



**BMC Independent
Organisational Review
Group Amended
Recommendations Report**

March 2018

Foreword

The BMC is rightly proud of its history but we are all now aware of the fact that it can no longer be run like a small climbing club. Why not, one asks rhetorically?

The answer to that question is because of the following:

- Its current constitution is out of date, legally non-compliant and needs to be changed and updated
- It is now a larger and more complex organisation
- The demography of the membership is more diverse
- The landscape of climbing, hillwalking and mountaineering has changed
- The BMC has a key role to play on behalf of its members and partners in the UK and abroad.

Since the Organisational Review Group (ORG) Report launch at Kendal Mountain Festival in November, many members and partners have responded to our consultation and we thank them all for their input. The ORG has now responded to your feedback and we have made a number of amendments and clarifications to our recommendations, in order to fit in with your views. Moreover, we have reacted to two important issues raised by members; concern about the fact that there appeared to be a rush to make changes, and the perception that the 51 recommendations were an all or nothing package.

We asked National Council and the Executive Committee to consider postponing the AGM from April to June 2018, with a further General Meeting later in the year, thus allowing the membership more time to properly consider the key recommendations.

We also want to make clear that our 51 recommendations are not an all or nothing package. However, many of the recommendations are, by necessity, interdependent in order to ensure that the right checks and balances are in place for the BMC to remain a member-led organisation. We have also identified the recommendations which we feel are required as 'checks and balances' against the primacy of the Board of Directors in our index of recommendations within this report.

At the time of writing the BMC is proposing to put a motion to the AGM in June containing those recommendations it intends to take forward. Members will be able to vote on these recommendations at the AGM, which will enable independent solicitors to draft a new Articles of Association reflecting what the member vote has supported.

The draft new Articles will then be circulated with the notices of the General Meeting later in the year. These will come with explanatory notes, so it is clear that they reflect the recommendations that the membership had supported at the AGM.

The BMC is currently recognised as the representative body for all British climbers, hillwalkers and mountaineers, alongside the home nations representative organisations. It is also recognised as the representative body by UK Government and as the governing body by Sport England. Other major organisations and landowners similarly recognise the BMC in its representative role, and this is vital in dealing with important issues like access to mountains and crags. Through this recognition, the BMC applies, on behalf of its funded partners such as Mountain Training, for Sport England grant funding. Due to this relationship, the total amount of the grants, and the period over which the funding is granted, the BMC must comply with Sport England's Tier 3 governance requirements. These are the requirements that we were asked to meet in making our recommendations. We do not consider them to be overwhelming, unobtainable or unsuitable for the BMC and believe that they simply reflect good governance practice. Their implementation will improve the governance, decision making and representative nature of the BMC, and as a result, the service it provides for its members.

The Terms of Reference I was given in May 2017 asked the ORG to make recommendations that would represent best practice governance in the sport and recreation sector. We were not asked to question whether or not the BMC should seek to be an organisation that bids for government funding. However, we feel that it is a matter of great importance to make it clear to BMC members why we feel the BMC should seek to continue to be the recipient of Sport England funding, and comply with its Code of Governance.

If the BMC is unable to implement the recommendations required in order to meet Sport England's Code of Governance, or if BMC members take the decision that pursuing Sport England funding is not the right choice for the BMC, we feel it would have a great detrimental effect on climbing, hillwalking and mountaineering as a whole. It will not only impact BMC funding, and funding for the great work that partners such as Mountain Training do, but we believe that it will also significantly weaken the representational position of the BMC to all its stakeholders, be they the UK Government during political lobbying, or landowners during access negotiations. Why would any government department continue to listen to a representational or governing body that does not comply with the code of governance it requires, or indeed any representative body which does not adopt good governance practices? This will impact the BMC's recognised representational status as a whole.

We have heard during feedback that the BMC cannot be both a governing body and a democratically run representative body for its members. We maintain, however, that these two types of organisation are not mutually exclusive of each other, nor do they have separate codes of good governance. We believe, through implementation of our recommendations, that the BMC will be able to effectively fulfil both of these functions, for its members, on behalf of all climbers, hillwalkers and mountaineers.

We are confident that the members and volunteers of the BMC, working closely with the National Council, the Executive Committee and BMC staff, will eventually adopt the general principles set out in our report as the proper approach to future governance and policy for the organisation.

I would like to thank the members, volunteers, BMC staff and all those who have been involved in the ORG, particularly the volunteers who have worked tirelessly to produce our reports, for their support and patience throughout this review.

Ray Wigglesworth QC
February 2018

Table of Contents

Foreword	1
Table of Contents	4
Executive Summary	5
Introduction	5
General Amendments	6
The Challenge of Primacy	7
Index of Recommendations	8
Organisation Chart (Governance)	15
Organisation Chart (Corporate Structure)	18
Amendment Details	18
Headline Recommendations	19
Summary of changes	19
Amended Recommendations	19
Strategy and Policy	21
Introduction to changes	21
Amended Recommendations	21
Corporate Structure	24
Introduction to changes	24
Amended Recommendations	24
Governance	28
Introduction to changes	28
Amended Recommendations	29
Schedule of Reserved Matters	34
Culture, Leadership and Management	39
Introduction to changes	39
Amended Recommendations	39
Glossary of Terms	39
Appendix: ORG Financials	43
Appendix: Original Terms of Reference	44

Executive Summary

Introduction

Following the launch of the ORG Report in November 2017, the ORG received significant feedback through:

- Member consultation survey
- Clubs survey
- Local Area Meetings
- Focus Groups with stakeholders and staff
- Written representations.

