driven by Sport England, or the Department for Culture Media and Sport (DCMS). Many of the ORG's recommendations are required in order for the BMC to be compliant with the law in England and Wales, specifically the Companies Act 2006, and company law in general. Similarly, many of the recommendations that the ORG is proposing are required in order to comply with recognised and independent codes of good governance, such as the Sport and Recreation Alliance's The Principles of Good Governance for Sport and Recreation2 (SRA Principles). The BMC is a member of the Sport and Recreation Alliance, but has not yet signed up to the SRA Principles, as it is currently unable to meet them. This code of governance is one which other organisations within climbing, hillwalking and mountaineering, such as Association of British Climbing Training Trust (ABCTT) have already adopted and implemented.

Ultimately, there is little between codes of good governance that depart significantly from others, including Sport England's A Code for Sports Governance3 (Sport England Code) - good governance is good governance.

The ORG recognises that these changes present a challenge to those that would prefer to see the BMC as a more simple organisation, free from bureaucracy or over-corporatisation. However, in a growing organisation, which now exceeds 85,000 members, the ORG have taken the view that these changes are required in order to serve members by improving decision making and transparency, as well as to comply with the law.

The ORG must also clarify that the majority of these recommendations are in relation to the good governance of the BMC's internal organisation, not in relation to it being seen as a "governing body". The BMC is already recognised as the National Governing Body (NGB) for competition climbing by Sport England and UK Sport. The ORG is recommending that it remains so. 74 % of members surveyed said that grant funding was one of their preferred methods of ensuring financial security for the BMC. Similarly, some of the priorities identified in the ORG's survey are currently grant funded.

As such, the BMC is also recognised as the umbrella body for applying for funding to Sport England, and UK Sport, for many of its partners, for example; Mountain Training England, Association of British Climbing Walls, ABCTT, and Team GB. Without a representative umbrella body, such as the BMC, able to apply for this grant funding, these partners would be left without the capability to access such funding channels.

The ORG, as a body independent from the BMC and its staff, comprises eight members, with a total of seven votes, from within and outside the BMC membership. The group is chaired by an independent Queen's Counsel (QC) barrister, Ray Wigglesworth, who, although a climber and mountaineer with over 40 years' experience, has never been a BMC member. The group includes a range of skill sets and backgrounds including a current BMC Patron, a former President of the Climbers' Club, a partner in an international law firm, a membership and charity governance professional, a start-up CEO and strategy consultant, and two of the BMC's recently appointed Independent Directors. The ORG's members span a range of club memberships, involvement in partner organisations, and climbing, hillwalking and mountaineering experience. Each member of the group has a single vote, save for the BMC's Independent Directors who share a single vote.

In forming its recommendations, the ORG took views and advice from over 4,500 BMC members via a Member Research Survey, commissioned and carried out by an independent market research company4. The group also engaged in dozens of focus groups taking the views from, amongst others, BMC Patrons and ex-Presidents, clubs, BMC staff, competition climbers and linked organisations such as Mountain Training, ABC, the Access and Conservation Trust and Mountain Heritage Trust. We also received a number of written representations.

[2] The Principles of Good Governance for Sport and Recreation, Sport and Recreation Alliance (May 2017)
[3] A Code for Sports Governance, Sport England (October 2016)
[4] BMC Organisational Review Membership Survey 2017, 2020 Research (September 2017)
NB. This report will be published alongside this document on the BMC website.

The ORG has therefore taken into consideration the full range of issues, concerns and views of the membership, key partners and stakeholders. It has utilised the experience and qualifications of the ORG's members, as well as taking advice from a specialist legal firm, Womble Bond Dickinson, in order to form its recommendations.

The suite of 51 recommendations the ORG are making, taken together, are designed to create a grassroots BMC, driven by its members, volunteers and staff, which is fit to serve the present and future needs of all climbers, hillwalkers and mountaineers.

When implemented, these recommendations will ensure BMC's members have greater involvement in decision making, increase transparency, and provide clear leadership and direction for staff and volunteers. They will also ensure that the wide spectrum of clubs, partners and sector organisations can be effectively supported, to the benefit of, and in the interests of, BMC members.

Importantly, the recommendations also create a BMC that is able to operate within the current statutory and regulatory landscape, ensuring that the correct officers of the BMC are able to reasonably take on the legal risk for the decisions made by the organisation.

The ORG also recognises that the BMC staff have been thoroughly committed to the BMC, despite many of the challenges it has recently faced, and they have continued to strive to meet the needs of members. They have done this despite the governance and other issues the ORG has identified. However, the ORG recognises that this cannot continue to be the case.

Within the Terms of Reference given to the ORG by the BMC's current National Council, the ORG was asked to communicate which changes are required in order to be compliant with the Sport England Code. The ORG is satisfied that the suite of recommendations proposed are within the current National Council's Terms of Reference for the ORG, meet the SRA Principles, and will create a BMC that is able to meet the Sport England Code. It can therefore apply for and receive funding, should it wish to do so.

Key Recommendation Themes

Below is a summary of the key themes of the recommendations, broken down into the categories the ORG has recommended.

Headlines

The BMC should ensure it is both the representative body for all climbers, hillwalkers and mountaineers and the governing body for competitive activities. On behalf of, and in conjunction with, its members, the BMC should:

- Create a vision for the sector that includes the relationships with clubs, partner organisations and stakeholders
- Create an organisational strategy to deliver this vision through its staff and volunteers
- Serve its members openly and transparently, developing strategies to engage members democratically in determining its future
- Recognise the importance of indoor climbing as an activity in its own right

Corporate Structure

- Remain a not-for-profit Company Limited by Guarantee
- Ensure oversight and effective use of its charitable subsidiaries and joint entities; Access and Conservation Trust, Land Management and Property Trust and Mountain Heritage Trust
- Consider sub-groups or wholly owned subsidiaries for:
    - Commercial operations
    - Competitive activities
    - Supporting activities in Wales/Cymru

Governance

- Executive Committee disbanded and replaced by a Board of Directors, chaired by an independent Chair
- Re-creation of a Nominations Committee and Finance/Audit Committee under the Board of Directors
- National Council disbanded and replaced by a Members' Assembly chaired by the President
- Creation of a Partners' Assembly
- Clarity on role of Patrons
- Review of Specialist Committees and working groups
- Operational changes to Local Areas
- Implementation of online voting for AGMs
- Introduction of an effective grievance process
- Effectiveness review of Articles of Association changes after three years

Strategy and Policy

- Creation of a strategy development process
- Review of who target members are, mindful of over-expansion
- Encourage responsible growth in climbing, hillwalking and mountaineering
- Remain one member one vote, but restructure membership packages to meet the needs of individual members
- Grant funding for non-core initiatives and projects only
- Strategy to support clubs more effectively
- Review, extend and strengthen strategic partnerships at home and abroad
- Clarity on Olympic support
- Creation of a digital strategy
- Implementation of digital membership engagement platforms
- Review management of membership engagement
- Balance communications between sales and policy

Culture, Leadership & Management

- Senior Leadership Team expanded to three Directors; CEO, plus two other senior roles
- Senior Leadership Team to create a business plan approved by the Board of Directors
- Senior Leadership Team measured, by the Board of Directors, to robust and challenging objectives
- Senior Leadership Team responsible for performance management and HR
- Senior Leadership Team to encourage culture of empowerment and delegation
- Senior Leadership Team responsible for creating robust and measurable objectives for staff
- Creation of plan for staff career training and development
- Clear policies for staff when working with partner organisations
- Review to enhance volunteer support, induction and management
- Policy for regular recognition of significant contributions to the BMC

Key Recommendation Categories

The 51 ORG recommendations have been split into the following categories.

Headlines

The recommendations in this section are a summary of the overarching themes from the feedback we received, and the agreed views of the ORG. They are based upon the view that, whilst there is general satisfaction with the BMC, there are clear areas which require change, reform, or improvement.

The majority of the representations we heard agreed that the BMC must seek to represent the broad church of activities under its remit, whilst carefully balancing its role as a representative body and governing body for competition climbing. Our findings showed a lack of clear vision and strategy for the BMC at present. They also highlighted concerns about governance, leadership, transparency, communications and democratic process. The ORG has addressed these issues in these recommendations.

Throughout the review, the ORG has ensured that members and volunteers remain at the heart of the BMC. The suite of recommendations is designed to create a grassroots BMC that is able to support and provide for members, meet the specialist needs of climbers, hillwalkers and mountaineers, and ensure that members are involved in a transparent decision making process.

Strategy and Policy

Members and focus groups voiced satisfaction with a number of the BMC's activities, particularly in relation to access and conservation work, provision of specialist insurances, testing and technical safety advice, and in supporting professional training. However, throughout the consultation it became clear that there was a lack of clear overall strategy within the BMC.

There were also a number of areas of policy where members and partners were unclear about the position of the BMC, in particular in relation to indoor climbing, competition climbing, and more specifically, the BMC's support for climbing's inclusion in the Olympics.

In general, it was felt that policy discussions needed to reach and engage more members, have a broader decision making base, and that decisions should be made and communicated transparently.

Overall, it was felt that the BMC could be the 'umbrella' organisation that represents all partners within climbing, hillwalking and mountaineering, but this position needs to be formalised as an objective and culturally accepted.

We also recognised the following from the ORG's research and analysis:

- Access and conservation remains the top priority for BMC members.
- Conserving mountaineering heritage and tradition is important to all members, regardless of age.
- There should be a recognition of the shift in landscape of climbing, hillwalking and mountaineering, and the impact on access and environmental issues.
- The BMC has support from members to actively seek to increase both participation (73 % survey support) and membership (77 % survey support), however it must also address increasing participation from an access and conservation point of view.
- Grant funding and commercial activity is acceptable to the majority of members, but this should not compromise core activities or the integrity of decision making.
- A desire from members for the BMC to balance its work across all age groups, clubs and types of participant.
- A keenness to ensure a greater use of digital technology to increase and balance communications, support member engagement and for involvement in decision making.
- A strong desire to keep members and volunteers at the heart of the organisation and support volunteers effectively.

Corporate Structure

The BMC is currently a not-for-profit Company Limited by Guarantee and, having considered the alternatives, the ORG recommends it should keep this form. The ORG is currently aware that the BMC has three wholly owned charitable subsidiaries; BMC Access and Conservation Trust, Mountain Heritage Trust and the BMC Land and Property Trust.

The ORG considered the views of its charitable subsidiaries and joint entities, and sought specialist legal advice. The ORG has made recommendations in relation to these subsidiaries. These recommendations will ensure that the BMC is able to have effective oversight and governance of these subsidiaries. This enables the BMC to fundraise and maintain tax efficient activity, where applicable, whilst balancing the division and autonomy of these bodies and maintaining the BMC as a membership body overall.

Taking into account the feedback from members and stakeholders, the ORG has also made recommendations about further sub-groups or subsidiaries that should be considered to ensure appropriate division and autonomy, and greater efficiency within the BMC as a whole.

Governance

This area presented a number of challenges for the ORG and the recommendations related to governance of the BMC required careful consideration. The ORG has created a package of recommendations that meets statutory requirements, balancing the desires of the members and stakeholders with mapping well against codes of good governance, particularly the SRA Principles, to ensure effective decision making. The ORG has sought to resolve a number of the issues raised, namely:

- Clarity on who has legal responsibility (primacy) for management of the BMC.
- Overlap of positions between the Executive Committee and National Council.
- Clarity on how appointments to National Council, Executive Committee and other positions of responsibility are made.
- Prescriptiveness of the Memorandum and Articles of Association which conflicted with, or over restricted, the BMC's current policy positions.
- Clarity of the role of Specialist Committees and working groups in the governance of the BMC.
- Limited and ineffective member grievance processes.
- Transparency of decision making.
- Limited governance concerning commercial decisions.
- Limited involvement at Local Area level and clarity on the role of Local Areas in the governance of the BMC.

Culture, Leadership and Management

The ORG's consultation identified, specifically from the focus groups, a number of concerns about the culture, leadership and management of the BMC.

There was a feeling that there needed to be a clarity of vision, mission, aims, and direction from leadership and management, to ensure that all staff and volunteers understood what they were working towards as an organisation, and to reduce "silo" working.

The ORG is aware that staff often feel that they are not empowered to take decisions or have operational ownership over some areas of their work. This is due to:

- A lack of clear leadership.
- Limited communication between the management and staff.
- Unclear BMC policy on the issues identified in other areas of this report.
- Limited delegation of budgets to departments.

The BMC, and its leadership, must be confident and empowered to discuss - and make decisions on - contentious issues. It was felt that the leadership of the BMC must regain the trust of the membership.

The ORG acknowledges these concerns, and has sought to address these issues in its following 51 recommendations.

Report Style

This report has been written in a style that allows (as much as possible) for each recommendation to stand alone within the document. We have justified each recommendation with a narrative that references our research sources and shows the rationale behind the conclusion that we have reached. We recognise that this has, in certain sections, led to some repetition of narrative. We have taken the stance that we would prefer this, than to leave out a piece of critical thinking or justification in order to simplify the document. We ask you, the reader, to bear with us if you occasionally encounter this.

The BMC ORG is making the following 51 recommendations to the members of the BMC. Further details of each recommendation section, and the individual recommendations within them, are described later in the report.

INDIVIDUAL RECOMMENDATIONS

Headline Recommendations

1. The BMC should ensure it is both the representative body for all climbers, hillwalkers and mountaineers and the governing body for competitive activities
2. The BMC should create a vision for all climbing, hillwalking and mountaineering activities, including the relationships with clubs, partner organisations and stakeholders across the sector
3. In order to deliver its vision for all climbing, hillwalking and mountaineering activities, the BMC should create an organisational strategy that focuses on delivering, through staff and volunteers, and alongside its subsidiaries and partners, its priorities and functions for members
4. The BMC exists primarily to serve its members. It must therefore be open and transparent and develop specific strategies, policies and structures that engage members democratically in determining its future
5. The BMC must recognise the importance of indoor climbing as an activity in its own right, as an introductory pathway into climbing, hillwalking and mountaineering, and as a significant area for future membership

Strategy and Policy

6. The BMC should create a strategy and organisational development process to ensure that it remains relevant for both existing and prospective members
7. The BMC must understand and define the breadth of its membership and understand the balance between attracting new members and over-expansion, recognising the conservation and environmental issues that growth could cause
8. The BMC should responsibly encourage growth and participation in all areas of the activities that it represents
9. The BMC should develop and support strategies and programmes to encourage a diverse membership, focussing particularly on young people, to participate in all its activities
10. The BMC should ensure it is financially sustainable through a mixture of membership fees, commercial activities (including sponsorship) and fundraising (including grant funding). However, grant funding must only be used for specific non-core initiatives and projects. The BMC must ensure it has a reserves policy in order to maintain financial stability
11. Full membership of the BMC should remain one member one vote, however, it should review its membership packages to ensure that it is commercially meeting the individual needs of its members and consider non-voting associate members for particular partnerships and commercial purposes
12. The BMC should ensure it has a strategy to support the broad range of affiliated clubs so that they continue to be a key pathway into climbing, hillwalking and mountaineering, and further enabling them to be key advocates and educators for responsible, safe, traditional and ethical participation
13. The BMC should review its strategic partnerships and where necessary strengthen existing partnerships or develop new partnerships with organisations across the spectrum of the BMC's work
14. The BMC should work with and develop partnerships with other nations' governing and representative climbing, hillwalking and mountaineering organisations and global climbing organisations such as the UIAA and IFSC
15. The BMC should give clarity to members, partners and stakeholders on its level of support for the Olympics
16. The BMC should ensure that it has a digital strategy to support potential growth, its members, policy forming and engagement and broader innovations within the scope of the activities it supports
17. The BMC should review how it resources the management of membership engagement
18. The BMC should implement a technology based national polling and discussion platform to gauge member views on national, international and local issues
19. The BMC should implement a technology based Annual Member Survey
20. The BMC should ensure it balances communications between sales and commercial functions and organisational and policy functions

Corporate Structure

21. The BMC should remain a not-for-profit Company Limited by Guarantee; however, only following a complete review and amendment of its governance structure
22. The BMC should have effective oversight and governance of its charitable subsidiaries, ensuring that all of their legal and governance obligations are being met, in order to optimise their charitable outputs, and at the same time respecting their organisational autonomy. These

are the BMC Access and Conservation Trust (ACT) (charity number 1089516), BMC Land and Property Trust (charity number 1112577) and Mountaineering Heritage Trust (charity number 1083219)

23. The BMC should consider clearly defined sub-groups, or creation of a wholly owned subsidiary(s) for some of its commercial activities
24. The BMC should consider a clearly defined sub-group, or creation of a separate governing body subsidiary within the BMC, for the purposes of managing competitive activities and to support elite level competitive activities such as Team GB
25. The BMC should consider a clearly defined sub-group, or creation of a wholly owned subsidiary for effective delivery of the BMC's operations and support in and for Wales/Cymru

Governance

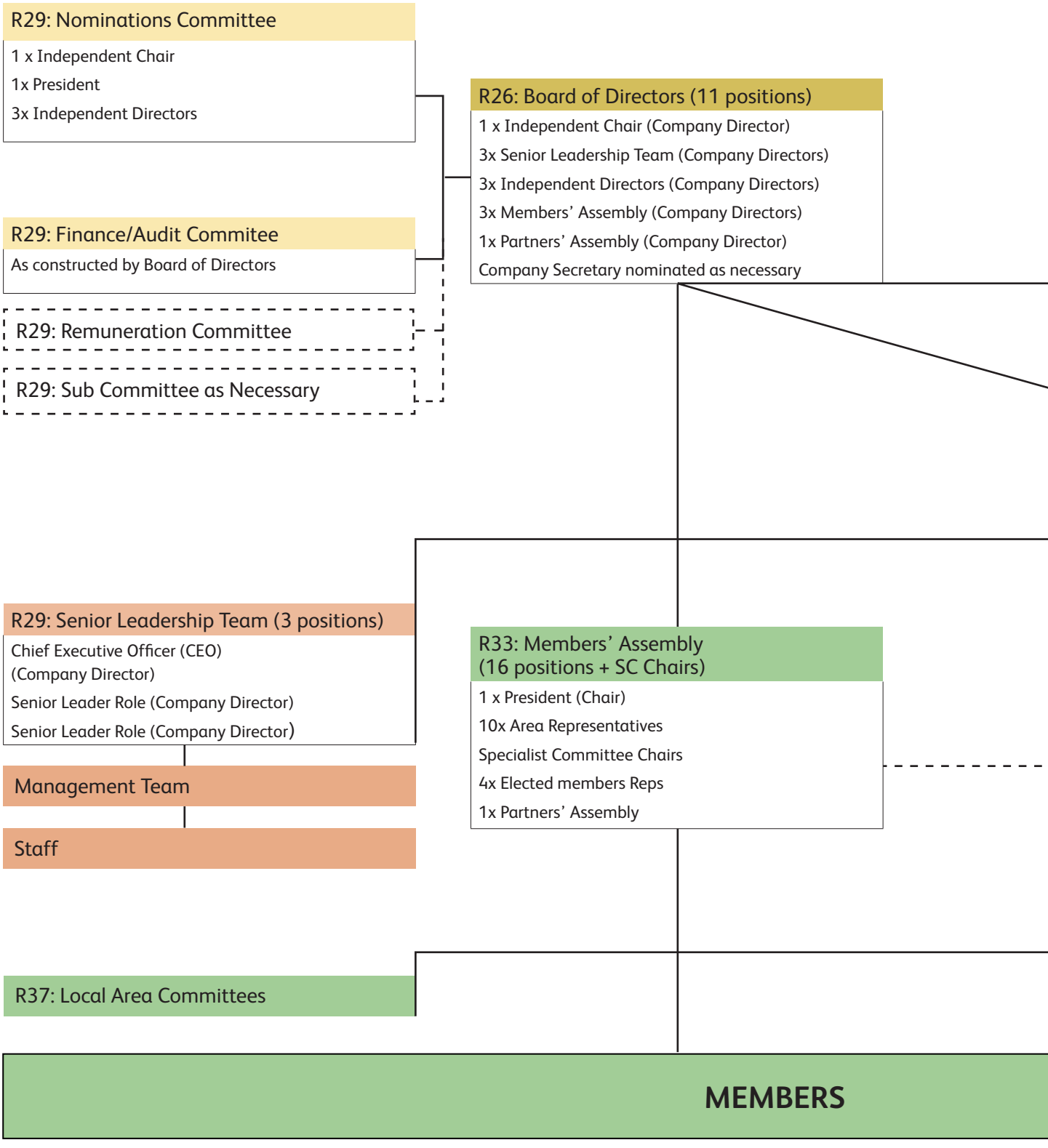
26. The Executive Committee should be restructured and renamed the Board of Directors
27. The BMC should appoint a Chair of the Board of Directors who is independent from the Members' Assembly
28. The BMC should ensure that its Board of Directors has clear primacy, to ensure compliance with the Companies Act 2006
29. The Board of Directors should establish a Nominations Committee and a Finance/Audit Committee, within the new governance structure
30. The BMC should engage in an internal Board of Directors review annually with an external review every three years in order to ensure it remains effective
31. The Board of Directors should publish a communiqué (summary of key themes and discussions) after every meeting, to be published on the BMC website
32. The BMC should clarify the role of Patrons and the mechanism for bringing new Patrons into the organisation
33. The National Council should be restructured and become the Members' Assembly, and its role redefined
34. The BMC should retain the role of President, who chairs the Members' Assembly, however the role should be separate from the Chair of the Board of Directors
35. The BMC should create a Partners' Assembly to strengthen key alliances and sector partnerships
36. The BMC should review Specialist Committees and working groups to clarify roles and ensure separation of policy-making and operational activities
37. Local Area Committees should remain, however a number of operational changes should be made in order to make them more effective
38. The BMC should implement an online voting platform in order to increase member engagement in its AGMs
39. The BMC should introduce an effective process for members to raise grievances about the management of the BMC
40. The BMC should review its Articles of Association, and those of its subsidiaries, after three years in order to evaluate their effectiveness and every three years thereafter

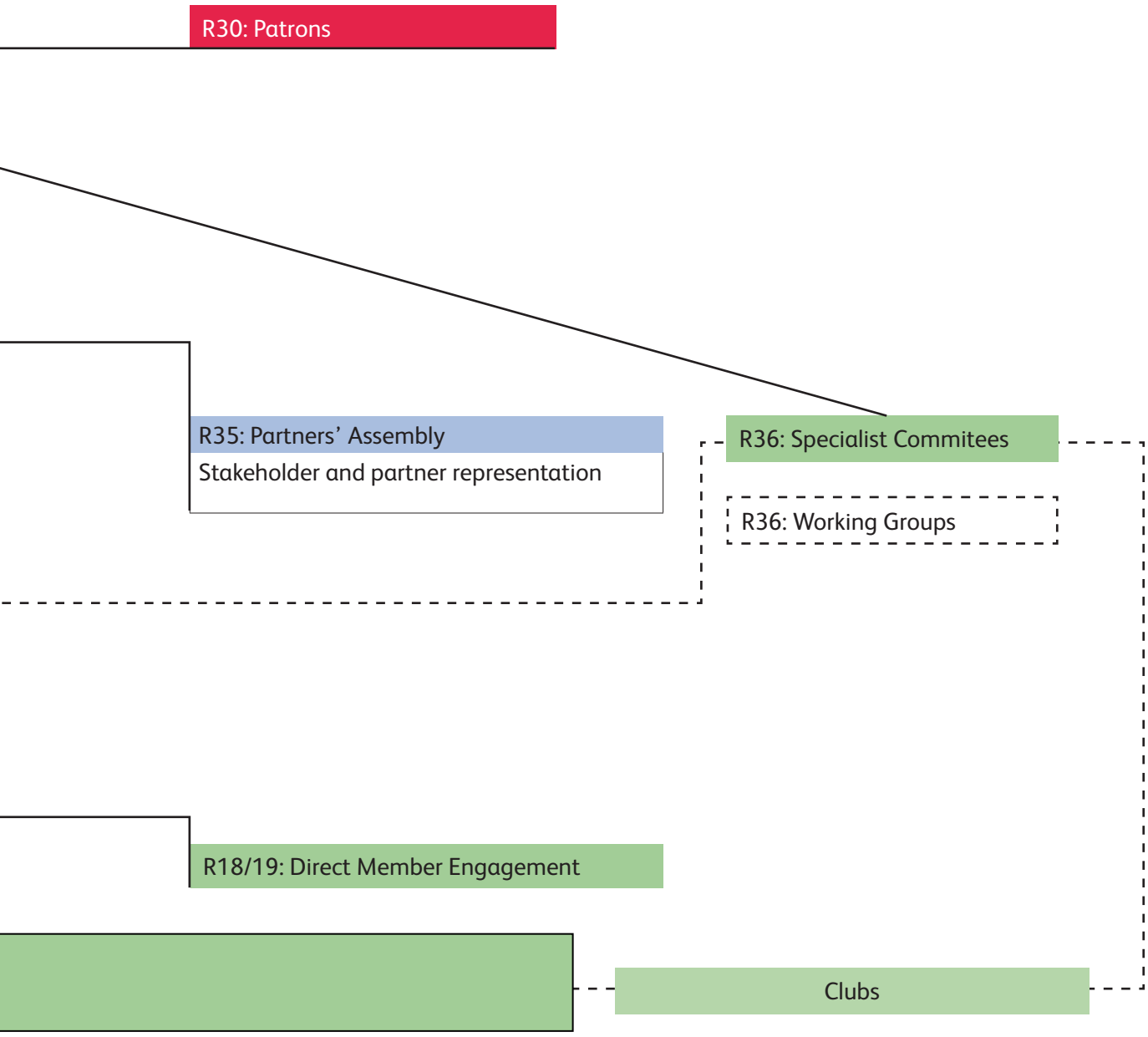
Culture, Leadership and Management

41. The Senior Leadership Team should be expanded to three Directors (including the CEO) to bring it in line with modern organisations
42. The Senior Leadership Team should have a business plan which is approved by the Board of Directors
43. The Senior Leadership Team should have robust, challenging and motivational objectives, based upon the strategic plan, which are measured by the Board of Directors
44. The Senior Leadership Team, working with the Management Team, are responsible for ensuring that all staff have robust and measurable objectives which are driven from the strategy and business plan
45. The Senior Leadership Team of the BMC should encourage a culture of empowerment, delegation and decision making across the staff structure
46. The BMC should create a plan to allow for staff career development and succession planning
47. The Senior Leadership Team should be responsible for performance management, remuneration and reviewing of HR policies
48. The BMC should ensure it has clear policies that enable its staff to work effectively with partner organisations and provide training and coaching to staff operating in those roles
49. The BMC should review how it resources the management of volunteers
50. The BMC should look at a volunteer induction policy and plan for volunteer engagement, and volunteers should have a clear job description and understand their role
51. The BMC should enhance its policies to ensure regular recognition of significant contribution to the organisation

BMC ORGANISATION CHART

The chart below outlines what the BMC's new governance, leadership and structure will look like in a BMC changed by the ORG's recommendations.




