

BACKGROUND TO AGM AGENDA ITEM 9.

Wording of motion: Robert Pettigrew MBE and others will request the AGM to pass a resolution in the following terms:

‘That this motion of No Confidence is brought against the Executive Committee of the BMC and in particular because of the wilful and deliberate withholding of future policy decisions from the members in attendance at the Annual General Meeting held at Lhosehill Hall, Castleton, Derbyshire on Saturday 16th April 2016.

Further, this withholding of key and vital information to its membership is an example of very poor governance by the Executive Committee in their role as Company Directors, in a registered company limited by guarantee, and does not conform with the recently published Sport England Code for Sports Governance.’

Proposed by: John Allen, John Ashburner, Ian Atkins, Paul Braithwaite, Rob Butterworth, Richard Coatsworth, John Cleare, Leo Dickinson, Rodney Gallagher, Dennis Gray, Paul Greenhow, Jim Gregson, David Hillebrandt, Pip Hopkinson, Ian Howell, Roger Lanchbury, Ian Lonsdale, Brian Molyneux, Robert Pettigrew, David Prior, Peter Rowland, Doug Scott, Mark Vallance, Stephen Venables, Harry Wilson, Judy Wilson, Steve Woollard, Frederick Yardley & Terrie-Anne Yardley

REPORT TO THE BMC IN CONNECTION WITH THE NO CONFIDENCE MOTION

By Martin Wragg, BMC Honorary Solicitor

1. Purpose of Report

I have been asked to produce this report to inform debate at the AGM relating to a no confidence motion in the Executive Committee of the BMC. It is understood that this is triggered by a decision to adopt the **Climb Britain** brand name without consulting members and a belief that decisions had been made or proposals considered in advance of the 2016 AGM which were not disclosed at the AGM. It has been suggested that the proposed rebrand was linked to the inclusion of competition climbing in the 2020 Olympics. It is universally acknowledged that the lack of consultation was a serious misjudgment and when members protested the decision was swiftly rescinded. This report does not attempt to justify the indefensible, but rather to describe what happened, when and why. To assist an understanding of this it is necessary to provide a summary of the BMC constitution and management processes, the legal and political contexts and a timeline. To enable preparation of this report I have been given unrestricted access to BMC files and records. I have endeavoured to be objective and avoid being judgemental. I have undertaken this exercise in a voluntary capacity.

2. About the Author

I have been a legal adviser and honorary solicitor to BMC since 1976. I list a few matters with which I have assisted BMC over the years, some in a voluntary capacity and others on a fee-paying basis.

- 1976 chaired Liability Working Group which led to the creation of the BMC insurance scheme.
- 1978-9 advised on the Mountain Training dispute.
- 1992-4 advised on BMC incorporation and drafted the Memorandum and Articles.

- 1999-2000 advised during the access debate that resulted in the CROW Act.
- 2006 to date: served on Land Management Group (LMG).

3. BMC Constitution

In 1992 BMC was becoming too complex to continue being managed as a members association with no legal identity and the decision was made to incorporate. Whilst recognizing that a company limited by guarantee had to comply with company law the brief was to draft new Articles that were consistent with the existing Rules, so far as possible. All companies have to be managed by directors who have statutory duties and obligations to ensure that the company operates within the law.

The directors of BMC are the officers elected at the AGM and the CEO is company secretary. Together they comprise the board of directors which is called Executive Committee in the Articles. National Council is comprised of the members of Executive Committee and the elected representatives of the Areas (who form the majority, with the intention that decisions are influenced by those members who engage with Area Committees). With the exception of the CEO all are unpaid volunteers. The role of National Council (as before) was to be the policy determining arm of BMC and to oversee the work of the Executive.

4. Constitutional Stresses

Under company law the board of directors has responsibility for all decisions and actions, subject only to lawful resolutions of members in general meetings (or otherwise). The board can take advice from committees or third parties, but power and responsibility remains with the directors. BMC Articles require the Executive to report to National Council and to implement policy adopted by National Council. In consequence there is a conflict between the constitution and company law which the Articles attempt to address by means of a compromise.

5. Political Context

BMC had no public funding prior to 1965 and no paid staff. All work was undertaken by volunteers and ambitions were frustrated by lack of resources. In 1965 some Sports Council funding was obtained which enabled the recruitment of Dennis Gray as the first General Secretary (chief . and only . executive). BMC has never looked back. Resources still limit what can be done, but the breadth of activity and influence is considerable although it requires more staff, volunteers and funding than ever before. Most of the funding comes from subscriptions paid by a greatly increased membership supplemented by some commercial operations, but there is still some reliance on public money. In 2016 grants from Sport England contributed £568,000 to total income of £2,898,000. There is a price to be paid for financial assistance which involves meeting numerous targets and submitting to audits, both of finance and governance.

6. Reasons for Review of Governance

At the Alpine Club (AC) AGM on 26 November 2016 Bob Pettigrew proposed that the AC should call for an independent review of BMC management and policy. There was insufficient time to debate the matter fully and it was agreed to hold a special general meeting for the purpose which is scheduled for 1 April. BMC had made available to the AC a document adopted by National Council on 5 December 2015 entitled ~~Agreed~~ Split of Responsibilities between National Council and Executive Committee which had been prepared to clarify the respective roles of National Council and Executive Committee. By reason of my appointment as chair of LMG at that same meeting I became an observing/non-voting member of National Council, but was not aware of this document prior to the AC AGM. At the National Council meeting on 3 December 2016 I offered my view that it was not consistent with the Articles in some material particulars.