Over 1600 members accessed the online consultation survey. We recognise that the ORG Report was a sizeable document, with a huge amount of detail within it.

The consultation survey emphasised the importance of members reading the ORG Report in advance of providing their feedback. As a result, over half of those that started the consultation survey dropped out at the point where we asked if they had read the report. 44% of the 1600 who started indicated that they had read one version of the report (full, summary or one-page briefing). Only 14% of those who started the survey indicated that they had read the full report. Nearly seven hundred members completed the survey. The ORG therefore does not consider the response to be representative of the membership as a whole, although that is not to say that the results should be dismissed out of hand. The consultation results were reviewed knowing that they were neither representative of the overall membership, nor statistically significant, but recognising that they were likely to represent a small number of highly engaged and vocal member views. Taken in conjunction with the wider consultation and large body of research from the initial survey, this provided the ORG with a significant amount of insight and feedback.

In general terms, of those who completed the consultation survey, 81% showed broad support overall, with 6% broad opposition. The responses to the open questions also provided a huge amount of detailed feedback both positive and negative.

When the consultation survey insights were taken in conjunction with wider consultation feedback, it became clear that there were a number of key and consistent areas for further consideration.

Firstly, members felt that pace of change was too fast for thorough consultation. The ORG discussed this with the BMC, and the timeline was subsequently amended. At the time of

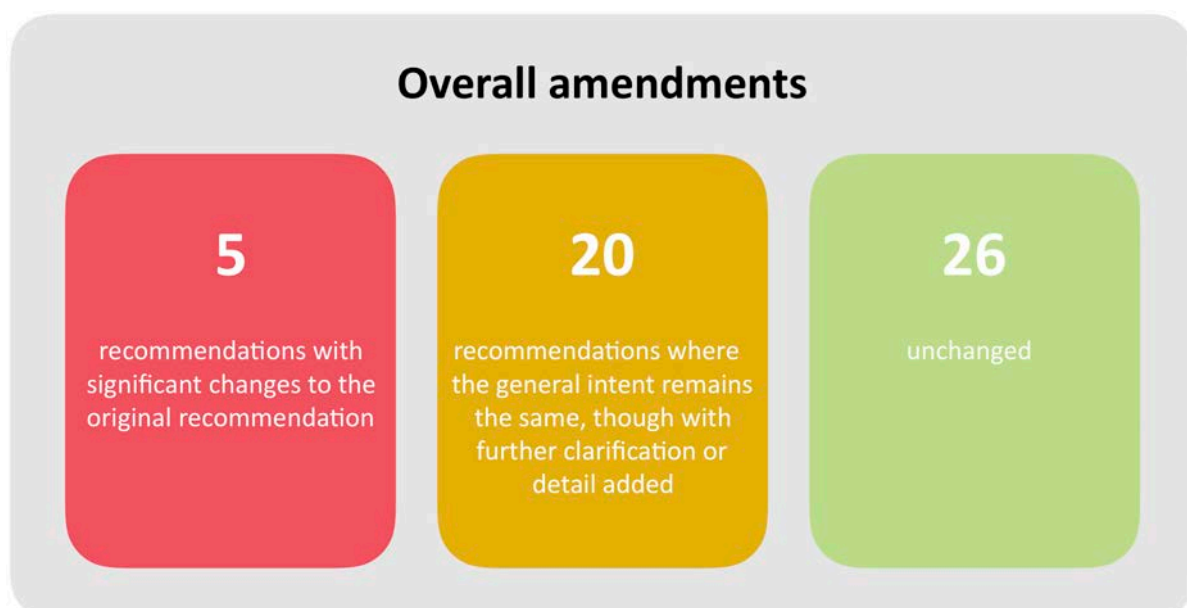
writing there is due to be an AGM in June, with a subsequent General Meeting later in the year.

Secondly, the BMC's Executive Committee and National Council will consider the ORG's recommendations, following the delivery of this report and will need to decide if it supports those recommendations. The ORG expect that the BMC will then inform members whether it supports and endorses the recommendations in whole or in part (with reasoning as appropriate). The BMC may also decide to make some amendments to the recommendations before putting them to a member vote. Communicating not only the final suggested organisational and governance changes, but also the reasoning which supports them, will be critical to enabling members to make an informed decision. Communication will be very important at this stage and the ORG recognise that the required extent of communication will present a significant challenge for the BMC.