R30: Patrons
R35: Partners' Assembly
Stakeholder and partner representation
R36: Specialist Commitees
R36: Working Groups
R18/19: Direct Member Engagement
Clubs

BRIEF BACKGROUND TO THE BMC

In the early 19th century mountaineering was born as a sport that was pursued in its own right, rather than as a necessary aside to scientific or geographical study. Britain was an early pioneer making bold and epic ascents in the Alps.

The Alpine Club, the world's first mountaineering club, was formed in 1857, and began to assume the role of national representative body. However, it could never function effectively as such, since its membership was restricted to those respected gentlemen with a good Alpine background.

Geoffrey Winthrop Young, motivated by the desire for a representative national body, was instrumental in setting up the first umbrella organisation for UK climbing clubs, the Standing Advisory Committee on Mountaineering (SACOM) in 1943. This committee was to establish the criteria to set up the BMC shortly after.

In 1944, Winthrop Young, then President of The Alpine Club, was successful in bringing about the motion to create The British Mountaineering Council. Membership was to be open to all, regardless of race, religion or political party and the body was to represent and speak on behalf of all climbers in Britain.

BACKGROUND TO THE BMC'S INDEPENDENT ORGANISATIONAL REVIEW GROUP

The key review we refer back to is Bob Moulton's *Future Policy Review 2003-05*[5], which came about after earlier reviews had taken place in 1976 and 1986. This review took advice from many BMC members through questionnaires and meetings and got a proper feeling for what the members wanted. Reading through that review reveals that much of the ground covered then is the same ground that the current ORG has trodden in recent months.

Many of the solutions and rationales proposed in Bob Moulton's review are equally valid today. It is therefore very important that any review must be looked at critically from time to time, and not just filed away in an obscure part of the archives.

It is 12 years since the previous review and a number of things have changed, but not as much as some might imagine. Many of the key issues still remain the same. Within Bob Moulton's review there was a recommendation that a review should take place every four years. Although the BMC has produced regular strategic plans, these have tended to be developed internally rather than through consultation with the membership. *The BMC Strategic Plan 2015-2019*[6] is on the BMC website. However, there has not been an external, or independent, review of the workings of the BMC since 2005.

The BMC has, since 1965, worked very closely with Sports Council (now Sport England). In 1968, the BMC changed its constitution after a conversation with the Sports Council. At various times, the BMC constitution has changed, in 1973 (gave powers to the Local Areas to elect what was known at the time as "Management Reps"), 1982 (enfranchised individual members) and then in 1993 when the BMC became a Company Limited by Guarantee. It was at this time that BMC's current Memorandum and Articles of Association (M&AA) were initially drawn up.

Companies Act 2006 was a major piece of legislation, and is the main piece of legislation which governs company law in the UK. In 2007, the BMC became "one member, one vote". Since 2007 resolutions were made in a number of years in an ad hoc and piecemeal basis.

Whilst the M&AA have been amended over the years, it was felt that they did not fully reflect the legal position, or good governance codes of practice. As a result, it is not surprising that Sport England, who fund some of the BMC's activities should shine a light on the BMC's governance shortfalls.

During 2016 the BMC went through a rebrand process to become Climb Britain, following a Sport England funded consultation. This decision to rebrand was made in good faith by the Executive Committee and the National Council, and made democratically under the current BMC M&AA. However, members felt that they had not been consulted in this process. This rebrand was reversed.

In February 2017, National Council decided that a review of governance was required at the BMC. However, that project was overtaken by the events surrounding a motion of no confidence, proposed by 30 members of the BMC which, though defeated, was central to the 2017 AGM.

This motion of no confidence, coupled with the previous intention to produce a review of governance resulted in the formation of the Independent Organisational Review Group (ORG). The ORG had a broad remit to look at both governance and organisation, and was given the timeframe of six months to carry out its phase one work: reviewing the BMC and making recommendations. This report symbolises the end of phase one, now leading into phase two: a consultation process leading up to implementation at the AGM 2018.

[5] BMC Future Policy Review 2003-05 (March 2006)
[6] BMC Strategic Plan 2015-19

WHAT THE INDEPENDENT ORGANISATIONAL REVIEW GROUP SET OUT TO ACHIEVE

From the outset, the ORG as an independent body wanted to challenge misconceptions and test hypotheses about the feelings of members, stakeholders, staff and partners towards the BMC, its activities and its operations. The ORG wanted to consider the whole range of members' views, equally and without the weight of external, or indeed internal, influence.

Democracy and members at the heart of the Organisation

The BMC is first and foremost a membership organisation, and its members should be at the core of policy and decision making. The ORG did not want to challenge this notion. It is impossible not to refer back to the rebranding of the BMC in the context of this review. This episode was the catalyst which caused many members to look at the processes involved in BMC decision making. Though the BMC followed all the rules about policy making within the M&AA, the membership felt they were not consulted. Through the ORG's recommendations it is considered that members will feel more involved in the democracy and decision making of the BMC, and thereby have full confidence in the decision making process. The ORG also placed members at the heart of its own review, consulting with them thoroughly in order to guide its recommendations and ensure the diverse range of members' views has been heard.

Clarity in Governance

The BMC's current M&AA have led to situations where there has been uncertainty about which decisions the current Executive Committee or National Council should have been making in relation to the management of the BMC. There was also uncertainty as to which body within the BMC had legal responsibility for the decisions made by the BMC. The ORG recommendations resolve this.

Transparency and Open Communication

At the heart of democracy and membership organisations lies transparency and open communication. In forming its recommendations the ORG has ensured that it is itself transparent, and that it creates a BMC that is completely open with its members about policy creation, review and decision making within the organisation. Many of the grievances that that were raised by members prior to the formation of the ORG were related to transparency and communication. The ORG has ensured all members can access, and participate in, the decision making process. Similarly, the ORG seeks to communicate openly and act transparently in delivering its findings and in consulting with members in future.

Articles of Association Fit for Purpose

The BMC's current M&AA was written in 1993, when the BMC incorporated as a Company Limited by Guarantee. Since then a number of important legislative changes have been made, specifically the Companies Act 2006, and where applicable for its subsidiaries, the Charities Act 2011. Technology has also changed the way in which membership organisations can engage their members in organisational governance. Whilst iterative changes have been made, the M&AA have not previously been fully independently reviewed and updated to reflect such changes, and the ORG has addressed this. Where changes to the M&AA need to be made, the ORG has proposed the adoption of clear, unambiguous language, which will conform to law and relevant codes of good governance.

Financial Stability and Organisational Responsiveness

At the heart of many of the historic disagreements within the membership is the range of activities that are undertaken, and how they are funded, particularly in relation to grant funding. The ORG recommendations provide clarity and would create a financially stable organisation that can also respond to changes and opportunities effectively.

Clarity in Direction

Though defining a particular strategy or policy is outside of the terms of reference of the ORG, the ORG has highlighted where strategy and direction requires development, review or clarification. The ORG has also made recommendations on how this should be facilitated.

"Treat the BMC as a company that wants to grow and is not only self sustaining (ie doesn't rely on grant funding as this is very risky) but can reinvest to improve the quality and range of services it offers for its members. This might mean a change in culture and structure, which I'm sure some people will not like, but no-one ever likes change and I think in the long term, the risks of not changing are greater than risks of well considered bold changes."
- Member Research Survey

CLIMBING, HILLWALKING AND MOUNTAINEERING IN 2017

Statistics on participation in climbing, hillwalking and mountaineering in 2017 need to be interpreted with care; the ORG has reviewed what is available to it. The ORG specifically notes that 2.14 million participants, as quoted by Sport England's *Active People Survey 10: 2015-2016*[7], may not be the BMC's total possible membership pool in its analysis and recommendations, but it is a benchmark figure from which further analysis into participation can be made. This survey does not break down the BMC's disciplines, but groups them as "mountaineering", which was recently recalculated to exclude ice climbing but include bouldering and "mountain walking".

Sport England's *Active People Survey 10: 2015-2016* notes the following weekly participation figures in comparison to other sports, registering a +7 % growth in participation across "mountaineering":

Sport England's Active People Survey 10: 2015-2016

	Activities	Population Total
1	Running	6,851,900
2	Fitness class	6,336,100
3	Gym session	5,151,800
4	Swimming	4,861,900
5	Exercise machines	3,907,100
6	Football	2,299,000
7	Weights session	2,240,100
8	**Climbing or Mountaineering**	**2,138,900**
9	Interval sessions	1,907,400
10	Generic fitness training	1,681,500
11	Golf	971,700
12	Badminton	944,600
13	Tennis	889,300
14	Rowing (includes indoor rowing)	828,900
15	Boxing (includes boxing fitness classes)	672,100

Indoor Climbing

The Climbing Walls Market Survey[8] conducted for the Association of British Climbing Walls in September 2017 was able to provide more evidence and data about the indoor climbing demographic. It identified the following figures for the 12 months preceding September 2017:

- 238 large and medium commercial walls
- 957,483 unique users climbing independently in the last 12 months. (This does not include visitors to non-commercial and private walls, or those who access indoor climbing by instructed groups.)
- 88,450 of whom climb at least twice per month.
- 71 % of these climbers estimated to only participate in indoor climbing.
- 394,721 under 18s climbing supervised (groups, instruction).
- 6,000,000 conservative combined footfall estimate.
- £50m estimated contribution of climbing walls to the UK economy.

[7] Active People 10: 2015-16, Sport England/TNS BMRB (December 2016)
[8] Climbing Walls Market Survey, Crystal Market Research (September 2017)

Current Corporate Structure

The BMC's current corporate structure is as follows:

British Mountaineering Council (BMC)
Company Limited by Guarantee

With subsidiaries

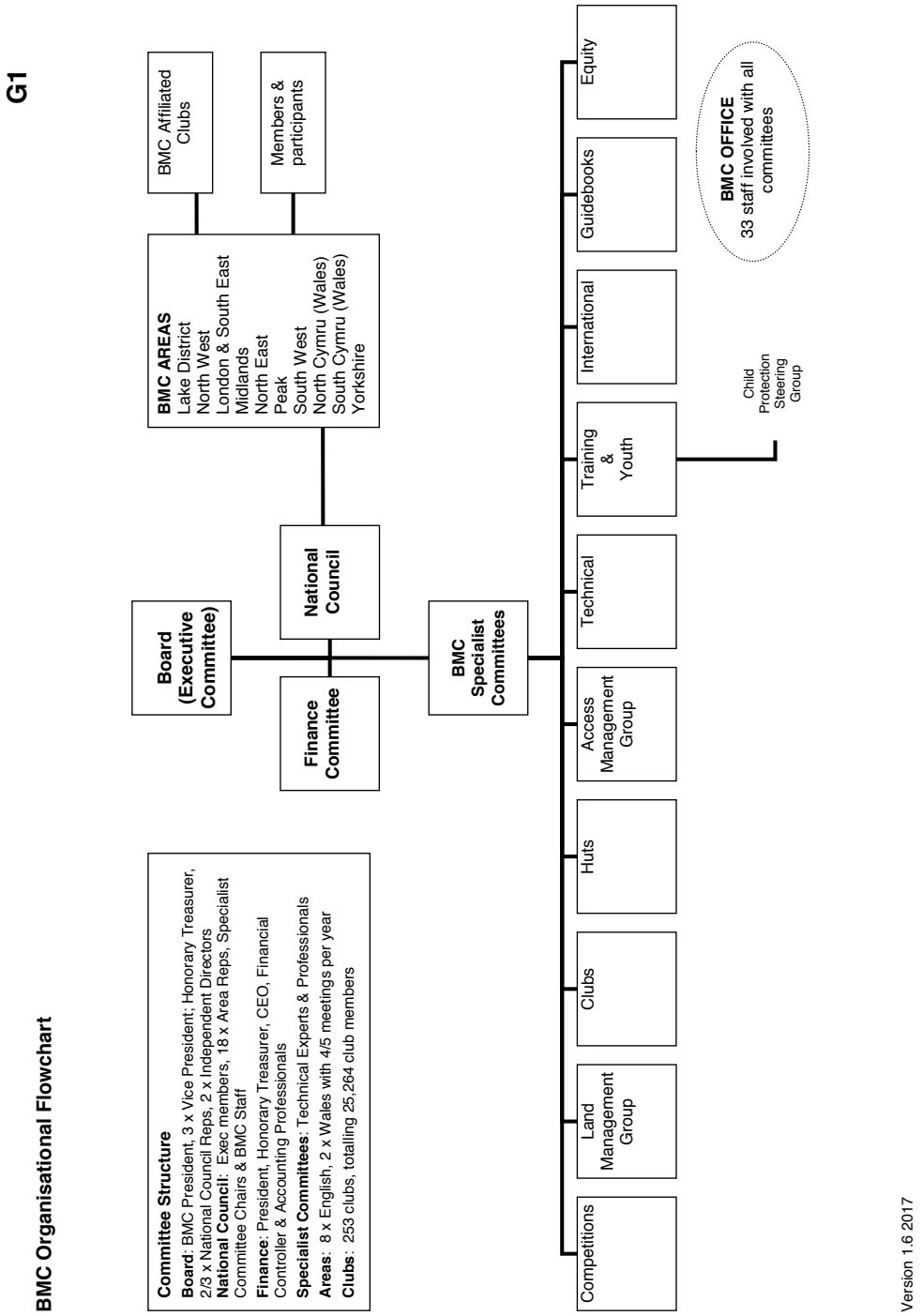
Mountain Heritage Trust
Charitable Subsidiary

BMC Access and Conservation Trust
Charitable Subsidiary

BMC Land and Property Trust
Charitable Subsidiary

Current Organisational Structure

The BMC's 2017 organisational structure (provided by the BMC to the ORG) is as follows:



BMC 2016 IN NUMBERS

BMC PEOPLE

82,473 members
1,400+ members attended 46 BMC area meetings in the nine BMC areas
500+ volunteers
253 affiliated clubs
100+ members attended the annual general meeting
79 associate member organisations
32 staff

COMPETITIONS

3,000 entrants in 9 national BMC climbing competitions

64 climbers invited to join 2017 GB Development Squad from over 200 applicants

2020 Climbing added to the programme for Tokyo 2020 Olympic Games

No1 Shauna Coxsey 1st in Bouldering World Cup and ranked world No 1 in bouldering

No2 William Bosi and Tara Hayes 2nd at World Youth Championships

No3 Esme Harte 3rd at Paraclimbing World Championship; GB ranked world No 3 in bouldering

ACCESS & CONSERVATION

£100k+ raised through crowdfunding for Mend Our Mountains footpath repair campaign

4,000+ respondents completed our online survey on outdoor visitor patterns

350+ MPs received advice on championing outdoor recreation in their constituency

200+ volunteers assisted at 6 crag clean-ups

80+ delegates attended the Upland Paths conference

51 local access representatives

15 BMC owned and managed crags

£15k granted to 5 projects from funds donated to the BMC Access and Conservation Trust

ACTIVITIES & EVENTS

95 delegates at the Climbing Injury Symposium

80 people attended the Women in Adventure network event

43 delegates at the Developing Outdoor Leadership equity symposium

10 climbers attended bolting workshop in the Peak District

4 Child Safeguarding training events delivered

4 hill walks led by local BMC volunteers

1,200+ people attended the Winter and Alpine lecture series

650+ subsidised places on indoor and outdoor programmes for climbers and walkers

350+ enjoyed four climbing and walking festivals organised by local volunteers

14 Climbing Movement masterclasses delivered to over 59 climbers

8 MPs and Peers attended the annual walk of the All Party Parliamentary Group for Mountaineering, organised by the BMC

1,095 people attended three sell-out lectures by Alex Honnold on his 'Flying Solo' Tour

700 places provided on FUNdamentals of Climbing, Physical Training and Route Setting workshops

74 participants learned from 38 medical professionals at a first aid and mountain medicine course

35 young climbers at three youth meets jointly organised with BMC affiliated clubs

INTERNATIONAL

£15k awarded to 17 expeditions

37 guests from 28 countries at the International Winter Climbing Meet

CLUBS

92 people attended club member training courses

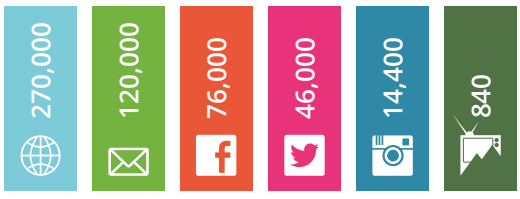
88 university club members at the annual Student Safety & Good Practice Seminar

40+ club officials from over 30 clubs at the Clubs & Huts Seminar

£21K funding grants awarded to 77 clubs

BMC ONLINE

270,000 website visits per month
120,000 email newsletter subscribers
76,000 Facebook likes
46,000 Twitter followers
14,400 Instagram followers
840 films on BMC TV



BMC since 2005

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Club Members	28113	28378	27159	24877	24620	24500	24421	24068	24028	24991	25000	25000
Individual Members	36374	36284	37129	41470	46852	49456	49416	51143	52602	53225	56039	57500
Membership	64752	63443	62006	67741	71112	73956	73837	75211	76630	78216	81039	82500
Total Subscriptions Revenue (k)	1056	1067	1099	1130	1196	1407	1410	1516	1583	1603	1688	1783
Grant Funding (k)												568
Total Revenue (k)												2897
Total Expenditure (k)												2875

BMC Membership in 2017

Current total number of members: 85,270

Breakdown of membership categories:

- Individual 45.1 %
- Family 15.2 %
- Upgraded Club 1.8 %
- Club 30.2 %
  (includes Student Club)
- Student 2 %
- Other 5.7 %

Age breakdown:

- <25 11.7 %
- 25 – 34 19.4 %
- 35 – 44 19.4 %
- 45 – 54 18.8 %
- 5 – 64 12.8 %
- 65 + 8.9 %
- unknown 9.1 %

Region breakdown:

- North West 11.8 %
- Lakes 2.5 %
- London & SE 32.6 %
- Midlands 10.1 %
- North East 3.4 %
- Peak 6.4 %
- Wales 6.3 %
- Yorkshire 6.3 %
- Overseas 7.8 %
  (includes channel islands, Scotland and NI)

Gender breakdown:

- Male 73 %
- Female 27 %

Gathering the views of members, partners, and stakeholders, was key to the ORG. This information was gathered via two main methods; a Member Research Survey, and a range of focus groups.

Member Research Survey

As part of the research gathering process the ORG needed to reach out to the broadest representative base of members possible, in order to gain a statistically significant sample of the views of the membership. It was important that this part of the process attracted a sufficient number of responses to make the results valid for the whole organisation. The ORG's target was to obtain around 5 % of the membership. Following a tendering process, 2020 Research were appointed to carry out the research, in line with Market Research Society guidelines.

The *BMC Organisational Review Membership Survey*[9] (Member Research Survey) was undertaken to understand the interests and priorities of members, and to explore their opinions on the management of the BMC and its future direction. It also provided information on members' views on the future funding of the BMC and promotional activity.

In order to help achieve that goal, the survey was launched on a variety of platforms; BMC website, UKClimbing.com, links through clubs and member newsletters, and via social media. It was also necessary to make access to the survey as simple as possible. While the survey was open, 2020 Research put in place mechanisms to recognise duplicate entries, or other hijacking. Following their analysis, they were completely satisfied that this had not happened, or to any extent that it did, it was at such a level that it has not affected the results of the survey; the results are valid.

While the sample size may seem small as a proportion of the BMC's total membership, it is robust as a sample from which results can be inferred. This can be judged in terms of the confidence one can have about estimates of the views of the whole membership from that sample size. With the achieved sample, statistically one can have 95 % confidence that the results for the whole membership would lie within +/- 1.5 % of the percentage given by the sample.

The bulk of the following information in this section of the report has been taken directly from the executive summary of the Member Research Survey..

Responses

There was a high response to the online survey which was promoted by email and through affiliated clubs, with fieldwork taking place between 21 July and 18 August 2017. Overall a total of 5,002 responses were received, providing a robust base for analysis.

The age profile of the members' sample was compared with the age distribution from the BMC membership database. There were proportionately more responses received from older age groups (55+), comprising 34.3 % of the sample compared with 22.9 % of the membership. Results have therefore been weighted to adjust for the age bias, as is standard practice.

Age Profile – Sample versus BMC Database Comparison

Age Band	BMC Members Database (%)	Sample (%)
< 25	11.7 %	8.7 %
25 - 34	19.4 %	18.3 %
35 - 44	19.4 %	18.4 %
45 - 54	18.8 %	20.2 %
55 - 64	12.8 %	19.8 %
65+	8.9 %	14.5 %
Not known	9.1 %	

Base: Database information September 2017, Sample Members (4528)

The proportions of the sample holding individual membership versus club membership are close to those for the database in total, so no weighting has been necessary to apply to membership type. *Base: Database information September 2017, Sample Members (4528)*

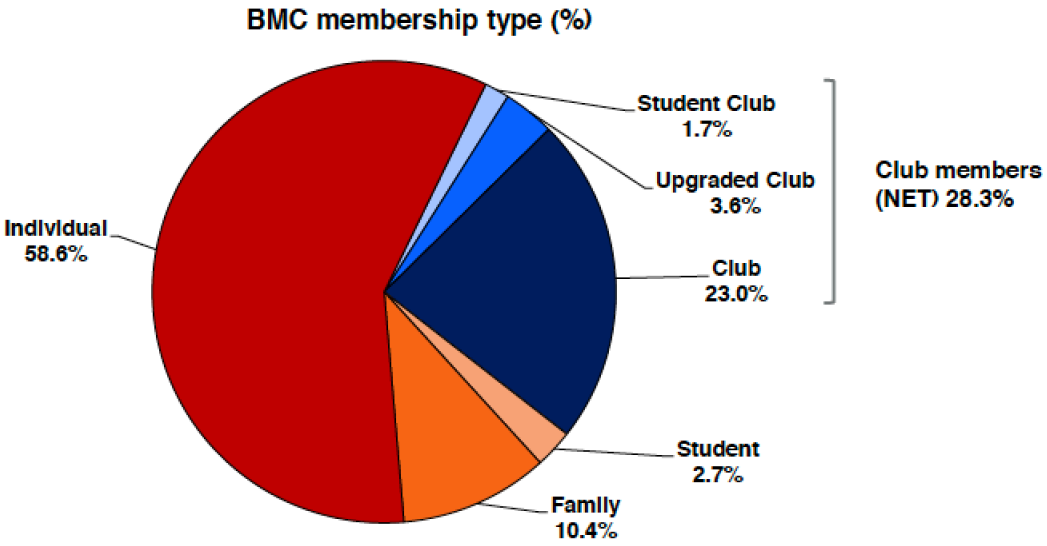
[9] BMC Organisational Review Membership Research Survey, 2020 Research (September 2017)
Nb. This report will be published alongside this document on the BMC website.