Concerns about this relationship and governance had already arisen but became topical when UK Sport and Sport England published a new Code of Governance on 31 October 2016 which was circulated to members of National Council the following day. In January 2017 a meeting took place between senior representatives of the BMC and AC when concerns about BMC governance and decisions were aired. There was further debate at the National Council meeting on 11 February 2017 when a decision was made to set up a working group to review governance and to report to National Council and make recommendations. Subsequently BMC received a letter/email from Bob Pettigrew dated 16 February 2017 giving notice of his No Confidence motion.

7. Timeline

It has been suggested that the brand proposal (**not** name change, which would have required a resolution of the members at an AGM) was linked to the inclusion of competition climbing in the Tokyo 2020 Olympics and that decisions about the rebrand were made prior to the BMC AGM on 16 April 2016, were not disclosed and that information about this was withheld from members.

The decision for BMC to support proposals to include competition climbing in the Tokyo Olympics was actually made by National Council in September 2009 following consultation with members over a 6 month period. It has been well publicised since then and has no connection to the brand proposal. The IOC announced on 2 June 2016 that its Executive Board was recommending that *Sport Climbing* be included at Tokyo 2020 and this was confirmed by IOC on 3 September 2016. This timing may explain why Olympic competition has been conflated with the branding debate.

By 2014 it was increasingly apparent that the BMC staff management structure was over-stressed and a process of modernization was started. A large scale staff restructuring exercise was implemented in May 2016 after 6 months of planning whereby 5 internal departments were created each with its own head. A major office refurbishment was also planned to underpin the restructuring and create more usable space and this was undertaken during July to October 2016.

In 2015 Sport England made it known that grant funding was available to national sports organisations to pay consultancy fees with the objective of investigating methods of increasing commercial revenue and reducing dependence on public funding. BMC had long recognized that an increased membership would help to achieve that end and there had been internal discussions about brand arising from a concern that the name was not attractive to hill walkers, indoor climbers, boulderers and other activities. BMC was offered grants totaling £75,420 for this express purpose. B-focused was engaged to advise on increasing commercial revenue whilst Thinkfarm was contracted to provide advice on branding.

Preliminary work in scoping these projects commenced in January 2016 but there was little for Executive Committee to discuss in their meeting at the end of that month. The Sport England grant offer was received on 23 February 2016. B-focused presented their draft commercial recommendation to the CEO of BMC on 6 April 2016 with the final version being delivered on 16 April. Thinkfarm initially worked up ideas around a brand of **Climb GB** in February/March 2016 with the involvement of several BMC staff, but this proved unworkable due to trademark issues and the alternative of **Climb Britain** was proposed. The idea was developed during April/May with final designs being produced in June/July. Alongside this BMC had also commissioned KG Sport to advise on reaching out to the hill-walking fraternity and attracting women to all areas of BMC activity.

The first meeting of Executive Committee since January took place on 18 May when the brand proposal was discussed. The briefing paper for that meeting indicated there were still 3 name options for consideration, the first of which was: no change i.e. remain as BMC. It was clear that this was a matter which required determination by National Council who met on 18 June, by which time the logo and much of the graphics had been designed. At National Council there was only 1 abstention with all other members voting in favour of the rebrand decision but an announcement

was deferred on the basis of professional advice to secure trademark registration and all relevant URLs before going public in order to avoid the brand being pirated; the process of purchasing URLs started in early March but was not completed until 6 July 2016.

In making this policy decision National Council acted in accordance with the Articles, but without anticipating the adverse reaction of a significant number of members when it was announced on 25 July 2016. That led to an immediate rethink and a decision to consult members via Area Meetings. A presentation was delivered by the President, CEO or other senior officer at every meeting around the country in early September. None supported the intended rebrand and National Council formally abandoned the proposal at a meeting on 17 September. This was widely publicised and a post mortem was held by Executive Committee in October so that lessons could be learnt.

8. Conclusions

- a) There is no connection between the proposal to adopt the brand name **Climb Britain** and the inclusion of competition climbing in the 2020 Olympics.
- b) The brand proposal was part of a scheme of modernization of BMC that commenced in 2014 and is on-going.
- c) At the time of the 2016 AGM ideas about brand were being discussed but no concrete proposals had been received and no decisions made.
- d) When a decision was made about a brand name it was made in accordance with the constitution.
- e) Accordingly there is no governance issue arising from the brand decision.
- f) When the announcement of the brand decision resulted in an adverse reaction by some members it was immediately put on hold, members were consulted and the proposal was abandoned.
- g) A post mortem was held and lessons learnt.
- h) Unrelated governance issues have been identified and National Council resolved to set up a working group to review governance and report before BMC received notice of the No Confidence motion.

Martin Wragg
14 March 2017

Addendum by Martin Wragg – 05 April 2017

Dennis Gray has drawn my attention to errors or alleged errors in my report which I wish to address.

1. I stand corrected that it was Mr. Gray who proposed the motion about a review of BMC policy and governance at the AC AGM last November and Mr. Pettigrew that seconded the motion, not the other way around.

2. Mr. Gray took issue with my reference to my involvement with the BMC insurance scheme but thought I was referring to the travel insurance policy whereas I was referring to the public liability insurance provided as part of the membership package and he now recollects my report.

3. Mr. Gray suggests that my linkage of public funding to his recruitment as BMC General Secretary suggests he assumed that role in 1965 whereas he was only employed by BMC in 1971/2. That interpretation was not intended by me and I should have said "which **eventually** enabled".

I am grateful to Mr. Gray for drawing these points to my attention.

I would also like to clarify my involvement with the Alpine Club since comments on social media suggest potential conflict. I became an AC member in 1973, served on the committee from 1999-2002 and as Vice President in 2001-2. I was also honorary solicitor for a number of years before resigning early in 2012. I will not be participating in the AC debate about BMC.