Thirdly, members are conscious of the cost of implementing the ORG's recommendations. Cost analysis of the ORG recommendations was not in our Terms of Reference. However, we recognise that there may be significant costs involved in implementation, and that many recommendations, particularly in the strategy and policy and corporate structure sections, will require a cost/benefit analysis and financial modeling. The ORG recognises that this will be a challenge for the BMC and implementation will require significant staff and volunteer resource, strong leadership, specific expertise and care in financing.

General Amendments

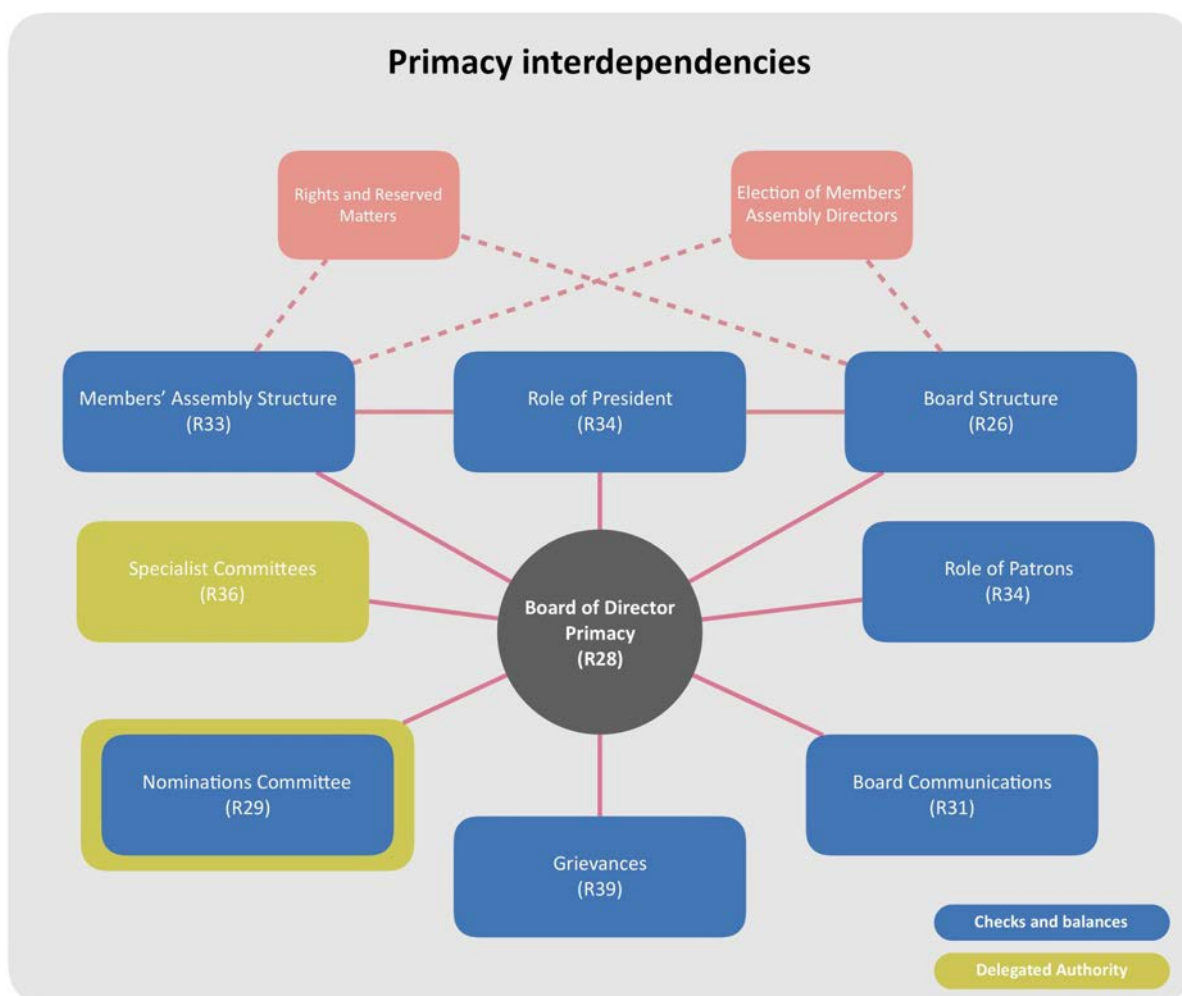
The majority of members and stakeholders broadly agreed with the general principles of the recommendations, but the ORG felt that there were a number of specific areas where change or clarification was required. These amendments break down as:



The main focus of these changes and clarifications is with respect to the:

- Members' Assembly and its relationship with the Board of Directors
- Board of Directors
- Senior Leadership Team
- Relationship with Mountaineering Scotland
- Corporate structure (including the subsidiaries or sub-groups recommended for consideration)
- Relationship with funded partners, such as Mountain Training

The Challenge of Primacy



The ORG acknowledges that the BMC has made significant headway towards becoming compliant with the Sport England Code of Governance and the original report did not necessarily recognise the work already completed by the BMC toward achieving this. In simple terms, the only outstanding requirement is the primacy of the Board of Directors. However, as always, it is not a simple change and implementing primacy requires significant

work. Primacy cannot be given to the Board of Directors (at present Executive Committee) by a simple change to the existing Memorandum Articles of Association (M&AA), nor can it be given without ensuring that checks and balances are put in place to allow members to have the necessary supervisory role in the governance of the BMC. The members and the Members' Assembly need to be able to hold the Board of Directors to account, and the Directors need to take legal responsibility for the management and administration of BMC on their behalf. The ORG has identified the recommendations that provide checks and balances alongside the amendments to the MA&A that are intended to give the Directors primacy over the BMC, as given in the chart above.