Membership type – Sample versus BMC Database Comparison

Membership Type	BMC Members Database (%)	Sample (%)
Individual	45.1 %	58.67 %
Family	15.2 %	10.4 %
Student	2.0 %	2.7 %
Club/Student Club	30.2 %	24.7 %
Upgraded Club	1.8 %	3.6 %
Other	5.1 %	

Around 28 % of members responding to the survey were affiliated club members.
Base: Members (4528)

Chart 3: Membership Type



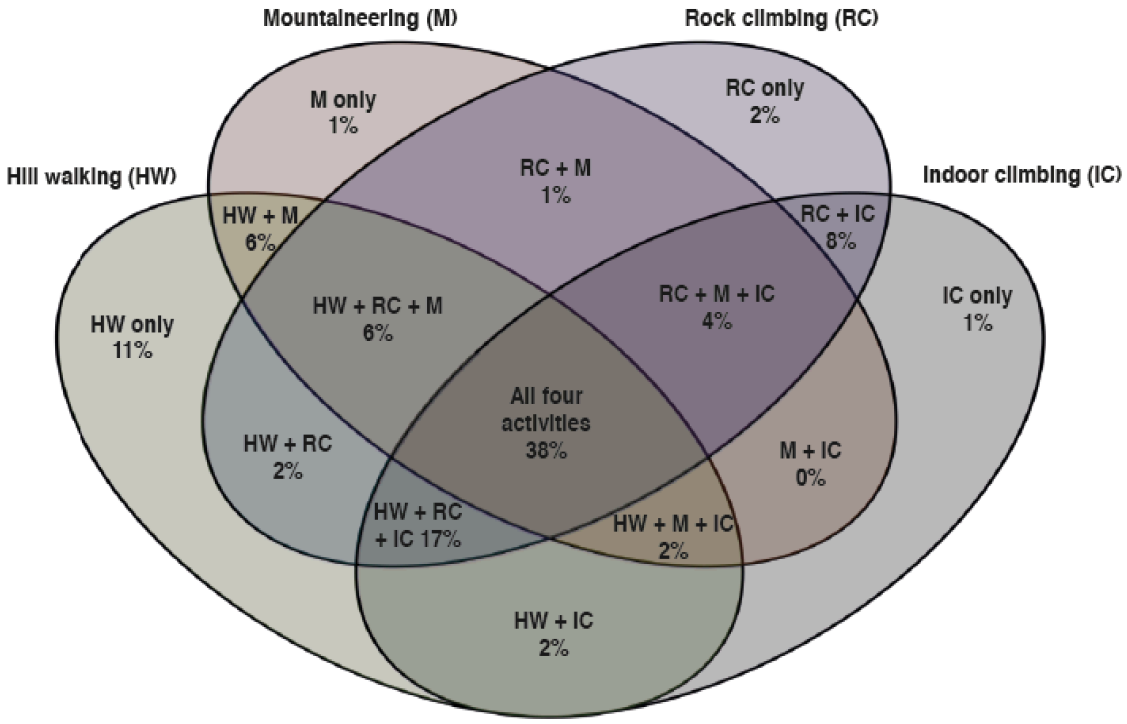
Base Members (4528)

Representation came from members of 214 separate clubs. Clubs with the highest levels of representation among the club members were The Climbers' Club (18 %), The Alpine Club (15 %) and The Fell and Rock Climbing Club of the English Lake District Limited (10 %). Overall the representation by different clubs is broadly in line with the member database.

Alongside the statistical analysis that we received from the report was a wealth of information that the members supplied in response to the open questions. Some of these have been included verbatim in this report.

Activity Participation

67 % of BMC members surveyed broadly participate in three (if not all four) of the four activities included in the survey (rock climbing, indoor climbing, hillwalking and mountaineering). Hillwalking is the only group with significant 'only activity' participation with 11 % solely hillwalking. 72 % of those surveyed participate in indoor climbing.



Base Members (4528)

Priority Areas and BMC Performance

- The two leading priority areas for the membership as a whole are negotiating access to crags, mountains and open countryside, and conserving and safeguarding the environment.
- Other areas which rank very high as priorities across the whole membership are providing testing and advice to improve safety, conserving mountaineering heritage and tradition, and supporting professional training, qualifications and development.
- There are significant differences in the relative priority for some of the other areas of the BMC activity, influenced by age and by the member's main area of activity, including:
    - The importance of supporting and governing competition climbing is higher among younger adults (under 25), and especially with those whose main activity is indoor climbing.
    - Supporting international events and expeditions is also seen as relatively more important by younger age groups (under 25).
    - Those aged 45+ place higher importance on lobbying and campaigns.
    - Older age groups (55+) place higher importance on provision of specialist insurances.
- The BMC is judged to be performing well against its two leading priorities of negotiating access to crags, mountains and open countryside, and conserving and safeguarding the environment.
- There is also particularly high satisfaction with the performance of the BMC in the provision of specialist insurances.
- Members are also broadly satisfied with the work of the BMC in supporting professional training, qualifications and development, and in providing testing and advice to improve safety.
- There are higher levels of dissatisfaction with the activity of the BMC in supporting and governing competition climbing, and also in its support to encourage the participation of young people (under 25).

Communication and Management

- Most members consider that the BMC is performing well in representing the views and interests of its membership, but there is some dissatisfaction; one in six rate it as performing not very or not at all well. Those who feel the BMC is performing not very or not at all well are relatively more likely to be drawn from older age groups.
- Many of those who feel the organisation is not performing well refer back to the Climb Britain rebranding, and evidence this as a failure by the BMC to listen to and consult with its membership. The lack of consultation is believed by some to have been a deliberate act by the BMC management, who had been looking to press forward their own areas of interest rather than represent the consensus of the membership. There is a concern that the organisation is being moved too much towards competition and sport climbing, away from its original roots.
- The lack of consultation on Climb Britain has prompted criticism of the general decision making processes within the organisation, and a demand for more transparency, greater communication and wider consultation.
- In addition to improving the way in which local area structures feed into the decision making, there is also a demand for the BMC to make greater efforts at wider consultation with its membership, reaching out to the many who do not attend local area meetings. This would include more communication with members (both digitally – including greater use of social media - and through other channels), with more advanced notice of issues on which members' views would be welcomed. This should be coupled with more communication keeping members informed of discussion and progress, before any decisions are taken. Supporting this, the notes and minutes from Executive Committee meetings should be published for the membership to see.
- Members would like to be kept abreast of key information through regular email contact, and also through informed articles in Summit magazine. It was felt that the balance of communications from the BMC was overly focused on sales activity. Information (by email and on the website), needs to be kept up to date.

Membership and Funding

- Generally most feel that the BMC membership fee offers good value for money.
- Over two thirds of members feel that it is appropriate for the BMC to undertake activities to increase its membership.
- Over two thirds of members also feel it is appropriate for the BMC to encourage increased participation in climbing, hill walking and mountaineering. There are, however, some concerns that this may lead to conflicts with the BMC's objective of conserving the environment, by leading to overcrowding and erosion.
- Future funding of the BMC through grants and commercial activities is generally supported, but activity needs to be controlled. The relationship with funding from Sport England is particularly sensitive, with concerns that to secure funding means taking the BMC away from its core principles.
- The involvement of the BMC in competition and sport climbing is seen as a major challenge, and some feel this area is so separate from the BMC's other activities in securing access to crags, mountains and open countryside, that the two need to be managed separately.

In order for the ORG to make sense of the data received we needed to analyse the information under the headings:

- Structure and Organisation
- Governance
- Strategy and Policy
- Culture, Leadership and Management
- Staffing and Skills
- Partnerships
- Systems and Communications

By looking at the survey results under these headings, it was possible to merge the information gathered from the survey with the information received through the focus groups.

The information gathered from this survey was extremely enlightening for the ORG and forms the basis for the recommendations that the ORG has made. In general there was a broad consensus of thoughts, criticism and ideas amongst all those who responded, representing the views of the BMC membership.

Focus Groups

The ORG engaged with a number of stakeholders and partners to gather information in order to make its recommendations. The focus groups were a method of engaging with those who have a greater interaction than is normal for a regular BMC member, or for those organisations who are part of the corporate structure, or a key partner in the climbing, hillwalking and mountaineering sector.

The ORG conducted the following focus groups:

Focus Group (listed alphabetically)	Method of Information Gathering
Access and Conservation Trust	Telephone
Area Chairs	Emailed questionnaire
BMC 30 (the proposers of the February 2017 motion of no confidence)	Face-to-face meeting plus written evidence
CEO of the BMC	Face-to-face meeting
Clubs	Face-to-face meeting as a group
Competition	Emailed questionnaire
Executive Committee	Face-to-face meeting as a group
Ex-Presidents & Patrons	Face-to-face meeting as a group; plus written submissions; plus one-to-one interviews
Heads of Departments (within BMC)	Face-to-face meeting as a group
Linked Organisations: Mountaineering Scotland, Mountain Training UK, Mountain Training Cymru, Mountain Training England, AMI, Association of British Climbing Walls, ABC Training Trust, Plas y Brenin National Mountain Sports Centre and Mountain Heritage Trust	Face-to-face meeting as a group; plus email questionnaire; plus telephone/skype
National Council	Face-to-face meeting as a group
Staff (within the BMC)	Face-to-face meeting as a group
Specialist Committees and Working Groups	Face-to-face meeting as a group
Sport England	Face-to-face meeting

A focus group methodology was created and core questions nested under headings for discussion. These were more or less equivalent for each group, though the threads of the dialogue tended to veer into those areas which were most pertinent for that particular group. A full set of notes was recorded for each focus group and from these the salient points were set out in a Focus Group Report for each group interviewed.

There were certain groups who received an emailed questionnaire. In these cases the questions were tailored specifically for their particular expertise and knowledge whilst at the same time retaining some of the more generic questions.

In addition to the focus groups, the ORG reviewed the most recently developed BMC Future Strategy document drafted in February 2017 by the Executive Committee and some members of the National Council.

During the period of some six weeks in which these meetings took place, the ORG accrued a considerable amount of data upon which to base its recommendations. We then had to go through a process whereby the information gathered from each of the groups was collated under the same seven headings applied to the feedback from the Member Research Survey.

The main findings that came out of the focus groups are as follows:

- There is general support for the BMC and it is important that the required changes are made to make it a successful organisation.
- Clear need for a strategic plan and clearly stated and adhered to vision/mission.
- Need for performance management of senior staff and a review of the senior management staffing structure.
- Must engage members through technology to gather views on policy.
- The functions of the BMC as a representative body whilst at the same time being a governing body need to be balanced.
- Improve internal communication between National Council and Executive Committee.
- Restructure National Council to reduce size.
- Review Local Area governance.
- Ensure that the Executive Committee (Board) has primacy.
- Create a process for stakeholder grievances.
- Balance communications more effectively.
- Define and improve partnerships to create sector cohesion; this applies to national as well as international organisations.
- Refactor Specialist Committees/working groups to ensure there is the correct structure for policy making and/or operational activities.

The ORG was once again struck by the similarity of views which were expressed by many disparate groups. Through these bodies there was a robust position from which the ORG could analyse the BMC's strengths and weakness and come up with coherent recommendations to take the organisation forward

Use of Research

The information gathered throughout the ORG research phase underpins the recommendations proposed. As the ORG formulated the proposed structure, and its recommendations, each and every change was mapped against evidence and research to ensure it is supported by the members' and the focus groups' views, the statutory position and relevant good governance codes of practice, or is based on a summative analysis of all the research following consideration and discussion by

Good governance and effective leadership structures are fundamental to the success of any organisation. A well-structured BMC with a skilled and diverse Board of Directors will ensure that the organisation's values are reinforced and create a culture where all stakeholders are informed, included and united in striving towards its vision.

Modern codes of governance form part of a framework of legislation, regulation and best practice standards which aim to deliver high quality governance whilst providing flexibility for organisations of all sizes and circumstances.

Such codes of governance are not legal or regulatory, but the principles of good governance build on an assumption that the organisation is meeting its legal responsibilities to relevant Acts of Parliament, such as the Companies Act 2006, Equality Act 2010 and Charities Act 2011.

It must also be kept in the highest consideration that the BMC is, first and foremost, a membership organisation; modern best practice governance will enable the BMC to serve and be accountable to its members' needs and represent climbers as a national governing body.

GOOD GOVERNANCE

Moving forward as a modern and sustainable organisation, the BMC owes it to its members and other stakeholders to demonstrate exemplary leadership and respond to recent developments in good governance. It must therefore look to the latest best practice codes from relevant areas (namely charities, not-for-profits, membership organisations and sports governing bodies) to develop a framework for continued improvement.

Recent Developments

Governance codes in all sectors have seen significant review in the last 18 months, with thought leadership and established principles from corporate governance filtering through to the third sector, and sport and recreation.

Key recent documents include:

- The UK Corporate Governance Code, Financial Reporting Council (April 2016)
- Charity Governance Code, ACEVO, NCVO, ICSA et al (July 2017)
- The Principles of Good Governance for Sport and Recreation, Sport and Recreation Alliance (May 2017)
- A Code for Sports Governance, Sport England (October 2016)
- Women on Boards, The Davies Review (February 2011); Beyond 30% Report, Women in Sport (March 2017)
- A Report into the Ethnic Diversity of UK Boards, The Parker Review (November 2016)

Key recent developments include:

- Thinking carefully about how boards recruit a range of individuals with the skills and experience required to lead an organisation, yet ensuring a diverse, challenging and constructive environment that avoids "group-think".
- More robust processes for succession planning.
- An expectation that boards will review their own performance and that of individual board members, including the chair, every year, with an external evaluation every three years.
- That no board member should serve more than nine years without good reason and that term limits are important for accountability.
- Boards involving stakeholders in key decisions through a sensible framework, and operating openly and transparently so that stakeholders have confidence in them.
- Emphasis on regular and transparent impact assessment against values and mission by measuring and analysing results, outputs and outcomes.

Case studies for the application of such principles by other sport governing bodies are available in SRA's *The Principles of Good Governance for Sport and Recreation*.

There is a strong view of what good governance looks like; though governance codes across sectors use slightly different language and rhetoric, they are unanimous on their principles:

1. Organisational purpose: values, vision, mission and strategic planning
2. Leadership
3. Integrity
4. Structure
5. Effectiveness
6. Openness and accountability
7. Diversity

Evaluation of the BMC's organisational governance has identified problems relating to all of these principles. For example, the BMC is objectively falling short of governance best practice by: lacking a clear vision and strategic planning, thereby compromising leadership; having obtuse and non-legally compliant structures; lacking processes to review and manage organisational effectiveness and accountability; failing to communicate with appropriate transparency; and falling behind modern thinking and best practice on diversity. Members and focus groups have also highlighted these issues.

Governance and Sport England

In October 2016, Sport England published A Code for Sports Governance, which sets a mandatory standard in governance for those organisations in receipt of funding. It is perceived by some that the BMC risks its core values and service to its membership in reviewing its governance to align with this code. However, there is little in this particular code that departs significantly from the others - good governance is not an optional extra. The best organisations will thrive with good governance.

Whether the BMC is seeking public funding (and therefore to comply with particular code requirements) or not, it should strive to adhere to the modern principles of good governance in order to serve its members, support its values and provide long-term sustainability. The current Memorandum and Articles of Association (M&AA) and structure must therefore be reviewed with these principles firmly in mind.

HEADLINE RECOMMENDATIONS

The recommendations in this section look at the very core purpose of the BMC as an organisation. When taken as a group the themes and principles describe exactly "what" the BMC is and who it should exist "for". In many ways these themes are both the easiest to define and the hardest to execute: they are the fundamental reason why so many join the organisation and pay their membership fees year upon year. To some, the recommendations may seem blindingly obvious, and to others the exact phrasing and definition of each recommendation will be the topic of debate for weeks to come.

Within this section, the ORG has addressed who the BMC should seek to serve and represent and how they should go about this. In looking at both the Member Research Survey results and the focus group outputs there were some very strong and common themes across all age and interest groups. In many ways there was a clear understanding of where the BMC should be heading and how it should go about that task. Importantly, for the traditionalists, nearly all the age and interest groups shared the same common values of a representative organisation for all, seeking to preserve the UK's unique climbing heritage and access to its upland resources. In doing so, the organisation needed to act with a clear strategy and be transparent in all its dealings.

Looking back at previous BMC strategies, this has been a common thread that has run throughout the organisation's history. What has become clear to the ORG is that this is fundamentally a reminder of these core values and a call-to-arms to the organisation to execute these well and demonstrate to its members that it is an organisation worthy of their support.

What is the function of the BMC?

The BMC is the representative body for climbing, hillwalking and mountaineering, and is at present recognised as the governing body for competition climbing in the UK. Going forward it must continue to represent all climbers, hillwalkers and mountaineers and be able to evolve alongside these activities, and the wider changing landscape in which they operate. Born from Geoffrey Winthrop Young's desire for a national representative body, the original BMC was established "to represent and speak on behalf of all climbers in Britain". Hillwalking has been part of the BMC since its formation, and hillwalking needs were recognised further with the creation of the Access and Conservation Committee in 1973, the British Upland Footpath Trust in 1993 and the appointment of a dedicated hillwalking development officer in 2013.

Competition climbing has been part of the BMC's remit since 1988 with a Specialist Committee for it created in 1994.

The membership is a broad church both within climbing, hillwalking and mountaineering and in the membership's backgrounds, experience and outlooks. To be an effective representative body for members, the BMC must represent all disciplines, including competitive activities. It is also clear that as well as simply being a representative body, it needs to be more effective at representing the breadth of experience of the membership it serves.

Another important feature of the BMC is its ability to act as an umbrella organisation and to lobby on behalf of partners and linked organisations who benefit from the shelter provided by the representative body. Partners in the wider sector recognise the BMC as best placed to achieve this. The umbrella extends to competitive activities as well as representation - hence why the BMC is seen as the de facto governing body for these activities.

There was a clear message from all focus groups that the BMC needs to remain a broad church and support new areas of activity within climbing, hillwalking and mountaineering e.g. the Olympics and competition climbing. They agreed that revising the BMC's M&AA and structure should allow it to both represent its members and govern competition climbing without compromising either function. It was also felt that member-relevant competitive activities might extend beyond competition climbing (e.g. ski-mountaineering races), so should also be accommodated.

"Up until about twenty years ago, when climbing revolved around traditional style climbing in the outdoors and the route into the activity was through one of the clubs, then the BMC was representative. The activity has evolved. Bouldering and sports climbing and in a small way, competitions have grown the activity. The biggest contributor has been the growth of climbing walls. The BMC because of it constitution and club/committee based structure has both failed to embrace these developments and so often deliberately done the minimum to interact with these. Hiding behind the excuse that they are a representative body and not a governing body means they are becoming an irrelevance for so many involved in the activity."

- Member Research Survey

A few members expressed dissatisfaction for the BMC's support of competitive activities. On the other side,

hillwalkers and competition climbers felt disenfranchised by a perceived overemphasis on climbing and mountaineering, and lack of support respectively.

However, from the Member Research Survey, it was apparent that many members do not understand the difference between a representative and governing body. There is also a misconception that the two are entirely incompatible, morally and structurally. Members with wider knowledge of structures and functions in the outdoor sector compared the BMC favourably to other representative/governing bodies and highlighted the benefits of having a separate subsidiary within the membership representative body to act as a sports governing body.

In practice, the ORG recommends that the BMC continues to be the representative body for climbing, hillwalking and mountaineering and formally recognised as the governing body for competitive activities. The latter function may well be best served as a separate subsidiary (see recommendation 24). As a governing body, it will be able to support the largest growing area of climbing, hillwalking and mountaineering, and will govern better by implementing a proper infrastructure to support top athletes and create a national system of talent development.

The BMC must also seek to improve on its existing representative position by regularly surveying members to gain a better understanding of the demographic it serves and their needs in order to represent them and their interests better in the future.

With this in mind the ORG recommends that:

1. **The BMC should ensure it is both the representative body for all climbers, hillwalkers and mountaineers and the governing body for competitive activities**

What is the purpose of the BMC?

It is vital that everyone involved in an organisation is engaged in its vision and espouses the values.
A strong shared vision of what the future organisation looks like is critical to establishing good governance. It will also serve to:

1. Affirm core values and establish a framework for the organisational culture.
2. Guide the BMC's thinking and decision making on strategic issues and help it manage change, both inside the BMC and in the wider sector.
3. Inspire all involved with the organisation to work productively to achieve common aims for climbing, hillwalking and mountaineering.
4. Enable the BMC to communicate and share its purpose with wider external stakeholders.

The BMC is part of a wide sector supporting climbing, hillwalking and mountaineering. It must therefore define its relationship with clubs, partner organisations and stakeholders across the sector to ensure this relationship supports its vision, and that the wider sector is working together with similar goals and values.

However, there is a general feeling from the Member Research Survey and focus groups that the BMC has evolved 'accidentally', and had not regularly reviewed its vision for the future or consulted stakeholders.

At present, the BMC's vision "To be the organisation that every climber and hill walker wants to join" is not clear and has not been developed in consultation with members and stakeholders. This lack of clarity and mandate on vision has made it difficult for the BMC to maintain good governance, make strategic decisions, engage its members and respond effectively to a number of challenges (e.g. Climb Britain). Perceived lack of organisational purpose has caused division among stakeholders who do not know what the organisation holds important and why.

"The BMC should] increase focus and clarity around its remit and purpose and state its vision meaningfully, so that members and the public know what to expect from it."
- Member Research Survey

The BMC must create a vision for both itself as an organisation and its place in the wider climbing, hillwalking and mountaineering sector. This vision will affirm core values whilst defining its purpose and future direction. It must be expressed in a clear vision and mission statement, where the vision's future position is supported by a mission that defines the organisation's present objectives.

It is also critical that the vision is developed in consultation with members and partners, so that the whole community within and around the BMC has ownership of the organisation's values and future direction. The vision must also be at the heart of organisational communications and published where it can be readily accessed by members.

Once in place, it is essential that the vision is reviewed regularly in consultation with the membership and all stakeholders, to ensure it is fit for purpose. Best practice would have this happening every three to five years to be able respond to the pace of changes in the wider landscape in which the organisation operates.

When faced with organisational policy decisions, the BMC needs to be able to look to its vision for clear guidance. All members and stakeholders must understand the BMC's vision and be engaged with the strategy for delivering it. From this follows the recommendation:

2. **The BMC should create a vision for all climbing, hillwalking and mountaineering activities, including the relationships with clubs, partner organisations and stakeholders across the sector**

How will it get there?

Having gained consensus on vision and values, an organisation should (and must) create an organisational strategy to make the vision a reality. This will be translated into a series of goals, actions and resource needs by a detailed strategic plan, so all stakeholders know their role.

All those invested in the BMC and its vision must know what changes need to be made to the organisation to achieve it; volunteers and partners need clarity on their role in this process. An organisational strategy will give this clarity, providing direction and transparency to members and stakeholders and ensuring everyone works efficiently and with accountability. This is good governance.

The BMC has conducted several strategic reviews over the years, and is currently working to the *BMC Strategic Plan 2015-19.*

Feedback from the Member Research Survey and focus groups identified the need for a clear, realistic and resourced strategy for the BMC. Many members seemed unaware that there is a draft strategic plan, and it is evident that the 'Governance' section on the website does not provide intuitive access to key documents for members. There is also dissatisfaction with the content of the plan.

"The BMC requires a new strategy to harness the contribution of all parties with a passion for GB's mountain environment and further afield."
- Member Research Survey

The BMC's organisational strategy needs to enable staff, volunteers and sector partners to deliver on member priorities in pursuit of the vision. The following were identified as high priority by the Member Research Survey, though others will also need to be covered:

1. Access to mountains and crags in the UK
2. Conservation of the mountain and crag environment
3. Providing technical and safety advice
4. Conserving mountaineering heritage
5. Supporting professional training, qualifications and development

Given the high priority themes, the organisational strategy must include high-level provision for Access and Conservation Trust (ACT) and Mountaineering Heritage Trust (MHT), whose own strategic plans should reflect their role within the BMC's wider strategy.

The organisational strategy must also recognise the function of the BMC as the representative body for all climbers, hillwalkers and mountaineers and the governing body for competitive activities (see recommendation 1) and a membership organisation serving its members (see recommendation 4).

As with the vision (see recommendation 2), members and key stakeholders should be consulted on the organisational strategy, which will be approved by the Members' Assembly (see recommendation 33). It should also be reviewed regularly to ensure it is fit for purpose. Key elements of the strategic plan should be at the heart of organisational communications and published where they can be accessed readily by members.

The organisational strategy should also address, with partners, opportunities to improve strategic planning for the sector e.g. proper demographic analysis of UK climbing, hillwalking and mountaineering participation in order to support and benefit members. This is currently lacking, as identified in the climbing, hillwalking and mountaineering section of this report.

Creating an organisational strategy will allow the BMC to deliver on its vision. Publicising the organisational strategy and a detailed strategic plan will create better transparency and engagement, enabling members and stakeholders to see and understand what progress is being made towards the vision, and encourage wider participation in delivering it. It will also provide more security for partners and other linked organisations. Therefore the ORG makes the following recommendation:

3. **In order to deliver its vision for all climbing, hillwalking and mountaineering activities, the BMC should create an organisational strategy that focuses on delivering, through staff and volunteers, and alongside its subsidiaries and partners, its priorities and functions for members**

Serving Members

The BMC was originally founded as a membership organisation - its purpose was to serve and represent its members. Now as an organisation of some 85,000 members, this core value must remain at the heart of today's BMC, and significant changes must be made to processes and structures to allow the membership to engage with the organisation's future direction.

With recent events there has been concern that the BMC's governance and policy-making lack transparency, preventing the majority of members from hearing about and being able to respond to key developments within the organisation.
The BMC must therefore reframe policies, strategies and structures to put members back at the heart of the organisation going forwards. It must also ensure that its officers and bodies inform - and are accountable to - the broader membership through a democratic process.

In the Member Research Survey, many members expressed a desire to have greater engagement in the democratic process. Several members felt that it was difficult for the "average person" to access this, resulting in the dominance of a few individuals and groups. Better communication regarding governance, policy and activity with an opportunity to feed back into decisions were cited as ways to create better engagement opportunities.

"The BMC needs to find a way to reconcile being a member driven organisation with having a management structure which allows effective decision making. If the review comes up with a structure to effectively allow that, then it will be essential to ensure full member involvement to make sure decisions aren't pushed through by a minority with a strong opinion."
- Member Research Survey

Focus groups identified a need to regain the confidence of members, hear and serve the needs of various "types" of member and engage them further with greater transparency.

It is essential that the BMC affirms its commitment to its members and makes changes to structure, process and governance to meet these needs. By reinforcing the core value of serving members, maintaining open and transparent communications, and developing a code of governance and structures to enable wider membership engagement, the BMC will provide greater service and satisfaction to members and become a stronger and more effective organisation. This leads to the following recommendation:

4. **The BMC exists primarily to serve its members. It must therefore be open and transparent and develop specific strategies, policies and structures that engage members democratically in determining its future**

Indoor Climbing

Indoor climbing is an activity in its own right and is only going to grow in the future.

It is also already a significant part of current BMC members' experience of climbing, hillwalking and mountaineering. 71 % of the members who took part in the Member Research Survey participate in indoor climbing. 38 % of members climb indoors alongside all three outdoor disciplines of climbing, hillwalking and mountaineering. Therefore to remain a representative body for its members, the BMC cannot side-line this activity.

Therefore, if the BMC is to continue to be an inclusive and progressive organisation that is fit for purpose, it must recognise the importance of indoor climbing to existing members and develop a strategy that both serves their needs and provides for future engagement of and membership from this key sector.

For many young people, indoor climbing will be their initiation into the world of climbing. Working with its partners - Association of British Climbing Walls (ABC), Association of British Climbing Training Trust (ABCTT - NICAS and NIBAS), Mountain Training UK (MTUK) and clubs - the BMC needs to devise routes by which these initial steps indoors can be translated into climbing outdoors and the whole new world that it offers. This will include ensuring participants have the skills and understanding of access, conservation and tradition required to access the mountain environment responsibly.

Focus groups were in favour of an inclusive approach to all disciplines, feeling the BMC should be connected to the changing community of climbing. Indoor climbing was seen as an important activity in the modern climbing, hillwalking and mountaineering landscape and that this should be reflected in the BMC's strategy and activities as an umbrella body.

Partners are keen to work with the BMC to progress indoor climbing, seeing a real opportunity to support and define this nationally growing sector.

In the consultation, some members expressed concern that the BMC had too large a focus on indoor climbing. Most, however, acknowledged the vital introductory pathway it provided to climbing, hillwalking and

mountaineering and were keen that the BMC ensured that this pathway was supported and educated by the traditional "spirit of the hills" and respect for the mountain environment.

"I'd get more involved with indoor climbing centres as this is such a huge growth area. The BMC could attract more support and members through this community and it could be a way to ensure indoor climbers getting outdoors are well versed in the ethics and benefits of the outdoors."
- Member Research Survey

In practice the BMC would clearly affirm the importance of indoor climbing to current and future members, and create a strategy for both engagement of and membership from the indoor climbing community. In recognising the importance of indoor climbing, the BMC can work with partners to deliver a joined up and progressive strategy for those who participate in indoor climbing as well as outdoor climbing.
The potential growth of BMC membership from including indoor climbers will provide extra lobbying power to engage on national and international issues related to health, access and conservation.
Through BMC membership, indoor climbers transitioning to the outdoor environment will have access to the skills, knowledge, support and conservation ethics required in the mountain environment.

The ORG therefore recommends:

5. **The BMC must recognise the importance of indoor climbing as an activity in its own right, as an introductory pathway into climbing, hillwalking and mountaineering, and as a significant area for future membership**

The BMC has grown organically from its early roots as an umbrella organisation for mountaineering into the modern representative body for the broad range of climbing, hillwalking and mountaineering activities that it is today. This development and growth has necessitated the need to ensure that it has a strategy, even at a high level, to meet the needs of its members. The ever expanding universe of climbing, hillwalking and mountaineering, and the growth within these specialist disciplines, has meant that the organisation has had to keep pace with an ever changing range of activities and needs.

The organisation has not neglected this challenge, and over the years has performed a number of strategic reviews - leading to the formation of strategies that have been communicated to its membership and broader stakeholders. The BMC's last strategic external review was the Future Policy Review 2003-05 which established a clear strategy that has set the organisation on the course that it is today - namely: ensuring access to the mountain environment, preserving the heritage and ethics of climbing in the UK and acting as the representative body for all climbers and hillwalkers. Since then, there have been internal strategic plans, currently BMC Strategic Plan 2015-19.

Despite this, many feel that the BMC does not have a clear strategy for modern times. Both the focus group and Member Research Survey results show that although many understand the broad direction of the organisation, there is much to be clarified and explained about how the BMC will operate in the current climate. The organisation finds itself under pressure from the UK government to conform to sporting governance best practice and is reeling from an attempted motion of no confidence at its last AGM. Against this challenging backdrop, and in a more positive light, the BMC is presiding over one of the nation's largest mass-participation activities and the entry of climbing into the Tokyo Olympics - an opportunity that will surely raise the profile of climbing, and the BMC, to a new generation.

It is not to say that the BMC has neglected strategic review, or development, more that its messaging and narrative around its purpose and mission have become less than clear. The "Climb Britain" rebranding (and subsequent retraction) is an example of good intentions executed poorly. Rightly, the membership reacted badly to this change, feeling that it had not been consulted and didn't understand the underlying reason for the change.

The ORG has looked at the strategic review process for the BMC and has listened to the feedback from both the focus groups and Member Research Survey. Our recommendations reconcile the desire of the organisation to grow and represent an ever-broadening church of members, against the need to be financially sustainable in an environment where government funding for sporting bodies is reducing. The BMC needs to represent the diversity of the UK's population and encourage those whose first steps into climbing may be at the local climbing wall, yet balance this against the need to conserve the UK's precious and scarce upland and climbing resources.

Against this backdrop, the BMC must ultimately represent the interests of its broad membership of 85,000 members. Transparency and democracy in all its dealings must be at the forefront of its strategy and governance model. The ORG has made recommendations to ensure that the BMC formulates strategy and policy around the interests of the entire membership. In order to do this, changes need to be made to gain a broader consensus of opinion and a higher engagement in matters of strategy and direction. This includes the manner and mechanisms in which the membership can participate in the governance and democracy of the organisation.

Supporting and understanding members

It is vital for all organisations, whether commercial or non-commercial, to have a clear and unambiguous strategy. This ensures that the organisation is operating with clear purpose and provides a foundation for all the activities undertaken by it. A clear strategy not only allows for good governance and setting of targets and performance measures, but more importantly in the case of the BMC, allows its members and stakeholders to understand a clear roadmap and plans.

The BMC exists in a sporting landscape that is changing, with a broadening of its activities to include a wide range of climbing, hillwalking and mountaineering disciplines. Competition activities have taken the BMC into the arena of elite sport, with a number of British climbing athletes competing at World Championship and soon to be Olympic level. The BMC needs to articulate clearly and unambiguously how it wishes to operate across this wide range and where it will focus its energies. As the BMC seeks new members, a clear strategic plan will allow it to explain why and how it is relevant to those considering joining through any of its activities.

The BMC is funded through a mix of government funding, membership fees and commercial activities such as provision of insurance and sponsorship of the organisation from commercial partners. A significant focus of a strategic review should be that of how it wishes to remain commercially viable as an organisation and how it can articulate its strategy to all those who contribute to it.

The changing sporting landscape will necessitate a regular scheduled review of the strategy with clear input from across the membership as well as partners and stakeholders in the broader sporting landscape. The BMC has undergone this exercise in the past, but has

not kept to a regular strategy review cycle. This will need to change as the organisation matures and faces commercial pressures on funding of all its activities. With this in mind the ORG recommends that:

6. **The BMC should create a strategy and organisational development process to ensure that it remains relevant for both existing and prospective members**

As the BMC looks to craft its strategic review process it needs to consider what its ideal membership looks like. The BMC has grown from its roots as a collective of mountaineering clubs, with a few thousand members to an organisation spanning a wide range of sporting and leisure disciplines, from those on foot reaching their first mountain summit, through to elite-level mountaineers, climbers and competition athletes.

This expansion has come naturally as climbing, hillwalking and mountaineering have evolved, with the BMC acting as the natural home to accommodate the growing community of interest. With this expansion has come a growth in the number of staff and volunteers needed to manage this community and this has caused the organisation to grow to a paid staff of over 30, and a volunteer community reaching into the many hundreds.

The Member Research Survey showed that although there are distinct interest groups and communities, for many, "climbing" is a broad sport and many respondents regularly take part in a number of different climbing, hillwalking and mountaineering activities, often within the same period. Very few respondents classified themselves as having a single "interest" only within the range of activities covered by the BMC.

With 2.4 million bi-monthly participants across the BMC's recognised activities it is easy to see continued natural growth of membership (11 % annual growth in 2016) and it is likely that the BMC will reach over 100,000 members by 2020 at current growth rates.

The survey shows overwhelming support (73 %) for the BMC to encourage participation and membership and yet many within the focus groups are concerned of the impact on our natural environment of a significant increase in numbers heading to popular crags and mountain paths.

The BMC must consider carefully where it chooses to focus its time, resources and volunteer efforts and try to balance the need to thrive and encourage participation and membership, with the need to look at boundaries as to how wide its reach becomes. The BMC should be careful to classify its boundaries and look at the edge cases (such as hillwalking vs rambling, or indoor climbing vs clip-and-climb) and make a clear statement about where these boundaries lie. This leads to the following recommendation:

7. **The BMC must understand and define the breadth of its membership and understand the balance between attracting new members and over-expansion, recognising the conservation and environmental issues that growth could cause**

With the above recommendation comes the challenging issue of whether the BMC should seek to encourage participation in its activities and grow its membership. The Member Research Survey, focus groups and the ORG all recognise the huge benefits that climbing, hillwalking and mountaineering present to those that participate. Most expressed an innate desire to share their love for the outdoors and the activities that they undertake, yet recognise the conflict that this creates: greater participation puts further strain on our natural crag and mountain environments.

The Member Research Survey provides a clear and unambiguous steer on this issue, with 77 % of respondents expressing a desire for the BMC to encourage more climbers, hillwalkers and mountaineers to join the organisation and 73 % saying that the BMC should seek to encourage greater participation in all of its activities. This is clearly an opportunity for the BMC, both in terms of growing its organisational influence but also attracting greater funding to perform much of its access and conservation work. In particular, the ORG recognises the need for the BMC to attract younger members in order to ensure a broad demographic representation, but also to educate and inform future generations as to the ethics and history of British climbing, hillwalking and mountaineering. With this in mind, the ORG recommends that:

8. **The BMC should responsibly encourage growth and participation in all areas of the activities that it represents**

It is important for any growing organisation to ensure that it has a broad and diverse membership. Diversity and balance leads to a stronger and more vibrant organisation. Since the formation of the BMC over 70 years ago, the population of the UK, its expectations, culture and aspirations have changed enormously. Within the BMC's activities alone, there has been a huge growth in diversity of activities, where climbing, hillwalking and mountaineering have many niches and dedicated activities.

The range of people entering the BMC's world has also altered significantly. What once was a sport catering to an elite few has now become a mass participation activity, with over 2.4 million people per month taking part in one of its activities that fall within its remit. The climbing population now represents that of the broader UK population, with broad participation across gender, age, ethnicity and disability groups. The Member Research Survey recognises and celebrates this, and whilst recognising the BMC's activities so far (youth development, Ready to Rock, #ThisGirlCan etc) encourages the BMC to do more.

"The ideas for women's increased participation are 30 years behind most other sports. Where is the diversity? How is that being encouraged? How are you helping local communities to get school youth groups interested in moving on from DofE and taking up the different aspects of mountaineering and hillwalking?" - Member Research Survey

The Member Research Survey and focus groups both identified a need to develop a strategy around growth and diversity, particularly focusing on women's participation, engaging those with families and those under 25. It was recognised that for these groups, the entry point is most likely to be indoor climbing and yet it was felt that the BMC's role is to encourage them to understand and enjoy the broader mountain environment beyond the doors of the climbing wall.

Despite this not having universal support from focus groups, the ORG recommends that the BMC consider a targeted programme of activities to encourage broader participation from women, families and specifically the under-25s. With this in mind, the ORG recommends that:

9. **The BMC should develop and support strategies and programmes to encourage a diverse membership, focussing particularly on young people, to participate in all its activities**

Financial Sustainability

Financial sustainability and stability will be key to the future success of the BMC. The organisation can only exist if it continues to maintain a regular source of income. At present, the BMC relies upon a mixture of sources of income. Most significant is its income from membership fees. This represents around 62% of its overall funding. The next largest segment of funding comes from grant funding by Sport England. This typically represents around £568,000 (20% of overall income) per annum and is used to fund specific initiatives within the organisation such as youth participation and diversity. The remainder of the funding comes from commercial activities such as sale of insurance products and commercial partnerships.

There are significant risks in relying on grant funding to fund the organisation's activities. It is clear from the feedback that there are significant concerns regarding ongoing reliance on grant funding (especially funding received from Sport England) which probably cannot be relied upon in the medium to long-term. Developing and maintaining a balanced funding model will be essential in avoiding difficulties in supporting and delivering core activities in the event that grant funding is withdrawn or reduced.

Members and focus groups identified that the BMC is potentially over-reliant on Sport England grant funding for some of its core activities. i.e. the organisation should not find itself depending on grant funding in order to be sustainable. Ring-fenced projects and activities such as acquiring and developing specific sites, specific events, elite activities, campaigns and capital projects could all be examples of non-core projects which can attract grant funding, are time bound and should the funding cease, are not likely to cause significant resource and/or reputational issues.

Developing the practice of fundraising through commercial (and non-commercial) activities and embedding it across the BMC team will be important for securing income for the types of projects outlined above. It will also be necessary to identify the role of fundraising and to develop excellent relationships with funding partners. The ORG recognises the activities already undertaken with partners and that the BMC has experienced both the pros and cons of entering into more commercial relationships. Deals such as this are not always popular with all segments of the membership and care needs to be taken to balance different stakeholder needs.

It will be necessary to identify the resources required to fundraise and to monitor the administration/costs of grant funding. It will also be necessary to understand the benefits of using charitable vehicles for securing funds and to review the benefits that the BMC's existing charities can offer.

In addition to maintaining a regular income stream, the BMC must ensure that it has adequate reserves to weather periods of financial instability. The organisation, through a senior leadership team role, should develop a reserves policy and the organisation should then make sure it sticks to this. This leads to the following recommendation:

10. **The BMC should ensure it is financially sustainable through a mixture of membership fees, commercial activities (including sponsorship) and fundraising (including grant funding). However, grant funding must only be used for specific non-core initiatives and projects. The BMC must ensure it has a reserves policy in order to maintain financial stability**

This recommendation is designed to result in an agile, balanced, and sustainable funding model for the BMC and its subsidiaries.

Membership Packages

Since the previous M&AA review and the subsequent changes in 2006, the BMC has had a membership structure that allows for "one member, one vote." This ensures broad democracy and representation across all members and stakeholders. As the BMC looks to attract younger members, particularly from indoor climbing, it will need to consider how it can partner with organisations such as ABC, ABCTT and MTUK to create relevant membership packages that are tailored, financially accessible, and perhaps non-voting in nature. These memberships need to have high relevance to potential new climbers and the partner organisation.

This will also allow packages that can be offered in conjunction with other commercial organisations. It is important to note that existing members will not be affected, nor should they be forced to change class of membership.

When looking at the broader membership, it may be desirable to consider different tiers of membership. This review should also include reviewing the membership packages available for affiliated club members and for members who join as a result of mountain training qualifications. The BMC could potentially offer a higher-value membership that gives additional benefit to members such as deeper retailer and insurance discounts, training materials, dedicated events etc. This could also create a new revenue tier to help with the shortfall in funding from public funds. This leads to the following recommendation:

11. **Full membership of the BMC should remain one member one vote, however, it should review its membership packages to ensure that it is commercially meeting the individual needs of its members and consider non-voting associate members for particular partnerships and commercial purposes**

This recommendation is designed to give clarity and agility in providing membership packages, including the ability to attract younger members and indoor climbers. It is also designed to enable more attractive partner packages for partner organisations.

Clubs

Clubs have existing social infrastructures that enable them to support many of the priorities identified in the ORG quickly and easily. Furthermore, the club network holds much of the heritage and tradition of climbing, hillwalking and mountaineering, and this network acts as a custodian of many of the artefacts, guidebooks and huts that make access to the mountains easier for others. Clubs also have a vast number of volunteers who contribute to the sector and could benefit from support in promoting and educating those going into the mountains.

Club members in general support the work of the BMC and are often engaged as volunteers for the organisation. This makes their relationship with the BMC highly important. Many club members participate in all the activities the BMC supports and are therefore well positioned to assist with educating and supporting all aspects of climbing, hillwalking and mountaineering.

It should be recognised that the relationship between local and specialist clubs and their members is often closer than that of a national body such as the BMC. This is due to the frequency/locality of meetings or the fact that the club caters to a specific interest. This relationship is extremely important and can be used by both the club and the BMC (at arm's length) to help promote and instil best practice, traditional values and ethics alongside promotion of the sport as a whole. This concept is supported by Sport England's *Getting Active Outdoors report*[10] and member views.

"Support Clubs who encourage young climbers to participate in all aspects of the sport, summer and winter mountaineering, rock climbing, alpinism; not just one aspect."
- Member Research Survey

A number of focus groups made comments about clubs and their role in the BMC. These were not always favourable and were often related to a perception that they had influence over individual members of senior BMC staff. Through engaging more formally with clubs, this would provide a more appropriate level of dialogue.

Many clubs feel disgruntled that the BMC's focus is moving away from its traditional roots, without recognition that there is still a percentage of people who do want to be part of clubs and to use them as a route to getting outside for climbing, hillwalking and mountaineering. The BMC should ensure clubs continue to be key partners in assisting, encouraging and supporting people to participate in the outdoors.

A clear strategy to support clubs and to build deeper strategic relationships with them will enable the BMC to harness the positive elements of the clubs whilst ensuring a quick resolution to potential challenging situations. This leads to the following recommendation:

12. **The BMC should ensure it has a strategy to support the broad range of affiliated clubs so that they continue to be a key pathway into climbing, hillwalking and mountaineering, and further enabling them to be key advocates and educators for responsible, safe, traditional and ethical participation**

The ORG has also addressed the formal relationship it has with clubs, and how they are able to influence the BMC in some of its governance recommendations (see recommendations 33 and 36.)

These recommendations are designed to ensure that support for clubs improves, ensuring a voice for clubs that is channelled appropriately, rather than on an individual influence basis via the CEO and President.

Partners

The BMC is a relatively small organisation that has had a high level of influence in government until the recent issues regarding its governance. This influence should be re-ignited as the BMC and other conservation organisations face increased challenges, both financially and environmentally. The need to influence government in a coordinated manner is imperative if the BMC priorities identified in the Member Research Survey are to be met.

The BMC should work in tandem with other organisations on initiatives to support the priorities identified in its strategic plan and in order to deliver its vision for climbing, hillwalking and mountaineering. In some cases the BMC might need to broker partnerships with organisations that are not in line with the BMC's aims, but whom the BMC needs to influence.

The ORG's research highlighted the important role the BMC has in bringing together the various stakeholders within the sector and identified a higher profile for the BMC in carrying out that role. The BMC has acted as an umbrella body for applying for funding to Sport England and UK Sport for many of its partners; ABC, ABCTT, MTUK and Team GB. Without a representative umbrella body, such as the BMC, able to apply for this grant funding, these partners would be left without the capability to access such funding channels. It is important that this continues so that the BMC can properly support and work with those organisations delivering key initiatives within the sector.

To be able to make best use of its own internal resources it is recommended that the BMC also builds stronger links with other organisations that have similar intentions and can support initiatives, for example; Mountain Rescue, Mountaineering Scotland, Mountaineering Ireland, National Parks and The Ramblers.

[10] Getting Active Outdoors, Sport England (June 2015)

The Member Research Survey reinforced the importance of campaigning more on environment and conservation issues. In order to maximise the efforts of volunteers and staff, having formal relationships with a range of partners will enable clear lines of communication, action groups and potential pooling of resources, as well as increase the BMC's influence on issues which are of paramount importance to BMC members.

This leads to the following recommendation:

13. **The BMC should review its strategic partnerships and where necessary strengthen existing partnerships or develop new partnerships with organisations across the spectrum of the BMC's work**

Similarly, there are no global boundaries for climbing, hillwalking and mountaineering. It is important to our members that BMC works carefully with all the BMC's international partners, especially the International Climbing and Mountaineering Federation (UIAA) and the International Federation of Sport Climbing (IFSC), to ensure that our members are not disadvantaged by decisions which are made internationally. The BMC should ensure it uses the channels to international organisations that it has available to it in order to ensure the BMC has appropriate and available levels of input and influence in international decision making that affects climbing, hillwalking and mountaineering.

This also includes other nations' climbing, hillwalking and mountaineering federations and organisations. It is hoped that by working with these international federations the BMC can learn from their best practice and vice versa, and importantly maintain links which enable opportunities for BMC members. BMC International Meets are a good example of where this has been done well previously. This leads to the following recommendation:

14. **The BMC should work with and develop partnerships with other nations' governing and representative climbing, hillwalking and mountaineering organisations and global climbing organisations such as the UIAA and IFSC**

This set of two recommendations is designed to ensure that the climbing, hillwalking and mountaineering sector has a cohesive, focused voice, and that the BMC's profile is raised across its national and international partners, stakeholders and the organisations it needs to influence.

The Olympics

The Tokyo 2020 Olympic Games includes climbing. Both the Member Research Survey and focus groups with partners and stakeholders included strong and diverse views on the BMC's level of support for the Olympics. However, there was also a very strong message from participants that the BMC should be the umbrella organisation for representing all aspects of climbing, hillwalking and mountaineering. The ORG's research highlighted the need for climbing community partners and other stakeholders to know the level of support the BMC intends to provide for the Olympics so they can react accordingly, in particular Team GB. Members and other stakeholders are frustrated by lack of clarity regarding this issue.

"The BMC was set up to represent the interests of climbers and mountaineers and it needs to stay true to that vision, yet evolve it for the modern world. It needs to embrace and promote all aspects of climbing, including competition climbing and not pussyfoot around the Olympics and pretend that isn't happening."
- Member Research Survey

Whilst it is not within the ORG's Terms of Reference to define what level of support the BMC should provide, it is within the ORG's Terms of Reference to highlight the lack of clarity provided to members, partners and stakeholders in relation to Olympic games support. This leads to the following recommendation:

15. **The BMC should give clarity to members, partners and stakeholders on its level of support for the Olympics**

This recommendation is designed to ensure that all stakeholders are informed of the BMC's level of support for the Olympics. Competition climbers will be able to prepare for 2020 with a clearer picture of what support they have. Similarly partners in the wider climbing sector will be able to develop strategies in reaction to the BMC's position.

Use of Digital

The Member Research Survey and focus group discussions identified a desire for the BMC to have a larger digital presence in order to manage memberships, disseminate information about policy and decisions, promote events and volunteer activities, and critically, to engage and gather the views of the broader membership.

A number of respondents highlighted the need for representation in the BMC "to change for the digital age". There was some satisfaction with the use of technology and an understanding that changes had been made recently, particularly in relation to social media. The ORG acknowledges that it is an area the BMC is currently working to improve, in line with this general trend. The ORG's findings indicated that the BMC should use technology to deliver against its organisational strategy more effectively, and it to make sure it is well placed for the future.

Areas of key comment identified by the ORG included website updates and improvements, choice in types of communications received, membership management, engagement in policy and events management as well as online voting for key decisions.

As a result the ORG considers that the BMC should develop a digital strategy across the organisation which underpins what it aims to do in order to support the BMC's vision and organisational strategy, developed as part of other ORG recommendations.

It should look to deliver personalised services to members, have the data it needs to operate efficiently and make informed, data-driven, management decisions. In particular the strategy should define how it plans to use technology to engage members in policy making, activate volunteers and communicate transparently.

Any digital strategy should also take into account accessibility for all members, catering for those members who are have specific access needs, are not digitally literate, or prefer not to use technology or social media. Therefore, while a digital strategy should underpin the delivery of the BMC's services, members should also have the option to engage with the BMC via traditional methods if they choose to do so. This leads to the following recommendation:

16. **The BMC should ensure that it has a digital strategy to support potential growth, its members, policy forming and engagement and broader innovations within the scope of the activities it supports**

This recommendation is designed to enable the BMC to meet the increasing administrative demands placed on it by growing participation and membership, and importantly, efficiently and effectively gather and process data to and from members in relation to all aspects of the BMC's work.

Member Engagement

"It is widely acknowledged within the membership sector that increasing member engagement is key to raising member satisfaction, increasing advocacy and retaining members."
- Memberwise Member Engagement Toolkit 2017

As a membership organisation first and foremost, membership satisfaction and engagement is of paramount importance to the BMC. The management of this activity must therefore be well resourced and effectively structured. Members expressed concern that the BMC's membership engagement varied geographically, and did not cater sufficiently for those who could not attend area meetings.

Engagement around membership services was regarded highly, whilst it was felt that there could be improvement in opportunities for members to interact with organisational strategy and policy.

The BMC should be engaging with diverse members and actively managing their membership journeys. This involves recognising different member types, needs and expectations and, where possible, tailoring memberships to meet their needs (see recommendation 11). A membership engagement strategy should be created.

The strategy must embrace technology to provide engagement opportunities beyond area meetings (eg. forums and regular surveying of members' views), but balance this with providing a public, human face to the organisation.