The ORG has written an index of recommendations, created an updated organisation chart and corporate structure chart and provided additional detail for each of the recommendations that have been amended. A glossary of key terms has also been added to provide further clarity. The ORG recommends that this amendments report, and the detail of each amended recommendation, is read in conjunction with the detail in the original ORG Report (November 2017). Where detail is already contained in the original report, it has not been reproduced here.

Index of Recommendations

Changed: Significant changes to the original recommendation

Clarified: General intent of recommendation remains, with small amendments or further clarification and detail added

Unchanged: No change to recommendation

Essential for Primacy: The ORG believes this recommendation must be implemented in order to provide the appropriate member and stakeholder checks and balances for Board primacy

R	Category	Final Recommendation	Changed	Clarified	Unchanged	Essential for primacy
Total:			5	20	26	10
1	Headline	The BMC should, alongside home nation representative organisations, ensure it is the representative body for all British climbers, hillwalkers and mountaineers, and the governing body for competitive activities across the UK				
2	Headline	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	Headline	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	Headline	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	Headline	The BMC should recognise, alongside climbing, hillwalking and mountaineering, that indoor climbing is an important activity to the majority of its members				
6	Strategy and Policy	The BMC should create a strategy and organisational development process to ensure that it remains relevant for both existing and prospective members				
7	Strategy and Policy	The BMC must understand and define the breadth of its membership and understand the balance between attracting new members and over-expansion so that it retains focus and relevance				
8	Strategy and Policy	The BMC should responsibly encourage growth and participation in all areas of the activities that it represents, recognising the access, conservation and environmental issues that growth could cause				
9	Strategy and Policy	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	Strategy and Policy	The BMC should ensure that it is financially stable, has a reserves policy and that core activities are sustainable through self-generated income, both from membership fees and commercial activity				
11	Strategy and Policy	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 (for example, new and young indoor climbers) and commercial purposes (for example,				

		insurance)				
12	Strategy and Policy	The BMC should ensure it recognises the contribution of clubs and their members to climbing, hillwalking and mountaineering and further develop its strategies to support its broad range of affiliated clubs				
13	Strategy and Policy	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	Strategy and Policy	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	Strategy and Policy	The BMC should give clarity to members, partners and stakeholders on its level of support for the Olympics				
16	Strategy and Policy	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	Strategy and Policy	The BMC should review how it resurces the management of membership engagement				
18	Strategy and Policy	The BMC should implement a technology based national polling and discussion platform to gauge member views on national, international and local issues				
19	Strategy and Policy	The BMC should implement a technology based Annual Member Survey				
20	Strategy and Policy	The BMC should ensure it balances communications between sales and commercial functions and organisational and policy functions				

21	Corporate Structure	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	Corporate Structure	The BMC should ensure that it has 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	Corporate Structure	The BMC should explore the potential for a clearly defined sub-group, or creation of a wholly owned subsidiary for some of its commercial activities				
24	Corporate Structure	The BMC should create a joint subsidiary for competitive activities in partnership with Mountaineering Scotland and other relevant home nation governing bodies for the purposes of managing competitive activities and to support elite level competitive activities such as Team GB				
25	Corporate Structure	The BMC should research the benefits of creating a sub-group or subsidiary to support its operations and activities in Wales/Cymru, and to help maximise region-specific funding opportunities				
26	Governance	The Executive Committee should be restructured and renamed the Board of Directors				
27	Governance	The BMC should appoint a Chair of the Board of Directors who is independent from the Members' Assembly				
28	Governance	The BMC should ensure that its Board of Directors has clear primacy, to ensure compliance with the Companies Act 2006				

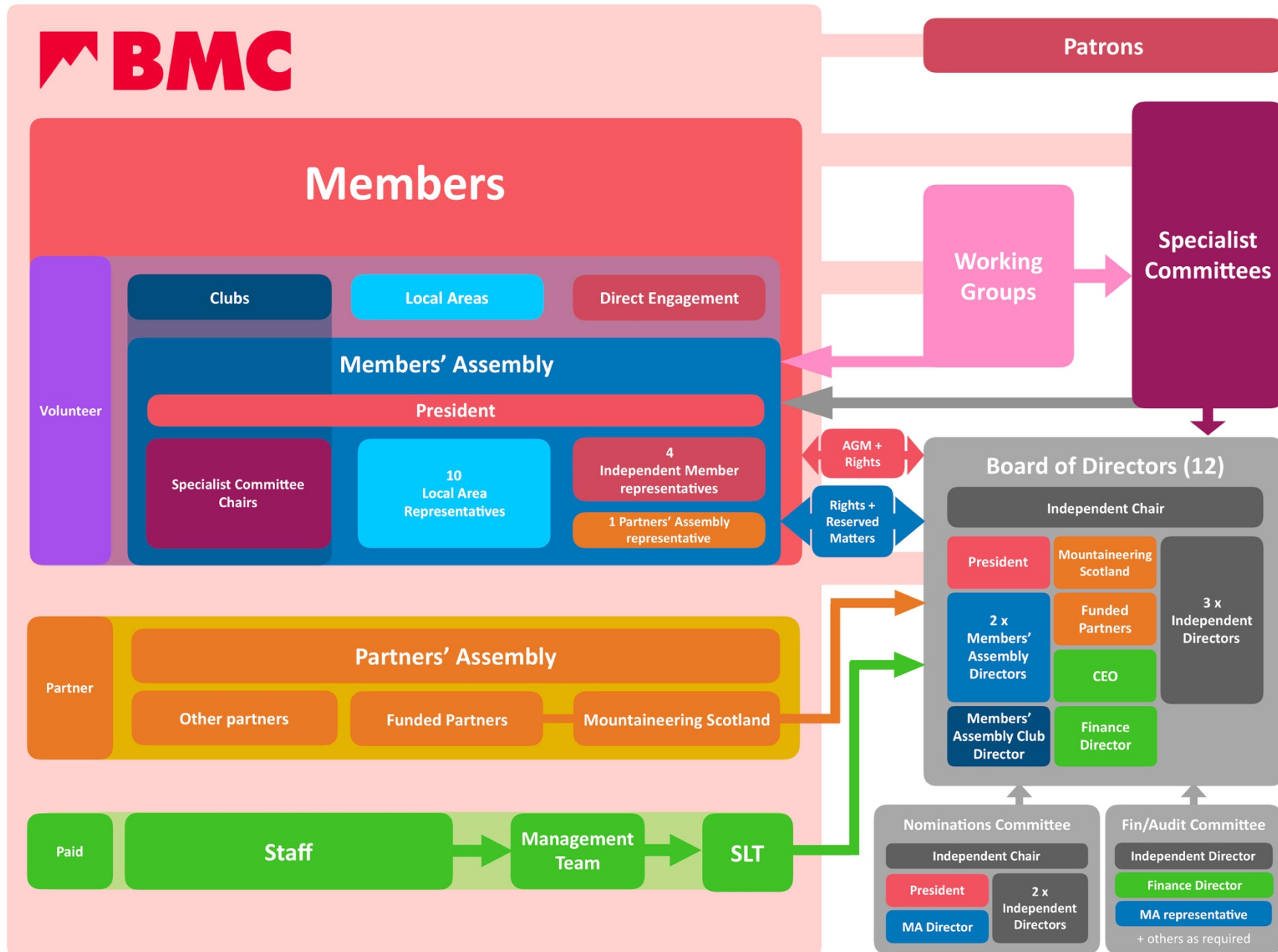
29	Governance	The Board of Directors should establish a Nominations Committee and a Finance/Audit Committee					
30	Governance	The BMC should engage in an internal Board of Directors review annually with an external review every three years in order to ensure it remains effective					
31	Governance	In addition to publishing minutes (excluding any sensitive matters) after every meeting, the Board of Directors should produce a communiqué (summary of key themes and discussions), to be published on the BMC website					
32	Governance	The Board of Directors must work with the Patrons to create a strong basis for working relationship and clarify the mechanism for bringing new Patrons into the organisation.					
33	Governance	The National Council should be restructured and become the Members' Assembly, and its role redefined					
34	Governance	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	Governance	The BMC should create a Partners' Assembly to strengthen key alliances and sector partnerships					
36	Governance	The BMC should review Specialist Committees and Working Groups to clarify roles and ensure separation of policy-making and operational activities					
37	Governance	Local Area Committees should remain, however a number of operational changes should be made in order to make them more effective					
38	Governance	The BMC should implement an online voting platform in order to increase member engagement in its General Meetings					

39	Governance	The BMC should introduce an effective process for members to raise grievances about the management of the BMC				
40	Governance	The BMC should review any Memorandum and Articles of Association amendments, including those of its subsidiaries, after three years in order to evaluate their effectiveness, and every three years thereafter				
41	Culture, Leadership and Management	The Senior Leadership Team should be expanded and must include the two staff Directors, the CEO and the Finance Director				
42	Culture, Leadership and Management	The Senior Leadership Team should have a business plan which is approved by the Board of Directors				
43	Culture, Leadership and Management	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	Culture, Leadership and Management	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	Culture, Leadership and Management	The Senior Leadership Team of the BMC should encourage a culture of empowerment, delegation and decision making across the staff structure				
46	Culture, Leadership and Management	The BMC should create a plan to allow for staff career development and succession planning				
47	Culture, Leadership and Management	The Senior Leadership Team should be responsible for performance management, remuneration and reviewing of HR policies				
48	Culture, Leadership and Management	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	Culture, Leadership and Management	The BMC should review how it resources the management of volunteers				
50	Culture, Leadership and Management	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	Culture, Leadership and Management	The BMC should enhance its policies to ensure regular recognition of significant contribution to the organisation				
Totals:			5	20	26	10