Delivery of this strategy must be appropriately resourced. The BMC should review staffing and budget to ensure that the strategy can be delivered effectively. This leads to the following recommendation:

17. The BMC should review how it resources the management of membership engagement

Throughout the focus groups and in the Member Research Survey analysis there was a common thread highlighting the need for the BMC to engage a broader range of members in its policy making and democratic processes through the use of technology. There were also concerns about the speed of decision making in the BMC.

The BMC also has a more diverse and larger membership base than ever before, and needs to further engage with the full range of membership, to understand their views in order to assist in making policy decisions.

There are number of digital options available to the BMC, whether a simple forum, or a more advanced implementation (for example: https://represent.me/) which are used across a number of democratic, trade union and membership organisations.

Such a tool should be managed centrally but used to gather feedback, by Local Area groups, about local issues. It should be used to canvass member opinion on policy issues and key decisions in order to inform the BMC's policy and decision making bodies about the views of the membership.

This does not need to be a formal and secure voting process, as used for online voting for AGMs (see recommendation 38), but should be a platform that can be used to quickly gather feedback and give snapshots on the broader member opinion. This should be used to inform the policy and decision making bodies of the BMC about the views of the membership.

This should form a key part of any digital and member engagement strategy. This leads to the following recommendation:

18. The BMC should implement a technology based national polling and discussion platform to gauge member views on national, international and local issues

Further to the implementation of a national polling and discussion platform the BMC should measure, and provide for its members, an annual snapshot of satisfaction.

Implementation of an Annual Member Survey will allow the BMC to take a snapshot of members' satisfaction with the BMC, and any areas for improvement prior to each AGM.

The annual survey should be published so that members are able to review the results in time for discussion at each AGM. It will also act as a general metric of the success and areas for improvement of the previous year's delivery. This leads to the following recommendation:

19. The BMC should implement a technology based Annual Member Survey

This set of three member engagement recommendations is designed to ensure that members are more involved with policy making in the BMC, member engagement measurably increases and members' satisfaction is measured. This should ensure that members of the BMC are more able and willing to participate in helping it achieve its aims.

Communications

Members receive a high volume of communications in daily life, so it is essential that those from the BMC are balanced appropriately to ensure key messages (eg. regarding organisational governance) get through.

Member research survey responses and focus groups highlighted the perception that communications from the BMC are unbalanced and that the overarching message was often of a commercial "sales" nature eg. insurance and products.

Feedback for current BMC communications (emails, Summit, newsletters, the website and social media, as well as other communication streams such as Local Area meetings etc) was generally positive, and members value the spread of options.

For those members engaging with this topic in detail, the preference was for succinct varied communications that are frequent but not oppressive. These members recognised that the definition of "oppressive" varies from individual to individual and that communications streaming would be the best option.

"Focus communication to members better. Maybe enable members to easily get more info on what they are interested in (say, access and conservation) and less on what they are not (say, T-shirts and climbing competitions)."
- Member Research Survey

Organisational governance and policy are areas in which members wanted to hear more from the BMC. Climb Britain was cited as an example of failure to communicate properly with members on this front.

Communication was highlighted as a two-way process, requiring the BMC to use its channels to seek feedback from members as well as to distribute information.

A practical solution would be gathering opt-in preferences from each member on the types and forms of communication they receive. This should be in line with the organisation's wider Membership Engagement Strategy (See recommendation 16), and compliant with the incoming GDPR[12] legislation's concepts of granularity.

As part of an organisational commitment to good governance and transparency, the BMC should increase the priority and frequency of organisation/policy communications on all media platforms to ensure members are more informed on, and able to participate in, shaping the BMC's future direction.

With GDPR, organisations must also be more careful in gaining granular consent from individuals on how they use their data for communications, and what and how these communications are received.

The BMC is a membership organisation, with commercial activities being only part of its wider operation. Commercial messaging should therefore not dominate communications.

This leads to the following recommendation:

20. **The BMC should ensure it balances communications between sales and commercial functions and organisational and policy functions**

This recommendation is designed to ensure that BMC members are able to control the individual balance of communications they receive from the BMC, and important messages eg. organisational governance and policy-making are highlighted to increase opportunities for member engagement.

CORPORATE STRUCTURE

The Umbrella Organisation – BMC "Group" Structure

The most effective and efficient "corporate entity" through which the BMC can operate has been a matter of much discussion and research for the ORG.

The evidence from our research was that similar membership organisations and "governing bodies" are sometimes charities or cooperative societies, but this is not often the case for a body like the BMC whose work is as diverse as it is. We know for example that charitable structures are primarily focused on, and exist for, providing public benefit through their charitable activity; their primary objectives are not (like the BMC's) supporting membership and member services. Similarly, we know that some of the BMC's current purposes and activities are not charitable at law.

"Whilst we have considered alternative legal structures, and the pros and cons of what they could offer the BMC, we have nevertheless concluded that the heart of the BMC is to be a body existing first and foremost for the benefit of its members. Whilst a lot of the BMC's work and some of its purposes are charitable, we do not believe that conversion to a charity is the right step for the BMC to take."
- Womble Bond Dickinson

A significant number of corporate entity options were considered in the process of finalising this recommendation including charitable status (Charitable Trust, Charitable Incorporated Organisation, Charitable Company) and non-charitable vehicles (Cooperative Society, CIC etc.). The option to look at charitable status for the entire BMC organisation was considered at some length. There would be some advantages to this structure in terms of tax position and raising funds, however and more significantly, the purpose of a charity differs from that of the BMC. A charity must act primarily in the public benefit, and as stated throughout this report, we believe the purpose of the BMC is to serve its membership first and act in the public benefit second. With this in mind the existing Company Limited by Guarantee structure is still the most appropriate legal structure, but only if a complete governance review is carried out and implemented. That is not to say that the BMC cannot utilise wholly-owned charitable subsidiaries for its charitable work and/or where such use facilitates fiscal and tax efficiencies.

Following a review of the options for the corporate structure and status of the BMC, and having received legal advice, it is recommended that:

21. The BMC should remain a, not-for-profit, Company Limited by Guarantee; however, only following a complete review and amendment of its governance structure

A complete review of the BMC's governance structure will mean that, whilst the legal entity remains the same, it will look, and operate, very differently going forward.

It is strongly recommended that the M&AA are brought up to date to ensure that the BMC complies fully with the Companies Act 2006 and for charitable subsidiaries, the Charities Act 2011. New Articles of Association will ensure that the governance structure of the organisation has clarity, with a Board of Directors who are legally responsible for the BMC's management and exercise their powers accordingly, and who are in turn, accountable to the membership.

This recommendation provides clarity as to the future BMC's legal structure and status, whilst recognising that there may be benefits from developing a wider "group" structure.

Use of Subsidiary "Special Purpose Vehicles"

Special purpose vehicles, in the current context, are companies or charities, which are wholly owned by the BMC's not-for-profit Company Limited by Guarantee, for the purposes of carrying out other activities, which may be better suited to a different type of company. They have their own Articles of Association, set of accounts and Board of Directors, but are ultimately "owned" by the BMC.

It is clear from the ORG's research that appropriate use of subsidiary "special purpose vehicles", can provide benefits to the organisation which may not be achieved by simply operating all of the BMC's current (and future) activities within the present not-for-profit Company Limited by Guarantee structure.

Having legal entities such as charities and commercial vehicles in the BMC "group" can achieve benefits that some focus group members wanted to see achieved by the BMC, whilst leaving the overarching legal structure for the membership body as it is, fit for purpose and flexible. Subsidiary vehicles (including charitable) should therefore be considered carefully for the operation of particular parts of the BMC's work/activities/operations where there is a clear advantage in doing so. It is recommended that subsidiary vehicles (including charitable) should be used effectively to:

[12] The General Data Protection Regulation (GDPR) is a regulation intended to strengthen and unify data protection for all individuals within the European Union (EU) and compliance with GDPR is required by 25 May 2018.

a) maximise/optimise financial opportunities/ efficiencies;
b) deliver particular outcomes;
c) minimise risk to the organisation.

Existing BMC subsidiary charities

The ORG has focused on the governance and role of each of the charitable subsidiaries and the potential legal and financial advantages in ensuring the activities offer better outcomes for the public and the environment. At the same time it will offer opportunities to make tax efficiencies and provide optimum opportunity for fundraising.

The ORG are aware of three charities which currently exist within the BMC group structure each of which carries out particular charitable activities. Each charity is wholly owned by the BMC, which means that BMC is the sole member of each charitable company. These are:

- BMC Access and Conservation Trust (ACT) (charity number 1089516)
- BMC Land and Property Trust (charity number 1112577)
- Mountaineering Heritage Trust (charity number 1083219)

Members and focus groups appreciated the value of having charities within a group structure, but also recognised current disconnects between the operation of the existing charities and the strategy, projects and operation of the BMC.

The ORG sought independent legal advice on the current arrangements. This advice has highlighted that there is a need to both review and amend the Articles of Association of each subsidiary charitable company (which are currently not fit for purpose), and also put in place a legally binding operational framework between the BMC and each subsidiary. This should set out how the relationship between the BMC and how each subsidiary is conducted. This will preserve the independent status of the subsidiaries as separate legal entities and facilitate their compliance with charity law. At the same time, such a framework will enshrine legal mechanisms which are appropriate to ensure that the BMC (as the legal owner of the subsidiaries) has appropriate influence and supervision over that subsidiary.

Clarity of governance arrangements, effective meshing of strategic opportunities and the vesting of genuine BMC charitable objectives and activities within subsidiary charities should strengthen the delivery of outcomes, optimise funding opportunities and minimise tax liabilities.

This leads to the following recommendation:

22. **The BMC should have effective oversight and governance of its charitable subsidiaries, ensuring that all of their legal and governance obligations are being met, in order to optimise their charitable outputs, and at the same time respecting their organisational autonomy. These are the BMC Access and Conservation Trust (ACT) (charity number 1089516), BMC Land and Property Trust (charity number 1112577) and Mountaineering Heritage Trust (charity number 1083219)**

This recommendation is designed to ensure that the BMC's existing charitable subsidiaries are compliant with the law, strengthen relationships with the BMC, allow subsidiaries to be focused in their activity and potentially enable more tax efficient activity to be undertaken within an appropriate legal vehicle, without contravening or undermining BMC's status as a membership body.

Use of other subsidiaries or sub-groups

Subsidiary companies offer reduction of risk and liability exposure and are often ideal when setting up joint ventures and alliances. They can also bring certain other benefits, such as separate accounting and administration functions. Even if a separate subsidiary is not used, some commercial activities may benefit from a focused sub-group of the organisation.

Commercial

The ORG's research revealed that members and focus groups had mixed views on the level of commerciality with which BMC should be involved. The majority favoured developing more income streams - primarily to reduce reliance on Sport England and UK Sport funding.

Utilising commercial subsidiary structures would allow a clearer ring-fencing of suitable commercial operations. This would allow subsidiaries to be focused in their activity and potentially enables more commercial business activity to be undertaken without damaging BMC's credibility and reputation, and without posing a risk to the financial health of the BMC (as the subsidiary vehicle would be liable for any losses). This in turn affords the organisation some flexibility for the future in that it will be able to tolerate an element of risk (that comes with being more commercial), whilst at the same time protecting the assets of the BMC.

As with the overarching corporate entity, it is strongly recommended that for any subsidiary companies the Articles of Association are fully compliant with

the Companies Act 2006, and that they embed a governance structure that is fit for purpose, with the directors responsible for the management of the company but fully accountable to the BMC as the member.

As well as providing the structure which can focus on member benefit, a fully compliant Company Limited by Guarantee structure with the correct governance and management structure in place also allows risk to be managed effectively, both for the Directors and for the organisation (e.g. risks associated with crag ownership) and the ability, where appropriate, to operate commercially.

Examples of possible ring-fenced commercial (trading arm) activity include: land ownership and operation (although some might be better within a charitable structure), commercial partnerships, retail sales, products and services provided and new income streams.

Equally, some of the BMC's commercial activities may not justify the additional resource involved in establishing and maintaining a separate vehicle, but will nonetheless benefit from a well-designed and focused sub-group within the organisation. It is therefore recommended that:

23. **The BMC should consider clearly defined sub-groups, or creation of a wholly owned subsidiary(s) for some of its commercial activities**

Competitive Activities

The climbing community in the UK is changing and becoming more diverse in its activities and interests. By their very nature competitive and elite activities attract a focused core of members. However, it is these activities that provide a significant growing interest for potential BMC members in climbing and especially indoor climbing – this interest will increase as the 2020 Olympics showcase the three climbing disciplines. The importance of this developing membership demographic should not be underestimated.

Whilst there is a core of more traditional members who are concerned about the BMC focusing its resources on competitive and elite activity, it was clear from the feedback of the focus groups that there is a desire to address this by creating an internal separation in the BMC between competition climbing and the more traditional BMC functions.

The feedback also demonstrated the need to improve relationships and the interface with stakeholders in competition climbing (including climbing walls and the IFSC).

The focus groups also promoted the need for the BMC to underpin and/or be the national governing body for competition climbing, to provide as much support as possible to Team GB and to move with the changing community and times of climbing - at its full breadth (see recommendation 1).

It is therefore important that the BMC provides a clear direction on competition policy, and offers solutions that can be accepted generally by the members.

"I don't know why the BMC is so interested in competitors these days yet seems to do such a bad job at managing them. I think a subsidiary body should be managing and wholly responsible for Competitions."
- Member Research Survey

This could be best achieved by creating a distinct sub-group within the organisation, or by creating a subsidiary whose focus would be solely competitions and elite climbing. The subsidiary/sub-group would, though grants, sponsorship and commercial initiatives, secure a separate budget for competitions. It is therefore recommended that:

24. **The BMC should consider a clearly defined sub-group, or creation of a separate governing body subsidiary within the BMC for the purposes of managing competitive activities and to support elite level competitive activities such as Team GB**

As demonstrated in earlier recommendations, it is clear from our research that appropriate use of subsidiary "special purpose vehicles", such as charities and more commercial vehicles will give subsidiary structures which can provide the operating platform for more elite activities.

The subsidiary/sub-group would also require a governance structure (a Board if a subsidiary) with a clear sub-strategy and clear performance targets and accountability.

Such a structure would, if properly funded, will allow the BMC to:

- offer more support for competitive climbing
- work more closely with IFSC and the UIAA to ensure effectiveness at a world level
- work with UK Sport and other sponsors to provide financial and administrative support for a world class performance programme in advance of the 2020 Olympics and
- showcase British climbing to a worldwide audience through international meets and exchanges.

As with the overarching corporate entity, it is strongly

recommended that for any subsidiary companies the Articles of Association are fully compliant with the Companies Act 2006.

Wales/Cymru

Members and focus groups identified that the BMC must position its Welsh activity to demonstrate the strategic importance of Wales/Cymru as a separate country with its own language - and to make it easier to access funding from the Welsh Assembly Government where available.

It is clear from the feedback that the ORG has received that there are significant concerns regarding the support that the BMC is able to give its operations in Wales. Given Welsh autonomy, potentially improved opportunities for funding via Welsh Assembly Government and Welsh funding bodies, and the need to give more recognition to the operating importance of the Welsh language, it is clear that this recommendation is required.

Many BMC members regularly access the uplands in Wales and therefore supporting a strong BMC in Wales is widely important to the membership. Servicing members' and BMC activity in Wales (a country with its own Assembly Government and significant autonomy), should be better provided for within the BMC structure. It is therefore recommended that:

25. **The BMC should consider a clearly defined sub-group, or creation of a wholly owned subsidiary for effective delivery of the BMC's operations and support in and for Wales/Cymru**

The subsidiary/sub-group would also require a governance structure (a Board if a subsidiary) with a clear sub-strategy, performance targets and accountability.

As already noted, it is clear from our research that apposite use of subsidiary "special purpose vehicles", such as charities and more commercial vehicles, can provide subsidiary structures which can provide the operating platform for more country based/regional activities.

As with the overarching corporate entity, it is strongly recommended that for any subsidiary the Articles of Association are fully compliant with the Companies Act 2006 or for a charitable subsidiary, the Charities Act 2011.

The BMC should not create new subsidiaries just for the sake of doing so. All subsidiary companies will have to be resourced, with associated costs and administration, therefore each decision should go through a cost benefit analysis.

GOVERNANCE

The governance of the BMC was a key focus of the ORG's Terms of Reference, with specific instructions to consider the powers, structures and decision making processes of the National Council and Executive Committee, the democratic structure of the organisation, arrangements for engagement with members, clubs and partners, and arrangements for the appointment of officers. The ORG was specifically tasked with ensuring that the governance of the BMC reflects and complies with UK company law and good governance in the sporting/charitable sectors, including in the latter regard Sport England's A Code for Sports Governance (the Sport England Code).

The feedback on governance obtained by the ORG from the Member Research Survey and the focus groups reflected concern about wide-ranging aspects of the BMC's existing governance. Some of this was absolutely fundamental, ie questioning whether the existing governance arrangements are even in compliance with UK company law. As will be seen below, this was not an over-dramatic view, but an accurate comment on the present state of affairs.

In terms of the current management structure, the feedback expressed concern that the structure of an Executive Committee and National Council lacks clarity for governance and decision making purposes – it can be difficult to tell who is "in charge". The relationship and communication between the two bodies is not considered to be as good as it needs to be considering the breadth of the BMC's activities, and their work lacks transparency. Concerns were voiced about how the members of those bodies are appointed and whether they contain the right balance of interests and skills, whether members should continue to sit on both, and whether their size compromises their ability to function effectively.

A consistent theme was that the existing governance arrangements do not give members an effective voice in the organisation. There was a strong desire for members to be consulted more in the making of policy, and on key decisions affecting the organisation. It is not felt that the local area structure operates effectively at present, and members wanted a review of the role and effectiveness of specialist committees. Alongside this, the feedback pointed towards a more formal role for partner organisations in the BMC decision making.

The feedback also noted that there is currently no process of review of the effectiveness of the BMC's governance arrangements, so that lessons are learned where appropriate, and that the BMC needs an effective alternative to a motion of no confidence for members to raise grievances about the management of the organisation.

The Legal Position

The legal advice obtained by the ORG recommended bringing clarity to the respective roles of what are currently the Executive Committee and National Council. In particular, under the current M&AA, the members of the Executive Committee appear to be considered as the directors of the BMC for the purposes of company law. However, the M&AA also provide significant management powers to the National Council, with no oversight by the Executive Committee. This means that while the Executive Committee members have legal responsibility under company law for the management of the BMC, they are at risk of liability for decisions over which they have no control. Similarly, members of the National Council are at risk of liability as de facto or shadow directors for management decisions they take. The legal advice recommends that whilst a members' body may expect to be able to robustly challenge and oversee the work of the Board of Directors, and might have to approve key decisions of the Board, it should not ordinarily be able to override the Board. The current position is therefore unsatisfactory legally, does not comply with Companies Act 2006, creates practical governance and decision making issues, and creates legal risk to those who currently sit on the Executive Committee and the National Council.

For obvious reasons the ORG considers it vital to address these issues.

Good Governance

The current governance of the BMC also falls short of best practice for UK companies and in the sporting sector. For example, clear legal responsibility for management lying with a Board of Directors is a fundamental requirement of good governance reflected in the UK Corporate Governance Code 2016, the Sport and Recreation Alliance's The Principles of Good Governance for Sport and Recreation (the SRA Principles) and the Sport England Code.

The SRA Principles also include a series of other recommendations about the Board of Directors which are only partially reflected in the BMC current management structure.

Reflecting our brief, these principles and recommendations for good governance have strongly influenced the ORG's thinking, and our recommendations either directly address these principles and requirements, or envisage that their

implementation and the subsequent operation of the organisation will be in compliance with them.

Applying the SRA Principles will also assist the BMC to meet the Sport England Code.
The ORG have throughout this review had at the forefront of their minds the fundamental point that the BMC is a membership organisation, and its management serves the members and should be answerable to the members. Similarly, it is important for other key stakeholders such as clubs and partners to be able to participate effectively. We have embedded these key considerations into our recommendations, balancing them with the legal requirements to which the BMC is subject and governance best practice. The result will be an organisation which takes its policy and strategic direction from its membership and other stakeholders, implemented by an appropriately skilled and empowered management body, which is subject to robust oversight and accountability.

Reflecting these considerations and the balance inherent in their implementation, our recommendations for the BMC's future governance are a package, designed to provide a completely new structure for the effective governance of the organisation. It is important to bear in mind though, that what we recommend is not just about implementing rules for the sake of being able to say that the organisation is legally compliant and has adopted governance best practice. Our recommendations are designed to promote an environment for high quality, effective decision making, improving the management and sustainability of the organisation, in the interests of all members.

In summary, our recommendations are to rename the Executive Committee as the Board of Directors, operating with an independent Chair and appropriate sub-committees, and give it legal responsibility for management of the BMC. The National Council will be renamed the Members' Assembly, be chaired by the President, have responsibility for holding the Board of Directors to account and have an important role in driving BMC policy and strategy. The Board of Directors will have to obtain the approval of, or consult with, the Members' Assembly for important management decisions. Both bodies will be constituted differently, to ensure more effective operation but also appropriate representation of the BMC's key constituencies. Alongside this, there will be a formal Partners' Assembly. The detail is set out below.

The Board of Directors

The ORG considers that it is vital to have clarity as to which body has legal responsibility for the management of the BMC. Legally, this should be the Board of Directors, and the Executive Committee should be renamed accordingly.

The membership of the Board of Directors should strike an appropriate balance between representing the interests of the BMC's various stakeholders and ensuring the experience and skills necessary to manage effectively the full range of the BMC's activities. We therefore propose that the Board of Directors should comprise eleven members, as follows:

- An independent Chair, whose appointment should be recommended by the Nominations Committee, and approved at the AGM.
- Three ex-officio executive Directors, comprising the Senior Leadership Team of Chief Executive Officer, and (although it will be up to the Board to define their precise roles and titles) what we refer to in this report for convenience as a Finance Director and an Operations/Commercial Director.
- Three non-executive Directors elected and appointed by the Members' Assembly.
- One non-executive Director nominated by the Partners' Assembly, and appointed by the Board of Directors.
- Three independent non-executive Directors, who can be BMC members, but should have no specific affiliation within the BMC, to be appointed by the Board of Directors, following recommendation from the Nominations Committee. One of these Directors will be appointed as Senior Independent Director, by the Board.

There will be a quorum of five, which must include one of the independent Directors and one of the Directors appointed by the Members' Assembly. The ex-officio Directors shall never form the majority for quorum purposes.

All the non-executive Directors should be appointed for a three year term, and shall be eligible to serve for up to two further terms of three years each.

Transitional arrangements will be necessary to stagger appointments and retirements, to ensure that membership changes do not occur en masse. Equally, the Board should formulate an appropriate succession plan.

We also recommend that the Board of Directors should ensure that its operations meet the requirements of the SRA Principles. For example, the Board should formally adopt a Code of Conduct regulating the conduct of its members, and we also recommend a communications protocol to be agreed with the Members' Assembly regulating communications and dealings with that body.

It will of course be vital for the Board to adopt and live up to a commitment to diversity in its appointments and deliberations. A minimum of 30 % of each gender should be represented on the Board to maintain gender diversity and the Board should work towards gender parity.

An independent minute taker should attend and prepare the minutes of all Board meetings.

This leads to the following recommendation:

26. The Executive Committee should be restructured and renamed the Board of Directors

We recommend that the Board of Directors should be chaired by an independent Chair, recruited to fulfil a clear job description. Having an independent Chair of the Board of Directors will bring objectivity to the deliberations of the Board, ensuring that decisions are made in the best interests of the organisation, setting aside any personal interests, potential conflicts and loyalties.

However, recognising the importance of the role, we also recommend the following steps designed to ensure that the right person is appointed, the appointment process is transparent and the membership has an appropriate say over the candidate chosen:

- The Nominations Committee should be responsible for drawing up an appropriate job description, to include a statement of the skills and experience required for the role.
- The Nominations Committee should conduct an open appointment process.
- The appointment of the Chair should be subject to approval of the members by vote at the Annual General Meeting, in the year in which he or she is nominated.

In common with the other non-executive Directors, the Chair should serve for a term of three years, but be eligible to stand for two further terms of three years each. However, the Nominations Committee should review and if appropriate update the job description before the end of each term, and consider whether the existing Chair (if eligible to stand again) remains the best candidate, and the appointment for each term shall be subject to members' approval at the AGM.

This leads to the following recommendation:

27. The BMC should appoint a Chair of the Board of Directors who is independent from the Members' Assembly

Reflecting on recommendation 26, the clear legal responsibility of the Board of Directors for management of the organisation should be enshrined in the new Articles of Association.

However, the BMC is a membership body, and the Board of Directors is accountable to the members. We therefore also recommend that the Board should adopt a clear list of "Reserved BMC Matters", covering the most important decisions for the organisation, where the Board's decision will be subject to consultation with or approval by the Members' Assembly.

Some examples of key decisions which the ORG considers should require approval of the Members' Assembly are:

- Approval of the BMC's vision and organisational strategy.
- Change of name or branding.
- Change of corporate structure, merger or business acquisition.
- Establishment or winding up of subsidiaries.
- Changes to the rights of members or the Members' Assembly.
- Major acquisitions and borrowing/spending decisions.
- Any change to the proportion of members required to trigger statutory procedures for calling and proposing resolutions to be considered at a general meeting.
- Appointment of Patrons.

Some examples of important decisions which the ORG considers should require consultation with the Members' Assembly are:

- Job descriptions and objectives for the CEO, and the Finance and Operations/Commercial Directors.
- Establishment of new sub-committees.
- Changing the BMC's registered office or year end.

The proposed changes will ensure that the BMC's management structure is compliant with the Companies Act 2006 and clarify to participants and third parties where responsibility for management of the organisation lies. However, on the most important

matters for the organisation, the membership – via the Members' Assembly – will still have a say. This leads to the following recommendation:

28. The BMC should ensure that its Board of Directors has clear primacy, to ensure compliance with the Companies Act 2006

Appointing and choosing senior roles within an organisation is a task that needs to be done with care and transparency to ensure that roles are filled with the correct people and skills. Modern governance requires that an organisation ensures that any senior team has skills, gender and diversity balance to ensure the organisation remains healthy and vibrant. In the past the BMC has often looked internally and candidates have been selected on the basis of friendship, next-in-line or simply the person 'most available' for the role. As the organisation matures, a more transparent and diligent process is needed.

The Board of Directors should therefore have a Nominations sub-committee to oversee the effective and transparent appointment of the Board Chair, the Senior Leadership Team and non-executive Directors. It should similarly have a Finance/Audit sub-committee to oversee the BMC's management of its finances and corporate risk. The Board should consider the formation of a Remuneration Committee to set the remuneration for the Senior Leadership Team, and have the power to create and disband other sub-committees as it sees fit.

The ORG recognises that the BMC has recently created a Nominations Committee within its Executive Committee, which should be recreated under the Board. The ORG sees an effective Nominations Committee as a particularly important part of its package of recommendations relating to the Board of Directors, as it will be a vital guarantor for ensuring that the Board of Directors has the necessary mix of skills and experience to ensure effective management of the organisation, and meets the other SRA Principles concerning Board composition, for example (and importantly) in relation to gender balance. We propose that the Nominations Committee should comprise the following:

- The independent Chair, save where the business of the committee is whether to re-appoint the Chair, in which case the Senior Independent Director shall sit in place of the Chair.
- The President, to ensure that the voice of the Members' Assembly is heard in the recruitment of the Senior Leadership Team and non-executive Directors.
- The three independent non-executive Directors, save that where the business of the committee is whether to reappoint an independent non-executive director, that director shall not sit and the Chair shall have a casting vote if necessary.
- The Nominations Committee should be responsible for conducting an open, publicly advertised recruitment process for the following:
- The independent Chair, such appointment to be subject to the approval of the members at the AGM.
- The Chief Executive Officer, the Finance Director and the Operations/Commercial Director, their job descriptions and objectives to be the subject of prior consultation with the Members' Assembly.
- The three independent non-executive Directors.

Its function should include drawing up and keeping current appropriate job descriptions, to include a statement of the skills and experience required for these roles, and using this to inform succession planning.

The Board shall decide the appropriate membership of the Finance/Audit Committee to ensure that it is robust enough to provide effective oversight and challenge to the Board's work managing the BMC's finances and risk.

Any Specialist Committees with delegated management authority or decision making power following the review proposed in recommendation 37 should be re-established and operated as sub-committees of the Board.

This leads to the following recommendation:

29. The Board of Directors should establish a Nominations Committee and a Finance/Audit Committee, within the new governance structure

The ORG recognises that the BMC has recently created these committees for the current Executive Committee, however such committees will be required to be re-created under the new Board of Directors.

With significantly enhanced functions as a result of our recommendations, it will be important for the Board to review its performance each year and satisfy itself that it is delivering against the vision and organisational strategy, and that it is operating effectively. That requires consideration of whether it has the right skills and resources at its disposal and changes in approach if necessary, and so the review should extend to the individual directors too.

The review should be led by the Chair, and the Board should maintain a record of its evaluation and agree to take forward any actions resulting from the evaluation.

The Senior Independent Director also plays an important role in evaluating, on a yearly basis, the performance and effectiveness of the Chair.

We recommend that every three years, the Board engages external consultants to conduct the review. This will bring an additional level of objectivity to the process, as well as specialist expertise.

This leads to the following recommendation:

30. **The BMC should engage in an internal Board of Directors review annually with an external review every three years in order to ensure it remains effective**

It is understood by the ORG that the Executive Committee has recently implemented its first internal review from which a number of administrative and process improvements were recognised. The ORG welcomes this as a positive change.

Our recommendations, if implemented, will lead to the Board having significantly enhanced functions and a number of new forums for engagement within the BMC. We see effective communication of its activities by the Board as key to the structure we propose functioning effectively. Although clearly nothing which the Board considers to require confidentiality should be shared, publishing a statement after every Board meeting of key themes and discussions will ensure that members and partner organisations are informed as to the work of the Board and assist in holding the Board to account for delivery of its vision and organisational strategy.

We envisage that the Chair will have responsibility for ensuring the communiqué is prepared from the minutes of each meeting, for approval by the Board before issue. The final item on each Board agenda should be review and agreement of the contents of the communiqué. The communiqué should be published within two weeks of the meeting.

This leads to the following recommendation:

31. **The Board of Directors should publish a communiqué (summary of key themes and discussions) after every meeting, to be published on the BMC website**

This set of six recommendations is designed to ensure clear legal responsibility for the management of the BMC, that the body with that responsibility is constituted by people with the appropriate mix of skills and experience and gender balance but including representation from appropriate constituencies of the BMC, and is structured to facilitate sound management and decision making that gives appropriate weight to the views of members.

Patrons

Patrons can be highly effective voices of the BMC with members and external parties. However, it is vital that they and the BMC understand what is required of them and that their role is designed to give maximum support to the BMC's wide-ranging activities.

We recommend that the Board of Directors should establish criteria for the appointment of Patrons, which reinforce the nature of the role as ambassadorial, and should therefore reflect matters such as historical support for the work of the BMC, networks/connections within circles relevant to the BMC's work and ambassadorial experience. The Board should also establish criteria for the removal of Patrons. These criteria for appointment and removal should be the subject of consultation with the Members' Assembly.

"It is unclear to members what role, if any, the Patrons have."
- Member Research Survey

As part of defining the role of Patrons, the Board will need to consider the appropriate number to be in office at any one time, and ensure that there is a diverse spread of Patrons as befits the diversity of the membership.

The Board should also draw up a Code of Conduct for Patrons in consultation with the Members' Assembly.

Patron appointments and removals should be recommended by the Nominations Committee, and be subject to approval by the Members' Assembly. However, in case of a serious breach of the Code of Conduct which the Board reasonably considers to pose a threat of immediate serious harm to the financial position or reputation of the BMC, the Board should have the power to remove a Patron.

Patrons should be appointed for a five year term, but should be eligible to be reappointed for two further terms of five years each, subject to recommendation by the Nominations Committee and approval by the Members' Assembly.

Patrons should meet at least once a year with the Chair of the Board and the President to discuss their activities and how best to perform their role in light of the BMC's Vision and Organisational Strategy.

These proposals are not intended to affect the BMC's appointment of formal ambassadors as it does now. This leads to the following recommendation:

32. The BMC should clarify the role of Patrons and the mechanism for bringing new Patrons into the organisation

This recommendation will ensure that the BMC appoints appropriate candidates to the role of Patron and gets the most out of the role.

Members' Assembly

Throughout the focus groups and in the Member Research Survey analysis there was a common thread highlighting the fact that there is confusion about the role of National Council and its members. However the general consensus was that it should be the forum for members to influence the direction of the BMC and act as a check and balance to the body with legal responsibility for management of the BMC, ie in future the Board of Directors. The ORG regard this as a vitally important function in a membership organisation such as the BMC.

"Change the way National Council works as this body does not represent member views because reps are drawn from regions."
- Member Research Survey

As foreshadowed in our earlier recommendations on governance, we therefore recommend that the National Council becomes the Members' Assembly and is restructured. Its role will be to ensure that the Board of Directors is held to account and bring about broader membership-driven thinking to influence policy and the strategic direction of the BMC. As noted in recommendation 28, the Board of Directors will have to obtain its approval, or consult with it, on important decisions for the organisation.

It is recommended that the Members' Assembly comprise of:

- The President, who will chair the Members' Assembly, proposed by the Members' Assembly, but whose appointment will be subject to the approval of the members at an AGM.
- One Local Area representative from each local area (currently 10) appointed by Local Area AGMs in accordance with their usual proceedings.
- Four independent members co-opted by the Members' Assembly via a request to members for specific skills.
- Specialist Committee Chairs.
- A staff member responsible for membership engagement (non-voting).
- One member appointed by the Partners' Assembly.

Save for the Specialist Committee Chairs and the staff member, who will be in post ex-officio, each position will have a term of three years, but be eligible to be appointed for two further terms of three years. The Local Area representatives shall serve for as long as the Local Area nominates them to serve, subject to total period of nine years.

The Members' Assembly plays an important role in the BMC's organisational commitment to diversity. To provide influence on behalf of the members, it must also represent a diverse membership in its composition. A minimum of 30 % of each gender should be represented on the Members' Assembly to maintain gender diversity and the Members' Assembly should work towards gender parity.

The Members' Assembly shall appoint a person independent of the Members' Assembly to act as secretary for the purpose of note taking and administration.

It is recommended that the Members' Assembly should meet four times a year and a summary of each meeting should be published on the BMC website and circulated to Local Areas.

This leads to the following recommendation:

33. The National Council should be restructured and become the Members' Assembly, and its role redefined

This recommendation will deliver a clear focus on scrutinising the work of the Board of Directors, holding it to account and ensuring the voice of the membership is heard in debates on policy and strategic direction. It will also bring a more robust set of skills and experience to those debates.

The President

Although our recommendation is that the Board of Directors should have an independent Chair, the role of President of the BMC is a vital one. The role should be retained, with the President acting as the champion of the members, chairing the Members' Assembly to make sure that the members are kept at the heart of policy making and strategic planning and in their role of scrutinising and challenging the Board of Directors.

The President will be a key line of communication between the Members' Assembly and Chair of the Board of Directors, and this will be enshrined in the communications plan. The President should have responsibility on behalf of the Members' Assembly for holding the Board of Directors to account through his or her relationship with the Board Chair. The formal communications plan regulating the relationship between the Board of Directors and the Members' Assembly should reflect this.

The President should ideally be a respected climber, hill-walker or mountaineer. The Members' Assembly should draw up an appropriate job description. The proposed candidate will be chosen by the Members' Assembly, and in doing so the Members' Assembly must have appropriate regard to the BMC's commitment to diversity. The President's appointment will then be subject to the approval of the members at an AGM.

The President should be appointed for a three year term, and be eligible to serve for up to two further terms of three years each.

The Members' Assembly should agree a process to appoint a Vice President, to act as the President's deputy in appropriate circumstances. However, the Vice President should not be, or be seen as, de-facto successor to the President.
The Nominations Committee should have power to recommend the removal of the President from office in extreme circumstances, but the final decision whether to do so will remain for the Members' Assembly. This leads to the following recommendation:

34. **The BMC should retain the role of President, who chairs the Members' Assembly, however the role should be separate from the Chair of the Board of Directors**

This recommendation is designed to ensure that the President plays a fundamental role within the organisation, with real power to ensure that the interests of members are represented in dealings with the Board and that the Board delivers on its vision and organisational strategy.

The Partners' Assembly

Feedback highlighted the important role the BMC has in bringing together the various stakeholders within the hillwalking, climbing and mountaineering sector and identified a higher profile for the BMC in carrying out that role. Reflecting this, we recommend that a Partners' Assembly be set up to act as a coalition of organisations from the sector who agree to work together in a cooperative and mutually supportive manner, for a set of compatible aims, and sharing where appropriate resources and responsibilities.

"The BMC could liaise more effectively with mountain training boards, other councils, other bodies. Working in true partnership would make the BMC stronger."
- Member Research Survey

Terms of reference will be drawn up by the Partners' Assembly and will be approved by the Board of Directors. As noted in earlier recommendations, the Partners' Assembly will nominate a member of the Board and appoint a representative to the Members' Assembly, ensuring an appropriate level of input in the organisation. This leads to the following recommendation:

35. **The BMC should create a Partners' Assembly to strengthen key alliances and sector partnerships**

This recommendation is designed to bring about a more coordinated approach across the sector, better sharing of resources and expertise and an ability to deliver the BMC priorities identified in the Member Research Survey more effectively.

Specialist Committees and Working Groups

The BMC relies on Specialist Committees and working groups (which it is important to remember are voluntary groups), to deliver a vast amount of work. They have a high level of expertise and knowledge in their areas, and presently provide ad hoc advice and recommendations on policy, along with considerable man hours delivering or managing activities. It is important to preserve this relationship and harness it appropriately.

There are more than 11 Specialist Committees/ working groups operating with limited coordination. A review will need to establish the structure and role for Specialist Committees/working groups and the necessary interrelationships. The aim will be to support the effective management of the BMC and its activities - and to identify how best to represent the breadth of activity at the Members' Assembly.

In addition, this review will need to take account of the changes in the role of sub-groups and/or subsidiaries in taking responsibility for and delivering strategic priorities.

Specialist Committees and working groups should report directly to the Chief Executive or the Senior Leadership Team member responsible for that area of activity. In some circumstances, whenever a committee is exercising delegated authority from the Board of

Directors or making decisions on its behalf, reporting should for legal reasons be directly to the Board of Directors. This review should establish the inter-relationships and powers of committees and working groups and ensure that the appropriate processes are in place to manage them. Each Specialist Committee will require clear terms of reference and an appropriate review process.

To successfully implement a coordinated and effective committee structure, it is recommended that the number of Specialist Committees should be reviewed. It is suggested that the following could be Specialist Committees and/or if appropriate, be encapsulated within sub-groups or subsidiaries (see recommendations 22, 23, 24 and 25) as they provide policy guidance with some degree of operational delivery:

- Competitions
- Clubs (to include huts as a working group – see below)
- Access and land management.
- Training and Youth
- Equity (to include women as a working group – see below)
- International (to perhaps be broadened to adventure climbing/climbing ethics in the UK)

The ORG considers that the following may more appropriately constitute working groups, as they tend to focus more on operational delivery, rather than policy and strategy.

- Guide books
- Technical
- Land management
- Huts
- Women's equity and gender parity
- Child protection

The composition of the Specialist Committees and working groups should reflect the skills and experience needed and should be supported by relevant members of staff and members of the Board of Directors, Members' Assembly and Partners' Assembly where appropriate. The Specialist Committee needs a clear strategy and a team capable to achieve its goals. Each Specialist Committee Chair will sit on the Members' Assembly.

The Organisational Strategy agreed by the Members' Assembly should be used to agree annual plans and programmes for each Specialist Committee and working group and an effective feedback mechanism established to demonstrate progress . In particular, the ORG considers that the current programme of Specialist Committee programme reviews should be enhanced to ensure more regular presentations and scrutiny of their work by the Members' Assembly, to drive more effective performance. This leads to the following recommendation:

36. The BMC should review Specialist Committees and working groups to clarify roles and ensure separation of policy-making and operational activities

This recommendation is designed to ensure that the work undertaken through Specialist Committees and working groups is better focused on the organisational strategy of the BMC, with better lines of communication between the groups and more widely with the Board of Directors, Members' Assembly and staff. In addition, the review should reduce duplication of work, and lead to clearer demarcations of lines of reporting and better management of risk.

Local Areas

The feedback obtained by the ORG evidenced widespread agreement that the work of Local Area Committees is considered crucial to the work of the BMC, particularly in relation to access and conservation and dealing with volunteers, and should be retained. We have no hesitation in agreeing.

That said, Local Area Committee meetings are poorly attended and locally volunteers consider there is a lack of support from the top of the BMC. We recommend a number of operational steps to improve the way Local Area Committees operate. These are:

- A commitment from the BMC that a representative from head office will attend Local Area Committee meetings
- Rules for voting and for the declaration of potential conflicts of interest need to be clearly established
- Local Area Committee officers should undergo a formal induction process
- Review of location to enable more diverse access, along with longer notification periods for meetings

Each Local Area Committee should at its AGM appoint two representatives who can be its representatives on the Members' Assembly, with one appointed to chair the Local Area Committee. However, only one of the representatives will be entitled to attend each meeting of the Members' Assembly and vote.

Separately, in recommendation 18, we have recommended the implementation of a technology-

based polling and discussion platform. This should be used to give members a greater say in the business and decision making of Local Area Committees. The Local Area representative on the Members' Assembly, per recommendation 33, will also help ensure that local views can feed into the wider policy-making and strategic thinking of the BMC. This leads to the following recommendation:

37. Local Area Committees should remain, however a number of operational changes should be made in order to make them more effective

This recommendation is designed to secure greater participation in Local Areas, bring more focus and head office support to their activities, and improve the voice of Local Areas in the BMC's vision and organisational strategy.

Online Voting

Throughout the focus groups and in the Member Research Survey analysis there was a common thread highlighting the need for the BMC to engage its members in its policy making and democratic processes through the use of technology. As part of a broader membership engagement strategy, the BMC should therefore implement a secure digital platform able to work in tandem with traditional paper and postal ballot voting in order to increase member engagement and voter turnout at AGMs and other general meetings. In this increasingly digital age, there is now a range of solutions that have been used by other membership and political organisations successfully, paving the way for the BMC to take up this route. This leads to the following recommendation:

38. The BMC should implement an online voting platform in order to increase member engagement in its AGMs

This recommendation is designed to bring about higher member-voter turnout at BMC AGMs and strengthen the governance powers of the members.

Grievance Process

The revised structures that the ORG proposes for the management and governance of the BMC will establish a much greater voice for members in the affairs of the BMC, and appropriate levels of influence, oversight and challenge to the Board's work. It is therefore expected that grievances about BMC management will become few and far between. However, there should nonetheless be a process in place which enables grievances to be raised and dealt with in an effective and appropriate way. This should include the following key steps:

- The Board and Members' Assembly will use all reasonable endeavours to resolve any disputes/grievances informally through discussion between the President and the Chair. (If the grievance relates to the President or the Chair, then informal discussions will take place between the Vice President and Senior Independent Director.) It is hoped that all matters will be resolved at this stage.
- Where a dispute or grievance is not resolved through informal means, then a formal procedure may be invoked. The detail of this will be drawn up in a formal policy, and that policy will ensure that:
    - The Board and the Members' Assembly are fully appraised of the grievance/dispute and meet within a prescribed timeframe in order to consider the grievance/dispute and, where possible, propose a resolution to the complainant.
    - Where resolution is not reached within the relevant timeframe or to the satisfaction of the complainant, then the complainant will be entitled to a full hearing in front of a panel of representatives drawn from the Board and the Members' Assembly. That panel will listen to the complaint and propose a resolution, which may include dismissing the complaint.
    - If the complainant remains dissatisfied with the outcome, there will be a right of appeal, within a specified time frame of the panel decision above. An appeal panel will meet to hear the appeal and consider if the decision of the original panel should be upheld, overturned or if a new resolution of the issue should be proposed.

The policy documenting the grievance procedure should be drawn up by the Board of Directors in consultation with the Members' Assembly, and with the benefit of legal advice. It should be linked to appropriate provisions of the Codes of Conduct for the Board of Directors and the Members' Assembly and the communications plan to be drawn up to ensure effective communication between the Board of Directors and the Members' Assembly.

The introduction of such a grievance process should mean that the need for members to invoke formal company law powers to sanction the Board or individual Directors becomes very much a last resort. However, the Companies Act 2006 sets out a the process by which 5 %

of members are able to call for a general meeting to be held and to propose resolutions to be considered at that meeting. The Board should decide when drawing up the grievance policy whether the percentage of members that should be able to call a general meeting should remain at the statutory maximum of 5% or be lowered, given the existence of the formal grievance procedure recommended above. Any decision to lower the threshold should require the approval of the Members' Assembly. This leads to the following recommendation:

39. The BMC should introduce an effective process for members to raise grievances about the management of the BMC

This recommendation is designed to give members an effective way to raise complaints about management of the BMC, so that such complaints are dealt with in a fair and appropriate way. It will also mean that members invoking formal company law powers to sanction the Board should only happen as a last resort, and cannot be used disruptively.

Review of New Articles of Association

The BMC should review the new Articles of Association (which will be required to implement the ORG's recommendations) after three years in order to evaluate their effectiveness. Subsequent to this, it would be good practice for the Articles of Association to be reviewed triennially as a matter of course.

The BMC should also ensure that the Articles of Association of all its subsidiaries and Terms of Reference of Board sub-committees are also reviewed regularly.

Not only is a three yearly review best practice, this will ensure that the changes to the Articles of Association made as a result of this review or subsequently are facilitating the good governance of the organisation as envisaged by the ORG recommendations, and allow changes to be considered where further potential improvements are identified.
All such reviews should be carried out with the benefit of independent legal advice.

This leads to the following recommendation:

40. The BMC should review its Articles of Association, and those of its subsidiaries, after three years in order to evaluate their effectiveness, and every three years thereafter

This recommendation is designed to ensure that any changes made to the BMC and its subsidiaries' Articles of Association, including those made as a result of the ORG's report, are evaluated, and further amendments made if agreed, to ensure that the BMC and its subsidiaries are able to operate effectively - and continue to operate effectively - and in compliance with the law, and good governance codes of practice.
Within any organisation, no matter how big or small, having the correct culture and leadership within which the people have to operate is crucial. From our observations, the staff at the BMC are a dedicated group of people, who work well together and have achieved a great deal. The staff are clearly committed to both the organisation and its aims and this is further indicated by the lack of turnover of staff. Like any organisation, there are desires amongst the staff to make changes for the better and this was reflected in their feedback to the ORG.

The ORG undertook a series of focus group meetings with those at the heart of the BMC organisation. Separately it met with the staff, Heads of Department and the CEO and quizzed them on their thoughts about the BMC, its shortcomings, its strengths and its weaknesses and improvements which could be made.

As with many of the focus group meetings, the ORG was struck by the high level of agreement and consistency of themes that came from each of the groups. There was broad agreement about much of the good work that was undertaken and a genuine care for the organisation and its members. Rightly, staff wanted to ensure that the organisation had a clear strategy that was understood by all, and within which they could operate. Despite being a small organisation, it became clear that there was a level of "silo" working and that there was a desire for the team to be more cohesive at times. Communication within the business was seen as being vital and it was felt that this could be improved across the organisation.

Understandably staff, the CEO and the Executive Committee were keen that everyone could perform their best work for the organisation. In order to achieve this it was felt important that in line with a clear strategy and business plan, that clear objectives were set for all staff and that a culture of delegation and faster decision making was established across the business. Allied to this was a desire from staff to have a plan that allowed for their own career and personal growth within the business.

When talking to stakeholder groups such as the Executive Committee, partners and Patrons there was common agreement that the organisation should be run as professionally as possible and in line with modern business practices. This was felt to be important as the organisation faced both growth in membership, but

also the challenges of working with a growing range of stakeholders and commercial partners.
In the Member Research Survey the BMC was praised highly for the good work that it and the staff carries out, especially in access and conservation, on behalf of its members. There was, and is, high regard for many who work at the BMC.

As the ORG has looked to make recommendations in this area, it has tried to balance the needs of all the stakeholders, recognising that the BMC office has a great level of trust and respect. Things are far from broken and our recommendations are offered in the spirit of ensuring the organisation continues to evolve and is fit for the future.

Senior Leadership Team

The current Executive Committee has for a long time had only one representative from the staff – the CEO, who is not a Director of the BMC. Whilst this is understandable in a small organisation, this is falling out of line with best management and governance practices. Having only a single staff member on the board creates a lack of direct conversation with a broader range of organisational skills and experience.

A good board needs a balance of executive and non-executive directors and needs to operate in a spirit of trust, collaboration and rigour. Creating two additional Board seats for senior members of staff will create a balance between member-elected, independent and staff Board members. These new members should not necessarily be existing staff members and the Board and the CEO should look to understand what ideal skills will be needed in order to provide broad coverage of the business and balance with the non-executive. This leads to the following recommendation:

41. The Senior Leadership Team should be expanded to three Directors (including the CEO) to bring it in line with modern organisations

The ORG recommends that the Board considers a senior financial/commercial role – potentially a Finance Director and a senior operational role – potentially an Operations/Commercial Director.

Bringing in these two new roles will allow for succession planning and will free up the CEO's time to further outward stakeholder and partner relationships, in addition to having the support of two strong senior members of the organisation on his/her management team. In engendering a culture of delegation, starting at the top of the organisation is vital and these two roles will allow the CEO to manage what is, and will be, a considerable workload with strong support.

It is recognised that changes of this nature naturally cause ripples within the underlying organisation and this needs to be managed carefully, balancing the needs of existing staff members with the chance to bring fresh skills into the organisation.

In order to make this new "top team" successful, it needs to have clarity in its plans and a clear alignment with the overall organisational strategy: The BMC has operated in a period of dramatic change for the activities of climbing, hillwalking and mountaineering in recent years. With many stakeholders and partners, plus an engaged and motivated membership, there is a need for a clear set of business plans against which the organisation can operate.

All good business plans should be formed from the foundation of the organisational strategy and should be aimed at delivering tangible progress within a period of one to two years. These plans should be clear, actionable and measurable in order that the management and staff of the business have clarity around aims and objectives and that the Board can hold the Senior Leadership Team of the organisation to account for delivery. This leads to the following recommendation:

42. The Senior Leadership Team should have a business plan which is approved by the Board of Directors

The BMC's Senior Leadership Team should develop yearly business plans for review and approval by the Board of Directors. These plans should include key metrics and measures by which the whole organisation can be judged and rewarded appropriately. Where appropriate, business plans should be made digestible for a broader audience which may include key stakeholders, partners and potentially members.