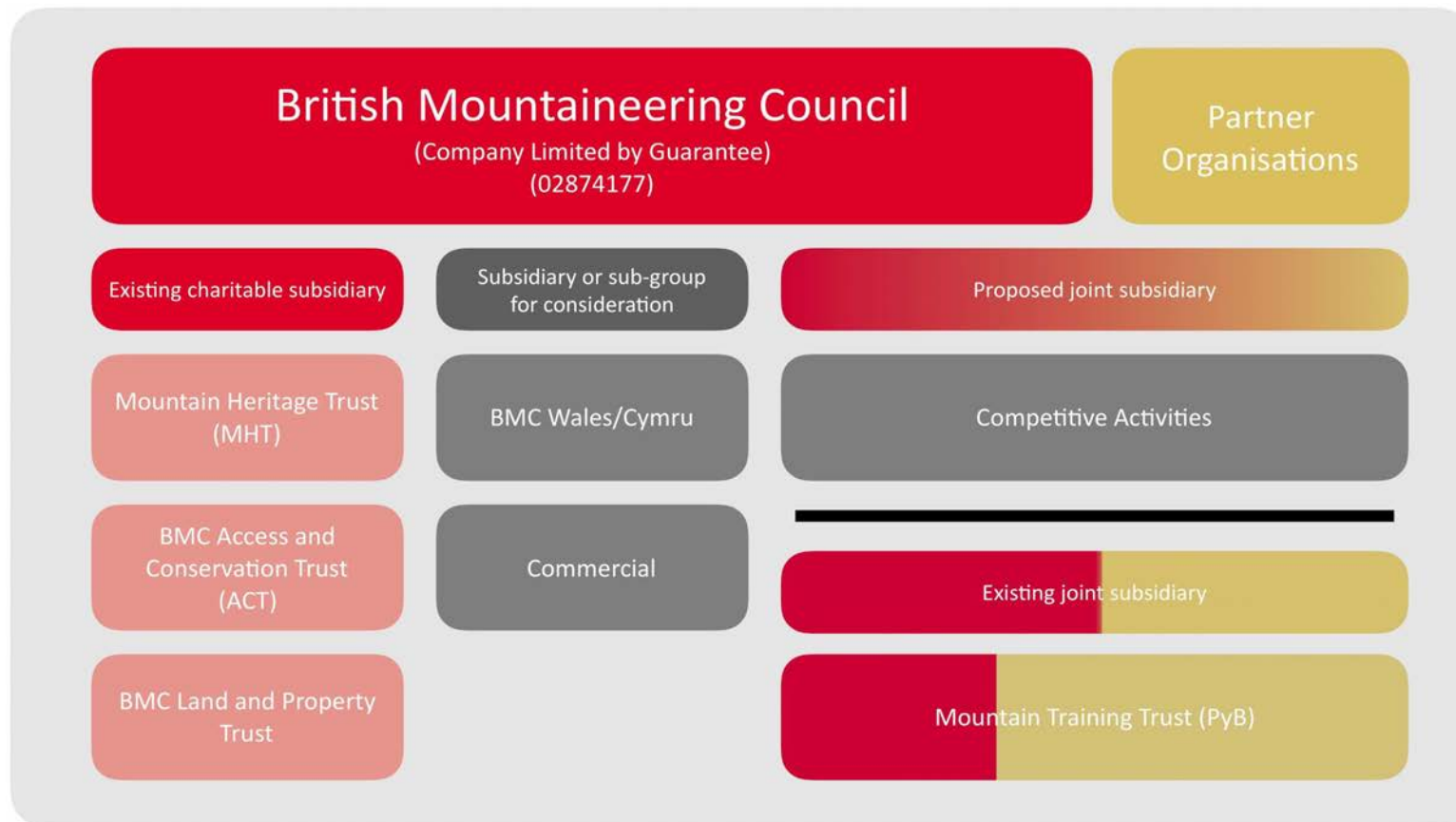
Organisation Chart (Governance)

The ORG recognises that the original organisation chart has been a focus of attention for many of those consulted. Whilst no organisation chart can perfectly contain all the detail needed, the ORG proposes a second version of the organisation chart. The colouring overlaps the constituency where roles are drawn from, and the arrows represent the line of reporting, by colour. In order to scale this chart as large as possible, it is presented on the following page.



Organisation Chart (Corporate Structure)

This chart shows the recommended subsidiaries. The ORG would like to emphasise that the further subsidiary or sub-groups are for consideration, and should only be created if thought to be beneficial after a thorough cost/benefit analysis.



Recommendation Amendment Details

Having considered all feedback received, the ORG offers detail for all recommendations changed or clarified below.

Headline Recommendations

Summary of changes

The ORG was pleased that the headline recommendations were well received, with broad support for the wider principles of vision, organisational strategy and member focus.