Once a strong business plan is in place it is important for the organisation to establish key objectives and success criteria for its management team. This allows the staff, the management and the Board to work together to achieve a common goal for the business and to understand progress towards a strategic goal. The BMC has operated without clearly published objectives for its current CEO and senior managers for a while, and this has caused confusion amongst staff and a lack of clarity for the Board when judging the performance of key staff.

The review of strategic and business plans is an ideal opportunity to establish clear, measurable objectives for

key staff members that can be agreed by the Board and communicated to all. These objectives should be seen as motivational and targets that will inspire not only those directly affected, but staff across the business.

The Board has a responsibility and role in helping to establish, set and measure performance against these, working together with the owners of the objectives to ensure success. Objectives should not be seen as a "stick to be beaten with", rather an enabler of organisational success. This leads to the following recommendation:

43. **The Senior Leadership Team should have robust, challenging and motivational objectives, based upon the strategic plan, which are measured by the Board of Directors**

Having agreed objectives set for the most senior level of staff is a good start to running the organisation in a more strategic manner, however it is vital that these objectives are achieved through both delegation and empowerment of all staff. In order for this to happen, it is key that the objectives of the senior staff are shared and broken-down into objectives for Heads of Department (the Management Team), and for these in turn, to cascade this down to the staff they line manage. When looking at the BMC as a whole, all of the staff's objectives should roll-up to deliver the overall business plan, with each member of staff understanding what they have to achieve in order to make the whole BMC successful.

"[The BMC needs a] review of its internal working so that officers / staff know what is expected from them and what they are expected to achieve."
- Member Research Survey

Having personal objectives gives focus and commitment to each staff member and they should be developed in conjunction with each of the staff, recognising their personal and career growth needs. This leads to the following recommendation:

44. **The Senior Leadership Team, working with the Management Team, are responsible for ensuring that all staff have robust and measurable objectives which are driven from the strategy and business plan**

Once objectives have been developed and accepted this will greatly assist in establishing a framework for making effective and faster decisions. It is understandable that during uncertain times, decision making tends to be taken by a small group within an organisation as it reacts to difficult situations. As the BMC moves into a more stable period it is vital that a culture of delegation and empowerment is created to ensure that decisions and actions are equally spread across the organisation. This leads to the following recommendation:

45. **The Senior Leadership Team of the BMC should encourage a culture of empowerment, delegation and decision making across the staff structure**

This needs careful management and is a challenge for many organisations, as the desire to do this needs to be balanced by a strong risk-management framework. This process is helped considerably by having a clear business plan and framework for the whole organisation to operate within. It is the task of the Senior Leadership Team to decide how best to implement this. A strong scheme of delegation should be created and agreed with the Board.

Getting this right leads to a considerably more agile organisation and staff that are engaged and motivated. Empowering staff also gives them experiences and opportunities that allow for them to grow both within their roles and potentially move up into more senior positions.

Staff Development

It is important in any organisation to ensure that the personal and career development of staff members is managed well. This creates engaged and motivated staff. This should be done via regular meetings and performance reviews, with good listening and coaching conversations between managers and their direct reports. A process needs to be established where opportunities for growth are recognised and staff are invited to develop their career within the organisation.

It must be recognised that the BMC is a small organisation so it does not necessarily follow that it should provide promotional opportunities for every role. Strong coaching and development conversations must be had in order that staff recognise where the opportunities are to grow, but also where and when they might consider moving on to another organisation. The BMC should identify where moving between roles and opportunities within the business will be beneficial to an individual. It must also be prepared to have tough conversations and set expectations appropriately. It is important that these conversations are had as part of a regular cycle of conversations with staff and this leads to the following recommendation:

46. **The BMC should create a plan to allow for staff career development and succession planning**

It is vital that the staff feel their input is recognised and that their remuneration is competitive with the market and location in which they operate. As the BMC operates to a strategic and business plan, and likewise, staff perform against their objectives, it is important that high performers are recognised and encouraged and poor performers are tackled through a performance-management programme. This ensures that a culture of striving to achieve objectives is adopted and those that are doing well are given an environment in which to thrive.

The BMC must also be prepared to tackle under-performance and ensure that processes are put in place to manage this. A culture of understanding behaviours and beliefs, coaching conversations and strong relationships will significantly help in addressing performance gaps. The organisation should not be afraid of managing out staff that do not wish to address performance gaps in order to ensure that the culture is one of success and teamwork.

Alongside performance, it is important that the remuneration of staff is considered on a regular basis. Staff compensation and benefits should be kept in line with comparable organisations and this should be benchmarked on a regular cycle. It is important that staff feel looked after and that they are not being lost due to uncompetitive salaries or packages. It should however be recognised that the BMC is an organisation funded in the main by its membership fees. The membership will rightly want to ensure that staff packages are appropriate and fair value. This leads to the following recommendation:

47. **The Senior Leadership Team should be responsible for performance management, remuneration and reviewing of HR policies**

Finally, it is recognised that many BMC staff work regularly with partner organisations. In order to be an effective partner and to work in an interconnected ecosystem the BMC needs to ensure that when engaging with partners that interaction is of the highest quality and utility to the BMC and its partners. In order to effect this, it is important the BMC has clear rules of engagement and that the staff involved in executing the relationship are appropriately trained and briefed on their role. This extends to the importance of staff understanding the BMCs position on the particular issues being discussed and the boundaries and rules of their engagement on the matter. The framework for decision making is important on this issue in order that staff understand what decisions and inputs they can make on behalf of the BMC organisation. A review of who attends partner meetings and their capabilities is important in this matter.

It has become clear through feedback from partners that sometimes the BMC does not have a structured approach to partnering where, on occasions, the BMC has had to "find" staff to attend particular partner meetings and boards. It is vital that BMC staff attending partner boards understand their role and fiduciary duty and are trained appropriately in order to participate fully.

It must also be recognised that the BMC cannot commit to providing staff (and/or volunteers) to sit on every partner board and committee. The BMC has limited resources and must choose where best to focus these. This leads to the following recommendation:

48. **The BMC should ensure it has clear policies that enable its staff to work effectively with partner organisations and provide training and coaching to staff operating in those roles**

These three recommendations are designed to give staff the appropriate support and training for the roles they occupy, given appropriate career development opportunities, managed effectively, and remunerated properly.

Volunteer Support

Traditionally organisations involving volunteers rely on informal structures, systems and relationships. Although this often works well, as the number of volunteers grow then it is normal for organisations to put in place more formal structures and policies. These structures and policies help both the organisation and volunteer understand their relationship better. The BMC now utilises some 500 volunteers. 60-70 help with access and conservation work, at least 200 volunteers are involved in regional groups across England and Wales or in the Specialist Committees and working groups. At least a further 200 support competitions, which are overseen by the BMC. It is now time to focus resources on their management.

In our discussions with volunteers, from each of the areas above, we found that many felt they were left to get on with their activity without clear direction or links to the overall strategic direction of the organisation. They felt that there was a lack of understanding about how volunteers fitted within the structure, or whether or not the BMC even knew they were there. Many members expressed a wish for active recruitment of new volunteers to provide greater diversity and help with specialist areas. On the negative side some members

also articulated a concern that, due to the self-selecting nature of volunteering, in many areas of the BMC a few volunteers have used it as a platform to pursue their own agenda, and often made it a difficult environment to join if one had differing views. It was felt that active volunteer management would help prevent this.

In making its recommendations, the ORG has balanced the value of an informal structure, in terms of motivation, ethos and time commitment with the need to enable the BMC to value volunteers, provide them with the appropriate support and guidance they need, and offer an effective way of recruiting new volunteers to fill the many posts necessary.

The ORG recommends that the BMC considers how it will manage and resource the coordination of volunteer activity. Bringing in this role will provide a much-needed overview to ensure appropriate resourcing of activities and succession planning to minimise risk to operations dependent on volunteers.

In practice, this is likely to be best achieved by appointing a member of staff responsible for the recruitment and management of volunteers supported by a member of the Board. This would ensure more strategic overview of volunteer activity, develop the organisational culture of volunteering and protect the effective delivery of services.

Appointing a volunteer coordinator recognises the importance of volunteers to the organisation, and the importance of planning on-going volunteer management. It also helps volunteers feel satisfied that they are making an important contribution. This leads to the following recommendation:

49. The BMC should review how it resources the management of volunteers

It is recognised that many BMC volunteers regularly represent the BMC in a variety of situations. In order to be effective representatives and to work in an interconnected manner the BMC needs to ensure that all volunteers are properly supported and fulfilled.

Furthermore it is important that volunteers are consulted and engaged in the BMC's vision and organisational strategy, understand the BMCs position on the particular issues, and the boundaries and rules of their engagement within their sphere of volunteering.

"More support for volunteers is needed so that they really understand their roles and can communicate (and where appropriate, challenge) effectively."
- Member Research Survey

The introduction of an induction policy and plans for volunteer engagement will serve to protect the organisation's reputation, as well as serve to protect the volunteers and the members in receipt of BMC services.

This approach should ensure that the process is not too onerous whilst providing volunteers with a sense of belonging and ownership of their role within the BMC. Therefore we make the following recommendation:

50. The BMC should look at a volunteer induction policy and plan for volunteer engagement, and volunteers should have a clear job description and understand their role

The Member Research Survey drew attention to the significant and long time contributions to the BMC made by staff, volunteers and those involved more widely in creating and maintaining mountain heritage. It was felt that these groups/individuals should be recognised more frequently and publicly. This is line with modern thinking within the sector of supporting volunteers and making them feel valued.

It is noted that there is already a high profile George Band Award that celebrates outstanding contributions and is a good example of how members can be recognised. The ORG recommends that the BMC develops a wider policy that gives thanks and recognition to those who contribute regularly to the organisation. Such a policy should consider various tiers of recognition, including but not limited to: goodies, letters of thanks, offers to attend events free, to events celebrating outstanding or long term contribution or nominations of individuals for national honours such as MBE/OBE. This leads to our final recommendation:

51. The BMC should enhance its policies to ensure regular recognition of significant contribution to the organisation

These three recommendations will ensure that volunteers are properly equipped to do the job, with appropriate head office support, and feel valued by the BMC, with outstanding contributions recognised. In turn, the BMC should get the most out of its volunteers.

WHAT THIS MEANS FOR BMC MEMBERS

A grassroots BMC fit for the future

The 51 recommendations the ORG are making, taken together, are designed to create a grassroots BMC, driven by its members, volunteers and staff, which is fit to serve the present and future needs of all climbers, hillwalkers and mountaineers.

When implemented, these recommendations will ensure BMC's members have greater involvement in decision making, increase transparency and provide clear leadership and direction for staff and volunteers. They will also allow the wide spectrum of clubs, partners and sector organisations to be effectively supported, to the benefit of, and in the interests of, BMC members.

Members will be able to:

- get directly involved at a local and national level,
- get directly involved in policy issues and decisions using digital methods,
- vote at the AGM online,
- have faith that the BMC is being run in their interests, and
- have faith that the BMC is compliant with its legal obligations and good governance codes of practice.

Clarity for all

Organisational purpose: values, vision, mission and strategic planning

The BMC will have a binding set of values and a vision, mission and strategy that members will be involved in creating and reviewing.

Leadership

The BMC will have empowered, but accountable leadership. They will be expected to deliver, and held accountable to the organisational purpose by both the Board of Directors, and the members.

Integrity

Importantly, the recommendations will create a BMC that is able to operate within the current statutory and regulatory landscape, ensuring that the correct officers (in the legal sense) of the BMC are able to reasonably take on the legal risk for the decisions made by the organisation and fulfil their fiduciary duties.

Structure

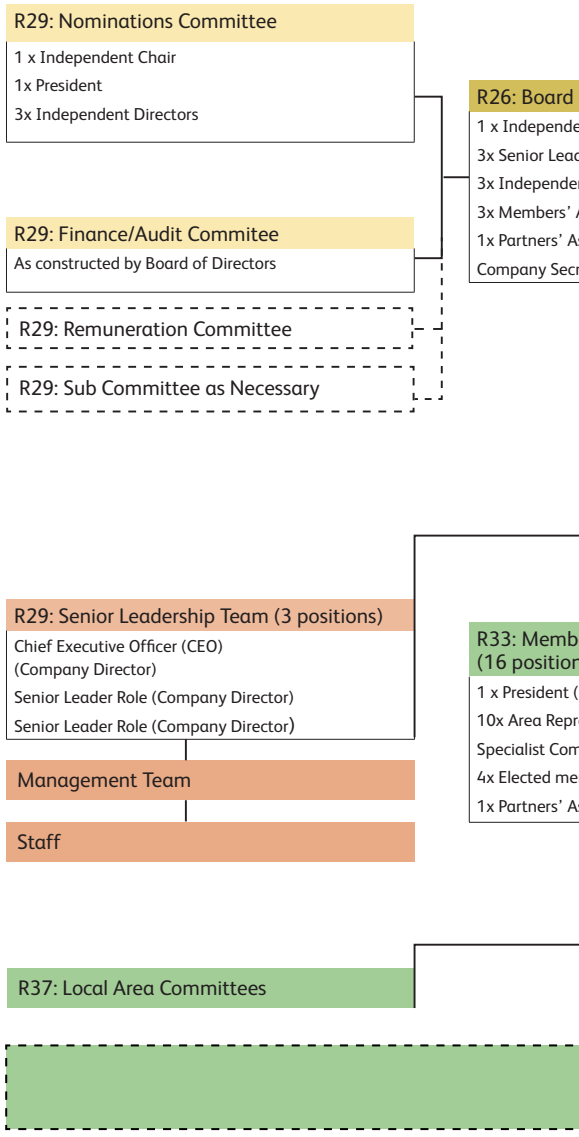
The BMC will have complete clarity on its corporate structure, and its organisational structure and the roles and responsibilities of each part of the organisation with clear governance, accountability and transparency between them.

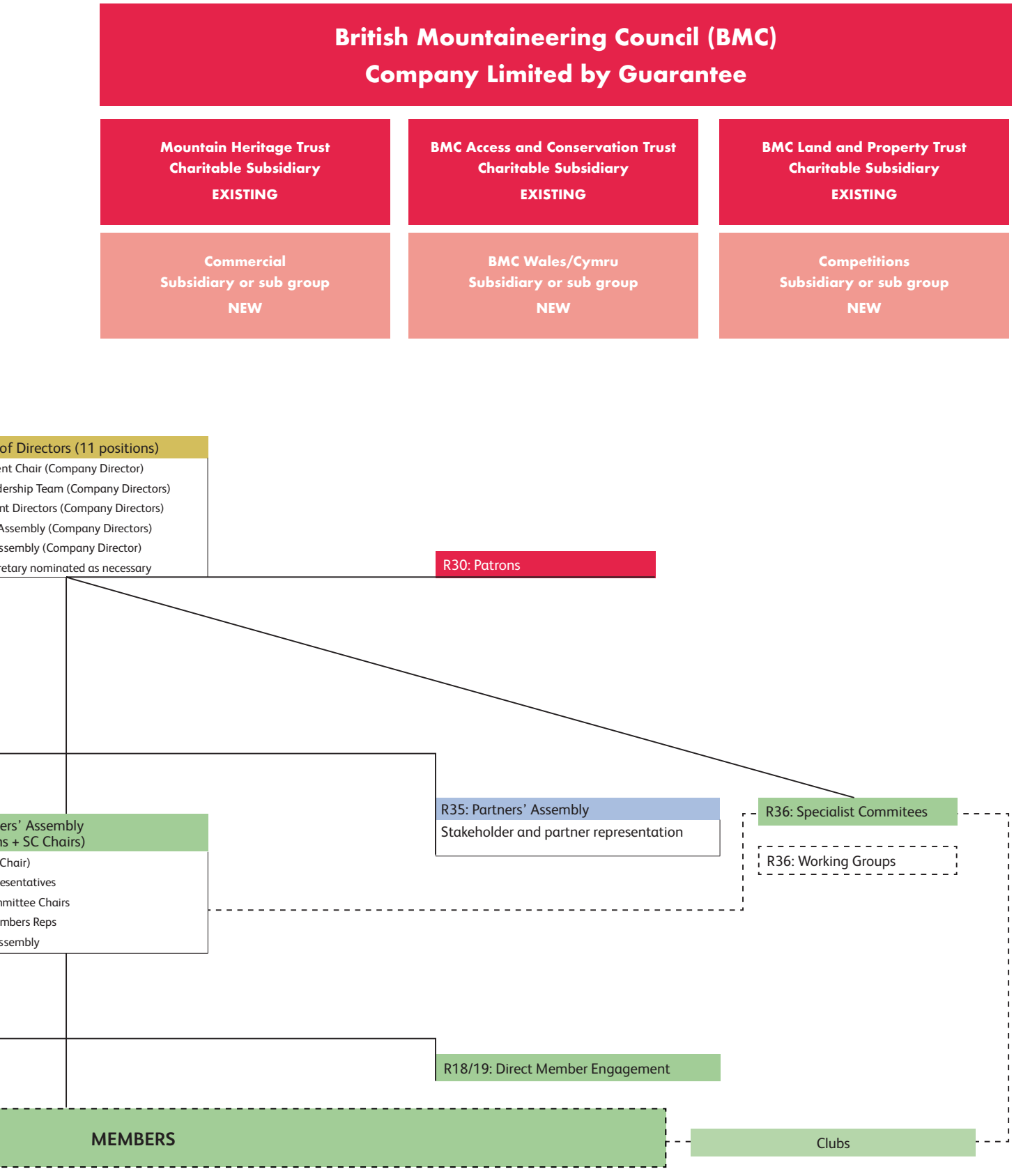
Corporate Structure

The corporate structure proposed by these recommendations is as follows:

Organisational Structure

The organisational structure proposed by these recommendations is as follows:




British Mountaineering Council (BMC)
Company Limited by Guarantee
Mountain Heritage Trust
Charitable Subsidiary
EXISTING
BMC Access and Conservation Trust
Charitable Subsidiary
EXISTING
BMC Land and Property Trust
Charitable Subsidiary
EXISTING
Commercial
Subsidiary or sub group
NEW
BMC Wales/Cymru
Subsidiary or sub group
NEW
Competitions
Subsidiary or sub group
NEW
of Directors (11 positions)
nt Chair (Company Director)
lership Team (Company Directors)
nt Directors (Company Directors)
Assembly (Company Directors)
ssembly (Company Director)
retary nominated as necessary
R30: Patrons
R35: Partners' Assembly
Stakeholder and partner representation
R36: Specialist Commitees
R36: Working Groups
ers' Assembly
ns + SC Chairs)
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esentatives
mittee Chairs
mbers Reps
ssembly
R18/19: Direct Member Engagement
MEMBERS
Clubs

Effectiveness

The BMC will be able to support and develop its staff and volunteers more effectively to meet its vision and mission. It will have a greater ability to engage with its key stakeholders and partners in the sector.

Openness and Accountability

The BMC will have clear accountability to the members and improved channels of communication allowing members to get directly involved at a local and national level, in person and digitally. They will be assured that timely communications will be sent out with respect to policy decisions and the subject of discussions in Board of Director meetings and Members' Assembly meetings. Importantly, members will be able to vote at the AGM online, increasing direct engagement with a broader section of the membership. Similarly a clear grievance process will be put in place for those individual members, or groups of members, who believe they are not being correctly served by the BMC.

Diversity

In the spirit of Geoffrey Winthrop Young, the founder of the BMC, the BMC will continue to be open to all, regardless of race, religion or political party. The BMC will be both the representative body for all climbers, hillwalkers and mountaineers and the national governing body for competitive activities, representing the broad church of participants and members. The BMC will attract and develop climbers, hillwalkers, mountaineers, and its members, staff and volunteers regardless of their race, sexual orientation, religion, age, gender, disability or any other dimension of diversity. The BMC will continue to commit to ensuring diversity in its governance structure and promoting diverse participation in its activities.

THE NEXT STEPS FOR THE ORG

Consultation

During the next phase of the report the ORG will consult with the BMC members, partners, staff and stakeholders, as it did during phase one. These recommendations are documented for discussion and consultation in order to ensure that they meet the needs of BMC members. There will be a formal consultation with:

Members - via a member consultation survey
Clubs - via request for written feedback
Partners - via request for written feedback
Staff - via direct consultation
Executive Committee - via direct consultation
Patrons - via request for written feedback
Local Areas - via direct consultation, presentation and Q&A
National Council - via direct consultation, presentation and Q&A

Implementation

Any changes that require changes to the Memorandum & Articles of Association (M&AA) will require the approval of 75% of those voting members present and attending (in person or by proxy) an AGM, and voting in favour, in order to be accepted.

During phase two, the ORG's independent legal advisors will be able to draft new Articles of Association for review and consultation based on the recommendations, and feedback received from the consultation, that will need to be formally adopted and implemented.

Timeline

1. 18th Nov: Kendal Mountain Festival launch
2. 18th Nov: Consultation begins - written feedback from clubs and partners
3. 18th Nov: Member consultation survey launches
4. 20th Nov: North West Area Meeting
5. 21st Nov: South Wales Area Meeting
6. 22nd Nov: Peak District Area Meeting
7. 22nd Nov: North Wales Area Meeting
8. 22nd Nov: Midlands Area Meeting
9. 23rd Nov: London and South East Area Meeting
10. 25th Nov South West Area Meeting
11. 29th Nov: Yorkshire Area Meeting
12. 29th Nov: Lake District Area Meeting
13. 30th Nov: North East Area Meeting
14. 2nd Dec: National Council Meeting
15. 22nd Dec: Initial Consultation closes
16. Late Jan: Local Area Meetings
17. 10th Feb: National Council Meeting
18. 7th Mar: Deadline for submitting papers for AGM 2018
19. 28th Apr: AGM 2018

FAQS

1. **What do you mean by "core values"?**
   Core Values are the issues that BMC members hold most dear. These are the items which must be upheld throughout the organisation. Generally speaking core values are timeless but we need to be aware that our list of core values remains current. Examples of core values might refer to access and conservation, support for all aspects of climbing, hillwalking and mountaineering, support for clubs etc. The core values must come from our members and should be front stage in all of our decision making.

2. **What do you mean by vision?**
   An organisational vision describes what the organisation will look like in the future. The BMC's vision must come from everyone involved in the BMC; members, volunteers, staff, specialist committees, partners etc. This can be achieved through on line processes. Ultimately, although responsibility for drawing it up should lie with the Board, the vision needs to be adopted by the Members' Assembly for implementation.

3. **How will the strategy and business plan be agreed?**
   The organisational strategy will be formulated by the Board of Directors from the vision. The strategy will show the timeline and responsibilities for how the BMC will achieve its vision. The business plan (developed by the Senior Leadership Team) will outline the resources available or needed to carry out the strategy. In order to do this, the Board of Directors will consult, through the Senior Leadership Team, with staff, volunteers and partners. The Members' Assembly will confirm that the strategy is in line with the vision. By referring to the strategy the Members' Assembly will be able to monitor that the Board of Directors are carrying out the wishes of the membership in a timely fashion.

4. **What happens to the National Council?**
   We are recommending that the National Council is disbanded and that a "Members' Assembly" created in its place. This is not a disbanding of the "council" concept, more a restructuring of the composition of the group, to reflect the many stakeholder groups of the BMC. The key changes are that whilst maintaining strong representation from the Local Areas (all Local Areas are still voting members) the new assembly includes voting members from the Specialist Committees on a regular basis and from the the new Partners' Assembly too, and directly appointed member representatives.

5. **What does this mean for Local Areas?**
   Local Areas remain fundamentally unchanged. They are still, and will always be, a vital core of the BMC. The ORG recognises the key contributions that areas make, both in terms of local access and fellowship for BMC members in addition to being a key democratic pillar of the organisation. Local Areas will have a single vote each at the Members' Assembly (where previously they had two votes per area). This will allow for partners and Specialist Committees to be involved in the voting process on a regular basis for the first time.

6. **What does this mean for the Executive Committee?**
   The Executive Committee receives a number of changes. Firstly it becomes the "Board of Directors" to bring it into line with the Companies Act 2006, and it will operate in accordance with the principles and recommendations of relevant governance codes. The composition will be changed to allow for a broader group of Directors with an increase in management staff and elected members on the Board. The term "Vice President" will be removed with all non-elected members simply being called 'Non-executive Directors'. There will be four "elected directors" - with three from the Members' Assembly and one from the Partners' Assembly. Finally and crucially - the Board will now own the risk and be legally responsible for management of the organisation - essentially with the buck stopping at the Board for critical decisions. It will still be strongly guided by the Members' Assembly and Partners' Assembly.

7. **How much will the CEO be paid?**
   The CEO's specific remuneration package is not something that is in the remit of the ORG. We have, however, agreed that all staff should be paid competitive packages, which should be externally benchmarked on a regular basis. This will also come with setting challenging and motivational objectives for all staff to be measured by. We want the BMC to be run like any other high-performing organisation. We have also recommended that the new Board consider establishing a Remuneration Committee to set the remuneration of the Senior Leadership Team.

8. **Will we be able to vote online at the 2018 AGM?**
   It will depend on if, how and when the BMC implements these recommendations.

9. **How will future AGMs be different?**
   Future AGMs will be much like existing AGMs. They are the focal point to hear about the progress of the organisation in the preceding year, vote for key resolutions, approve relevant senior officers and accept the financial reports. In order to increase participation we are recommending that the BMC brings in electronic voting.

10. **What does this mean for existing Patrons?**
    The ORG recognises the vital role the Patrons play. We are recommending that Patrons understand their role as supporters and champions of the organisation and adhere to a code of conduct. We are not recommending any specific change to the current Patrons.

11. **What will this mean for the role of the current President of the BMC?**
    Up to this point, the President of the BMC has had to wear two hats: firstly a key statesperson for the organisation - working with the BMC's broad range of stakeholders supporting the CEO. Secondly - they have had to chair both the Executive Committee and the National Council. We are recommending that the role be split - the President works as the champion of the membership, is voted in by them and chairs the Members' Assembly. It will be her/his role to hold the Board of Directors to account for implementing policies championed by the membership. The new Chair of the Board will be a separate role, filled by someone independent, working to drive the Board to implement and deliver member-agreed policies and also be the line-manager of the CEO. The Chair will be appointed by the Nominations Committee of the Board.

12. **What does this mean for current Vice Presidents of the BMC?**
    All directors who are not staff members will simply be termed 'Non-executive Directors' (either "elected/appointed" or "independent"). In terms of Directors currently on the Executive Committee, the BMC will need to look at our recommendations for Board structure and decide how best to move from the current Executive Committee structure to our recommended structure. It may also decide to propose an alternative structure. There will continue to be one Vice President, appointed by the Members' Assembly to deputise when appropriate for the President. However, this will not be a form of 'President-in-waiting'. In the new structure the President is elected by the membership (and is not on the Board) and so this would be inappropriate.

13. **Who is going to pay for all this?**
    We recognise that we are asking for additional senior roles amongst a number of other changes that will affect the operating budget for the BMC. The ORG recognises that the BMC will need to consider how to phase-in some of our recommendations over a period of time as well as look at its budget and decide how best to prioritise its spend. It will be a strategic matter for the Board as to how best to implement the recommendations.

14. **What does this mean for current BMC staff?**
    The ORG, the Member Research Survey and the focus groups all recognise the tremendous work that the BMC staff perform and how, during the last year, it has been a period of instability and uncertainty for the organisation. This report does make recommendations for changes at the topmost level of the organisation in order to strengthen it and support the CEO. Whilst any change is unsettling, we believe that this should provide opportunities and strength to the staff team - reinforcing the work they already do and giving them a stronger voice on the Board.

INDEPENDENT ORGANISATIONAL REVIEW GROUP MEMBERS

Ray Wigglesworth (Chair)

Ray has been active as a rock climber and ice climber since the age of 17 and is still keen to get out, especially long days in the Alps. He is a part time judge in the Crown Court. He has no background with working with the BMC, a prerequisite for becoming Chair of the ORG. His years as a judge have allowed him to develop the skill of listening to all sides of an argument before making an objective, fair decision based on evidence, a necessity for this review.

When National Council presented its Terms of Reference, section 5 related to the composition of the Group. Ray was tasked to recruit members to ORG under the terms:

"6 to 7 figures from the BMC/mountaineering sector selected with approval from National Council; individuals with significant knowledge of the operation of the BMC and a particular interest in organisational governance, constitution, and structure. There will be no BMC staff on the Review Group."

Rebecca Ting

Rebecca works in educational fundraising and communications and brings to the group particular knowledge of governance in charities and membership organisations. An individual BMC member, Rebecca's main interest lies in trad climbing (Jordan, Anti-Atlas, Squamish) and ski mountaineering (backcountry Colorado). Rebecca co-organises the Women's Climbing Symposium and coaches visually-impaired climbers and children. She holds a TA commission as Captain.

Tim Strong

Tim is a partner in an International law firm and is an individual member of the BMC. He came to climbing, hillwalking and mountaineering fairly late in life, starting off with hillwalking to get fit. He quickly took to mountaineering which is his key passion. Tim's professional specialism lies in resolving business disputes, often due to governance issues. Tim joined the ORG following Paul Caddy's departure.

Fiona Sanders

Fiona is the Chair of the BMC Clubs Committee and has also been President of the Climbers' Club. She has climbed throughout the world, starting from the outcrops of Yorkshire to the summit of Aconcagua on the Argentine/Chile border. A lot of her time now is rock climbing and cycling in the Lakes and Europe. Fiona is now retired having sold her business which she set up 15 years ago. That business provided coaching and training to senior managers in strategic thinking and leadership.

John Roberts

John is a startup CEO and strategy consultant, working at board level with a wide range of education organisations and charities. John founded a subscription-based employment and criminal legal services company, and has been involved in national trade union and government negotiations. He started climbing as a teenager, with his interests extending from competing in bouldering competitions through to ski mountaineering, alpine grande course and greater ranges expeditions. John is currently Chair of the Association of British Climbing Training Trust, which delivers the NICAS and NIBAS schemes. John is a member of the Climbers' Club and the Alpine Club and has been a BMC member for many years.

Rab Carrington

Rab has been a part of the BMC for 13 years as Vice President, President, Chair of MTE and currently Patron. He has been climbing for 54 years in every aspect of climbing, hillwalking and mountaineering, except competitions. His skills for this role come from setting up and running RAB for 22 years.

Paul Caddy

Paul is a lawyer with specialism in commercial, corporate and IT law. Paul was involved at the beginning of the process, during which time he reviewed the corporate structures and governance in other sports representative and governing bodies. Unfortunately, Paul had to withdraw for personal reasons.

Matthew Bradbury (BMC Independent Director - ½ Vote)

Matthew is currently an Independent Director on the BMC Executive Committee. He is a keen walker and a "land manager" of 30 years. As CEO of a large "Parks Trust"' he has hands on experience of governance, organisational strategy and structures. Matthew is an experienced board director having acted as director, trustee and chairman of both membership and non-membership organisations. He likes to think that he is a bit of an 'old hand' at securing funding.

Simon McCalla (BMC Independent Director - ½ Vote)

Simon is currently the Senior Independent Director on the BMC Executive Committee and is a keen and active climber in all disciplines except competitions. Professionally, Simon works as the CTO on the board of a membership-based technology business, managing

critical national infrastructure. Simon's board knowledge from both the corporate and charitable sectors, experience of running other independent governance reviews and interest in strong corporate governance brings him onto the group.

Rachael Newton

Rachael joined our team as a non-voting secretary and administrator, and has proved to be invaluable in organising us. She has been highly efficient in taking minutes, sorting out skype calls and generally keeping our files in good order.

Comments from the Team

" I'm amazed at the level of support and engagement for positive change and reform..."

"...respondents to the members survey had such a positive view of the BMC's work. We should not lose sight of the fact that it is fundamentally doing a really good job."

"The complexity of the issues raised by this review."

"The range of engaged members who care so strongly about the health and future direction of the BMC."

"How so much of the BMC's activity is run by volunteers."

INDEPENDENT ORGANISATIONAL REVIEW GROUP KEY SUPPORTERS AND PARTNERS

With thanks to:

Womble Bond Dickinson
2020 Research
Kendal Mountain Festival
Lavahouse Associates (Design and Print)
Mountain Training Trust (Plas Y Brenin)
Mountain Training England
Mountain Training Cymru
Mountain Training UK
Association of British Climbing Walls
Association of British Climbing Walls Training Trust
Mountain Heritage Trust
Access and Conservation Trust
Mountaineering Scotland
BMC Executive Committee
BMC National Council
BMC Specialised Committees and Working Groups
BMC Local Area Chairs
BMC Patrons
BMC 30
Nick Kurth - BMC President

A special thanks must go to the BMC staff, who have accommodated many meetings at their offices, countless requests for information, enabled events, provided access to the data required and been resilient throughout the ORG's phase one process.

And to anyone we have missed, apologies.

APPENDIX: LEGAL FEEDBACK

Report on the British Mountaineering Council (BMC) Memorandum & Articles of Association and related Governance Issues

1. Background

1.1 We have reviewed the Memorandum and Articles of Association (M&AA) of the BMC. We have not reviewed any other constitutional documents (such as Bye-laws or Regulations).

1.2 BMC is a company limited by guarantee with defined objects whose constitution prohibits the distribution of profits to its members and directors.

1.3 There are three (possibly four) layers of governance within the BMC which comprise:

(a) the company law directors per Article 13 – the Elected Officers, the Independent Directors and those nominated by National Council under Article 20.5.4;

(b) the Executive Committee – the Elected Officers; the CEO; the Independent Directors; and up to three persons as the National Council from time to time appoints (being the individuals nominated by National Council under Article 20.5.4);

(c) the National Council – comprising the Elected Officers, the CEO, two representatives from each Area and up to five members co-opted by the National Council; and

(d) the Voting Members – being the company law members of BMC, who are either individual members in their own right or individuals who become members of the BMC by virtue of their membership of an Affiliated Club and who have paid the relevant subscription fee.

Note – BMC also has Affiliate Members who have no right to vote and are not company law members.

1.4 For ease of reference, the terms used in this note, unless otherwise stated, have the same meaning as defined in the M&AA.

2. The Directors of BMC and the Executive Committee

Who are the directors?

2.1 Whilst Article 13 sets out who the directors of the company are for the purpose of the Companies Act, the M&AA do not afford any further powers/functions to those company directors.

2.2 Instead, the M&AA appear to treat the members of the Executive Committee as the company directors, although as you will see from this note, the position is greatly confused because of the degree of power/control afforded to the National Council. The only difference between the composition of the directors and the Executive Committee is that the CEO is not considered to be a director (this is supported by filings at Companies House) but is considered to form part of the Executive Committee.

What is the role of the directors

2.3 Legally, the company directors are responsible for the management and administration of the BMC and owe all legal duties and responsibilities that accompany that role.

2.4 Their legal duties include:

(a) to act within their powers (which they derive at law or under the M&AA);

(b) to promote the success of the company for the benefit of its members and the achievement of its purposes as a whole (and having regard to (i) the consequences of their decisions in the long term; (ii) the interests of the company employees; (iii) the need to foster business relationships; (iv) the impact of their operations on the environment; (v) the desirability of maintaining high standards of business conduct; and (vi) the need to act fairly between members of the company (our emphasis added));

(c) to exercise independent judgment (and not under the direction or authority of another person);

(d) to exercise reasonable skill, care and diligence;

(e) to avoid conflicts of interest;

(f) to not accept benefits from third parties; and

(g) to declare any interests in a proposed transaction or arrangement with the company.

The directors also owe an implied duty of confidentiality in relation to BMC's affairs.

What powers are exercisable by the directors of BMC

2.5 The Articles provide that the business of the BMC is managed by the Executive Committee in accordance with policies adopted by the National Council (our emphasis added). The Executive Committee, collectively, has the ability to exercise the powers of the company which are not required to be exercised by the Members in general meeting.

By granting the Executive Committee the ability to exercise the powers of the BMC, this would imply the Executive Committee is actually regarded as the company directors (not solely the persons listed in Article 13). This means that the CEO should be appointed as a director (or should not form part of the Executive Committee).

2.6 Notwithstanding that the Executive Committee has ability to exercise all powers of the BMC, (according to Article 20.1) the exercise of those powers is subject nevertheless to the provisions of the Act and the Articles not being inconsistent with the same. As we will see below, the M&AA considerably constrain the ability of the Executive Committee to exercise its powers in favour of the National Council.

2.7 Article 20.3 provides that no Councillor (being a member of the National Council) shall be entitled to exercise any of the powers of the company save to the extent that such powers are delegated under Article 40 (this relates to specialist committees established by the National Council). Our view is that this Article is contradictory with the provisions of the following Articles which specifically grant powers to the National Council (see further below).

2.8 Article 20.4 provides that no Councillor shall undertake any action in exercise of such power save if he is so authorised by resolution of the Executive Committee or if such power has been delegated to a duly appointed sub-committee by resolution of that sub-committee. Whilst at first glance, this Article would suggest that Councillors only have powers delegated to them by Executive Committee, in fact, the Councillors have significant powers by virtue of the provisions of the Articles themselves. (We would be interested to know if the Executive Committee have further delegated any powers to National Council by resolution).

2.9 Article 22 expressly provides that the Executive Committee shall form and maintain a finance sub-committee to manage the income and funds of the organisation. The finance committee reports to both the Executive Committee and the National Council.

2.10 The Executive Committee has the express power to borrow and mortgage the BMC's property. We believe it is entirely proper for the Executive Committee, assuming they are in fact the board of directors, to have ultimate control over the assets and property of the BMC as those legally responsible for its continued financial health and solvency.

2.11 Article 24.3 obliges the Executive Committee to report to the National Council at every National Council meeting on the finances of BMC, the work undertaken by the Executive Committee and decisions made by it since its last meeting and the activities anticipated to be undertaken prior to the next meeting. A similar report is procured from the Treasurer and the CEO.

2.12 We note that the CEO is appointed by the Executive Committee, as we would expect, although the determination of the powers and duties of that person is subject to the approval of the National Council. The CEO and Treasurer report to the Executive Committee, but also report to the National Council and to the Members to the extent required under the Articles. In our view, the direct line of reporting by the CEO should be to the Executive Committee and it should be the Executive Committee, as the directors of the company, who determine the powers and duties of that individual in the performance of his or her role (and also ensure that individual acts within his or her powers and complies with their duties).

2.13 Article 27 confirms that the Executive Committee has authority to execute documents on behalf of BMC by authorising the affixing of the company seal. This is consistent with their position as company directors.

The position of the directors and associated risks

2.14 At first glance, certain provisions of the M&AA clearly point towards the Executive Committee being the company law directors and grant them powers as such. However, other provisions of the M&AA contradict this.

2.15 In particular, the M&AA appear to give ultimate authority on certain matters to the National Council, without deference to the Executive Committee (which ultimately fetters the discretion of the Executive Committee and takes away its legal responsibility/authority for the management of BMC's operations).

2.16 Why is this important? The directors of BMC are legally responsible for managing the company and owe the legal duties and responsibilities outlined above. If they breach those duties, it is the directors of the company who face potential legal liability. In other words, the directors bear the risk if something goes wrong and a liability arises. It is the directors of BMC who are the directing mind of the organisation and it is the directors who would be looked to to answer any claim made against the

company. Whilst primary liability for losses lies with the company itself as a corporate body with legal personality, it is the actions and decisions of the directors themselves which would be scrutinised in the event that an allegation of breach of duty was made.

2.17 Because of the legal position and the associated risks for those persons who hold the position of directors, their responsibility in relation to the management of the company should be clear and should be paramount. If they have no supervision over the exercise of powers by the National Council, then they risk being exposed to liabilities arising through the actions/decisions of another body over which they have no control.

3. The National Council

What is the National Council?

3.1 The National Council is described in the Articles as the "policy making" body of the BMC. It is made up of "Councillors".

Who sits on the National Council?

3.2 Under Article 15.1, it oversees the work of the Executive Committee and the CEO. The National Council comprises:

(a) the Executive Officers;

(b) the CEO;

(c) two representatives from each Area; and

(d) up to five co-opted members.

Independent directors are entitled to attend, but not vote, at National Council meetings.

Powers of the National Council

3.3 In addition to having powers mentioned above, the National Council is also entitled to form, vary and disband "Areas" and "Area Meetings". We understand that the purpose of these Area Meetings is to provide a forum for Members within an Area to communicate their views to the National Council and to allow the National Council to report on its activities and those of the Executive Committee and CEO. It also provides a forum for discussion of local matters. The National Council representatives are also elected at those meetings.

3.4 For the avoidance of doubt, we do not think that the power for the National Council to establish Area Meetings is inconsistent with the responsibility of the Executive Committee (especially as those Area Meetings provide a forum for the exchange of views and discussion). However, we would nevertheless expect some oversight to be reserved for the Executive Committee. We note that the CEO or a member of his staff is entitled to attend and speak at Area Meetings, but is not entitled to vote. Query if the lack of influence by the Executive Committee in relation to Area Meetings is causing any problems in practice or reputational issues?

3.5 Article 28 provides power for National Council/ Councillors to admit Members, determine their eligibility and make decisions regarding the determination of their membership. National Council/Councillors also have the right to delegate these powers to the Executive Committee. National Council is the sole judge on determining eligibility for membership. It is not wholly unusual in a membership body for matters relating to admission and eligibility for membership to rest with the members (or a group thereof). However, we do find it unsatisfactory that the Executive Committee has no authority to take action in relation to members who may be acting contrary to the interests of the organisation. Here, it would be reliant on National Council to take such action on its behalf.

3.6 Importantly, Article 30 provides National Council with the power to make Regulations and for any such Regulations to have full force and effect on their adoption. The definition of Regulations is broad. It covers resolutions regulating the National Council's own proceedings or those of any Area Meeting, or intended to regulate and control the proceedings of the Executive Committee or those of any Committee or otherwise intended to establish procedures or requirements for the exercise of any power or duty respectively of or by National Council, the Executive Committee, any Committee or Area Meeting (our emphasis added).

3.7 Article 30 is wholly unsatisfactory. It is conceivable that National Council make Regulations that control the proceedings of the Executive Committee or limit its ability to exercise its powers in such a way so as to leave the Executive Committee unable to discharge its legal duties (in particular the duty to exercise independent judgement). This Article effectively fetters the discretion of the directors and exposes BMC, and the directors, to risk.

3.8 Article 36 provides that committees formed by the National Council (see below) exercise the powers delegated to them and shall conform to Regulations imposed on them by National Council. The acts and proceedings of a committee should

be reported to the National Council as determined by the National Council and each committee shall be required to report to the National Council on its previous activity and future plans. The National Council has the discretion to approve/reject the committee's future plans as it thinks fit.

3.9 Article 40 grants specific power to the National Council to form and disband specialist committees for any purposes that the National Council think appropriate. Ultimately, National Council decides: a) what committees to establish and for what purpose; b) who sits on each committee; and c) the terms of reference for each committee and what powers and functions of the National Council (if any) they may exercise on its behalf.

3.10 The position in relation to committees is unsatisfactory for a number of reasons:

(a) the powers of the company ought to be exercisable by the board of directors;

(b) whilst it is not unusual for National Council to have some powers reserved to it under the M&AA, our view is that the extent of the powers afforded to National Council under the M&AA goes beyond what is reasonable for a membership body and fetters the discretion of the Executive Committee;

(c) giving the National Council power to then sub-delegate those broad powers, without any input from the Executive Committee, exposes the Executive Committee to further risk of decisions being made in relation to which it has no oversight.

3.11 Under the current arrangements, our view is that the board of directors (being in our view the Executive Committee) are not adequately overseeing the exercise of the company's powers for and on its behalf and therefore cannot effectively take responsibility for the same.

3.12 To take a practical example of this, it is the directors of the company who are responsible for ensuring that the BMC meets its obligations under health and safety law. However, the National Council appoints the technical committee, sets its terms of reference and has oversight of its work. There is no direct line of reporting from that Committee to the Executive Committee. If a health and safety breach occurs, it is the Executive Committee who would have to defend any action. The Executive Committee cannot adequately hold the Committee to account in these circumstances and would be ultimately responsible for all actions of that Committee.

The risk for Councillors

3.13 In our view, under the current arrangements there is an argument that the National Council and Councillors could be regarded as de facto or shadow directors. In other words, the Councillors are the persons who direct/instruct the affairs of the organisation. While certain provisions of the Articles do reserve powers to the Executive Committee for some matters, in fact, the powers available to the National Council in our view appear superior in many respects to those of the Executive Committee. This indicates that it could be regarded as the body with ultimate (or at least joint)decision making authority in relation to the BMC.

3.14 The law would regard shadow directors as owing the same legal duties to the company as a company law director would owe.

4. The Members

4.1 The company law members of BMC are Individual Members and those Club Members who have membership by virtue of their membership of an Affiliated Club.

4.2 Any company law member who is over the age 18 and who has paid due subscriptions is eligible to vote in a General Meeting.

4.3 Members have a certain role to play in the governance of the company (they are the equivalent of shareholders save that they have no right to participate in the profits of the company).

4.4 At law, the members have powers reserved to them as follows:

(a) to amend the M&AA by special resolution;

(b) to remove the directors of the company under section 168 of the Companies Act; and

(c) to appoint the company's auditors.

Further matters may be reserved to the members under the Articles.

4.5 In our view, the level of influence afforded to the Members of the BMC (as distinct from the National Council) under its Articles is appropriate to a membership body of this nature.

4.6 Whilst the Members have ultimate control over the governance structure through its ability to amend the M&AA, it nevertheless does not control the day to day management of the BMC which should always be the responsibility of the directors.

5. Executive Summary

5.1 The Executive Committee appear to be considered as the company law directors of BMC. However, the Articles clearly provide significant powers to the National Council in relation to the responsibility for management of the BMC, with no oversight for the Executive Committee.

5.2 The result is that the members of the National Council may be regarded as shadow directors.

5.3 The Executive Committee as company directors bear legal responsibility for the company. They are at risk of liability for decisions being made over which they have no control.

5.4 We are not saying that the National Council ought not to have a role in the governance of the organisation, indeed it is entirely proper for the policy of a membership body to be shaped and influenced by the members, through a representative group like the National Council. However, we would not expect that group to have ultimate authority to make policy to the exclusion of the directors.

5.5 It is also entirely proper that the National Council should exercise oversight of the Executive Committee and scrutinise its work in the management of the BMC (in accordance with policies implemented). However, we would not expect the National Council to be able to control the Executive Committee in its decision making, nor impose requirements on it in relation to the exercise of its powers (as appears possible from the broad power of National Council to make Regulations).

5.6 It is perfectly usual for the Executive Committee to report to the National Council as a stakeholder group representing the interests of the Members. However, we do not believe the National Council should be able to direct the affairs of the Executive Committee. We do believe that once the strategy has been set by the Executive Committee working in tandem with the National Council, then it should be for the Executive Committee to determine how to implement that strategy for the benefit of the organisation as a whole.

5.7 Please note that this advice is consistent with the guidance of Sport England which expects the board (being the Executive Committee here) to be exclusively vested with the power to lead the organisation. It is the board that should set the strategy of the organisation, having had regard to the views of the members and stakeholders.

5.8 A council of members, like the National Council, should not be able to override the board, but may expect to be able to robustly challenge and oversee its work, whilst possibly having to approve certain key decisions proposed by the board – this is typical for a membership body.

5.9 In our view, the M&AA as currently drafted do not reflect best practice, do not reflect good governance, create legal uncertainty and risk for the BMC and those involved in its governance.

WOMBLE BOND DICKINSON LLP

APPENDIX: INDEPENDENT ORGANISATIONAL REVIEW GROUP FINANCIAL SPEND

From the ORG's point of view, to ensure Independence from the BMC it was necessary that certain steps had to be taken to maintain discretion.

Firstly, it was necessary to have a secretary who could record and organise the various meetings of ORG. Through an interview process the ORG appointed Rachael Newton who has proved to be a very important linchpin in the ORG and without whom the true record of all of our deliberations would have been impossible.

It was also very clear from the outset that we would need to hear the voice of the members in order to gauge their thoughts and ideas. Once again this needed to be independent, so after a process of tendering, 2020 Research were appointed to work with the ORG, develop a member research questionnaire and then analyse the results. We are pleased to say that 2020 did everything that was asked of them on time and on budget.

Further information gathering was carried out via focus groups. These were mainly planned to coincide within normal BMC business. In that way the expenditure, mainly travelling expenses, was kept to a minimum. All focus groups were delivered by members of the ORG so no external finances were attributed.

It was very important that the ORG had access to a legal firm who could offer us legal advice as well as work on re-writing the Articles of Association. Although members of the ORG are legally qualified, and those skills would provide valuable assistance to the ORG in its work, they could not provide the independent legal advice needed for the task. Once again through a tendering process, the ORG appointed Womble Bond Dickinson, who have provided excellent support to date.

As you can imagine, the work of the ORG has been an onerous and time-consuming process. To be able to gain information and come up with recommendations within six months has been a daunting task. The members of the ORG have tackled this with great enthusiasm and application. There have been many face-to-face meetings and skype meetings plus many hours of drafting papers, spreadsheets and absorbing information. This has all been done within the time constraints of the ORG deadlines, work and family commitments. The financial cost of this dedication to the task has been minimal with costs reduced to normal travel expenses for most. Ray Wigglesworth QC, the ORG Chair has been on a retainer for the work which can be seen in the spreadsheet of costs.

Finally the recommendations from the ORG needed to be presented to the 85,000 members of the BMC.

This will be done through a variety of channels. Firstly though this report written by members of ORG, it has been printed by an external company. Secondly, there will be expense as the recommendations are presented to the members at Kendal Mountain Festival. Finally, there will be a roadshow as the members of ORG present the findings across the country to the Local Areas.

Once this report has been accepted, there will be ongoing costs as recommendations are implemented.

ORG BUDGETS AND COSTS

BMC Organisational Review Group Expenditure		May 2017 - Oct 2017	Nov 2017 - Est Cost	
Expenditure	**Explanation**	**Act Cost**	**Est Cost**	**Total Costs**
Members Questionnaire	20:20 costs etc	6,785.00	0.00	6,785.00
Focus Groups	Costs of Group excl ORG travel	151.29	0.00	151.29
Legal Costs	Womble Bond Dickinson	0.00	15,000.00	15,000.00
	Other Legals	0.00	0.00	0.00
Presentation Costs	Printing Report	0.00	1,500.00	1,500.00
	Kendal Presentation	0.00	0.00	0.00
	Other	125.00	0.00	125.00
ORG Member's Costs	Secretarial	1008.75	3,026.25	4035.00
	Chair	5,000.00	4,000.00	9,000.00
	Travel Expenses	1,020.93	3062.79	4,083.72
	Other			
		14,294.14	**27,198.55**	**41,492.69**

NOTES