However, detailed responses to the consultation revealed confusion about recommendation 1, largely in respect to what differentiated a 'representative body' from a 'governing body'. Feedback from Mountaineering Scotland also required further clarifications to be made in this context. As a result 'representative body' and 'governing body' have been defined in the Glossary at the end of this document, and the relationship with Mountaineering Scotland is discussed in the recommendation commentary below.

Feedback also centred around recommendation 5, with respondents feeling too much weight had been given to the importance of indoor climbing. This recommendation has been amended to balance indoor climbing within the wider context of climbing, hillwalking and mountaineering.

Amended Recommendations

Recommendation 1: The BMC should, alongside home nation representative organisations, ensure it is the representative body for all British climbers, hillwalkers and mountaineers, and the governing body for competitive activities across the UK

Following feedback from Mountaineering Scotland, the recognised representative body for Scottish Mountaineers, the ORG felt that this recommendation needed clarification.

As a result, this recommendation has been updated to ensure it clearly reflects the currently accepted representative and governing body remit of the BMC. The ORG encourages the BMC to work more cohesively with other home nation representative and governing bodies to the benefit of all climbers, hillwalkers and mountaineers within the UK.

The BMC's existing Memorandum & Articles of Association (M&AA) should be updated to recognise the devolution within the UK that has occurred since they were written. This update also needs to reflect how the BMC respects Mountaineering Scotland's independence in representing Scottish Mountaineers, whilst defining that the BMC represents the interests of all British climbers, hillwalkers and mountaineers to UK Government, and internationally.

The BMC should be, in partnership with the other recognised home nation representative bodies for climbing, hillwalking and mountaineering, the governing body for competitive activities across the UK.

The ORG have made further amendments to other recommendations to reflect the updates to this recommendation, including within the Board of Directors (see recommendation 26), and the proposed subsidiary for competitive activities (see recommendation 24).

The BMC should open discussions with Mountaineering Scotland regarding the specifics of this recommendation, both in any amended Articles of Association, and in practice, at the earliest opportunity.

Recommendation 5: The BMC should recognise, alongside climbing, hillwalking and mountaineering, that indoor climbing is an important activity to the majority of its members

This recommendation has been amended in order to recognise the importance of indoor climbing, but not to give it disproportionate or undue precedence over outdoor climbing, hillwalking or mountaineering.

Some of those consulted interpreted the original recommendation gave indoor climbing too much coverage compared to other activities within the BMC's remit. This was not the intention of the recommendation, so it has been amended to sit alongside other activities whilst giving due recognition to the fact that the majority of BMC members already participate in indoor climbing on a regular basis and see it as an important part of, and introductory pathway to, climbing, hillwalking and mountaineering.

Feedback again centred around perceived under-recognition of hillwalking in the BMC's wider communications, strategy and governance. The ORG's original report recommended an inclusive approach recognising the importance of all disciplines. With 11% of members identifying hillwalking as their only activity in the original Member Research Survey, the BMC should do more to recognise this key group of members and more fully support their involvement and interest across the organisation.

Strategy and Policy

Introduction to changes

The consultation revealed strong support for the recommendations on strategy and policy, particularly around initiatives to improve engagement of the membership in these key areas. No recommendations in this section have been changed in substance, though strong views and a few misunderstandings in certain areas have required the ORG to re-word some and furnish further detail on others.

In recommendations 7 and 8, the ORG has sought to clarify that the challenges of maintaining impact and relevance relate to membership growth, while potential access, conservation and environmental issues could result from growth in participation in climbing, hillwalking and mountaineering as a whole. Similarly, terms such as 'strategic partnerships' and 'core activities' have been explained in greater detail and the important contribution of clubs has been more fully recognised. The ORG acknowledges that the Olympics remains a controversial subject for some members, but wishes to emphasise that recommendation 15 is strictly about communication of a position, rather than recommendation of a policy.

Amended Recommendations

Recommendation 7: The BMC must understand and define the breadth of its membership and understand the balance between attracting new members and over-expansion so that it retains focus and relevance

This recommendation has been amended in order to remove the reference to access, conservation and environmental issues, which have been moved to recommendation 8. Following feedback, the ORG felt that the original recommendation potentially conflated the growth in membership with a direct environmental impact, which was not intended.

The ORG recognises that a growth in overall participation in climbing, hillwalking and mountaineering could have an impact on the environment. However, it believes that this is unlikely to be as a result of membership expansion, which would be largely drawing from existing participants. The BMC should focus on attracting new members, as required, to ensure it maintains a representative balance of all climbers, hillwalkers and mountaineers, and therefore credibility in representing their views.

Recommendation 8: The BMC should responsibly encourage growth and participation in all areas of the activities that it represents, recognising the access, conservation and environmental issues that growth could cause

As per the commentary for recommendation 7, this recommendation now has the addition of access, conservation and environmental considerations. The BMC must balance the desire of its membership to encourage participation against the need to preserve finite and often fragile environments, and ensure continued access to the crags, hills and mountains of the UK within a landscape of increasing participation.

Recommendation 10: The BMC should ensure that it is financially stable, has a reserves policy and that core activities are sustainable through self-generated income, both from membership fees and commercial activity

This recommendation has now been simplified to specify that the BMC's core activities must be able to be funded by self-generated income (without being reliant on grant funding). The Board of Directors, in consultation with the Members' Assembly, should clarify to members what it defines as core activities. In addition the ORG emphasises the need for a 'reserves policy' to ensure that the BMC has sufficient funds in its bank account to operate sustainably.

The ORG wishes to note that this does not mean that the BMC should not continue to seek grant funding (whether itself or via a charitable subsidiary), but clarifies that should this funding be withdrawn or in the event grant funding is not available, the BMC can still continue to be financially sustainable.

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 (for example, new and young indoor climbers) and commercial purposes (for example, insurance)

The title of the recommendation has been changed to be more specific and give examples for both 'partners' and 'commercial purposes'. The intent of the recommendation remains unchanged.

Recommendation 12: The BMC should ensure it recognises the contribution of clubs and their members to climbing, hillwalking and mountaineering and further develop its strategies to support its broad range of affiliated clubs

From the inception of the BMC in 1944, clubs have been at the heart of the organisation. The ORG felt it necessary to strengthen the support for clubs in some recommendations, including on the Board of Directors (recommendation 26). In this recommendation the ORG

deemed it important to clarify that the strategy for supporting clubs should be broad ranging and recognize the many ways in which clubs contribute to climbing, hillwalking and mountaineering.

This recommendation now provides stronger recognition of the contributions that clubs and their members make to climbing, hillwalking and mountaineering, not just as advocates and educators on the pathway into these activities, but in their important work on guidebooks, supporting and maintaining huts and providing a strong base of volunteers for the BMC's work.

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

This recommendation has not changed. However, consultation revealed some confusion as to what strategic partnerships referred to, and indeed, who these partners were.

To clarify, the purpose of this recommendation is to encourage the BMC to increase and strengthen collaborations that will help deliver its vision and support the range of activities under its umbrella, e.g. perhaps with organisations such as Mountain Rescue, National Parks, Ramblers Association or RSPB. It does not refer to the type of commercial partnership recently undertaken.

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

This recommendation has not changed. However, based upon the feedback the ORG received, it was felt necessary to clarify to members that this recommendation is not about whether or not the BMC should support climbing as an Olympic sport. This recommendation asks the BMC to communicate to its members, partners and stakeholders the extent to which it supports, and intends to support, both the inclusion of climbing in the Olympic Games, and British athlete participation in them.

Corporate Structure

Introduction to changes

The recommendations on corporate structure were broadly well received and are largely unchanged. However, the ORG considers it appropriate to clarify some recommendations, and tweak others. The ORG has, for example, taken further advice on why it is not appropriate for the BMC to convert to charitable status. Changes are also proposed to the recommendation concerning Wales/Cymru to be clarify intent, and to the recommendation regarding competitions to propose a more inclusive solution.

Amended Recommendations

Recommendation 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

Some feedback considered that the ORG had been too quick to reject the idea of the BMC becoming a charity, and that further consideration should be given to this before any decision is made. Others pointed out that the tax benefits to becoming a charity should be reviewed - in particular Gift Aid on member subscriptions - which could increase the BMC's income. Some pointed to other sport and recreational organisations which have organised themselves as charities.

The ORG has previously taken specialist legal advice on this issue and, following discussions with the BMC's Finance Committee, the ORG has also sought a view on the tax/financial position from the BMC's auditors. It is clear from that combined advice that, whilst becoming a charity does offer some financial and tax advantages, those advantages need to be considered in the broader context of what it means to be a charity.

There are three main reasons why we are maintaining our recommendation. First, the BMC would not be able to "simply" convert to a charity as its purposes and some of its activities are not exclusively charitable. The BMC's primary activities are member focused and not for the wider public benefit. Additionally, existing charitable activity in itself is not sufficient to meet the test for charitable registration.

Second, while there would undoubtedly be some tax advantages, they do not on their own constitute a good reason to convert to a charity. In addition, they would in all likelihood be limited by the BMC's member-focused activity. For example, it is expected that under the

current modus operandi, Gift Aid would likely only be available on a small portion of member subscriptions.

Finally, and perhaps most importantly, charitable status today brings with it a very significant additional legal and regulatory compliance burden and cost, which the ORG considers would currently outweigh any potential benefits. Whilst the ORG accepts that other membership organisations have gone down this route, many do not cover such a wide range of activities as the BMC and have also dealt with the 'public benefit vs member benefit' challenges. This also means that they have accepted the regime which applies to charities and organise themselves accordingly. Anecdotally the ORG understands that some that have taken this route are struggling with the compliance burden.

The ORG's view is that any decision as to whether charitable status is right for the BMC should be based on its strategic direction, now and in the future, and what the members of the BMC want from and for their organisation going forward.

Therefore, whilst the ORG does not consider that this is the appropriate time to recommend conversion of the BMC to a charity, it does recommend that this is the subject of periodic review by the Board. In the meantime, as noted in the original report, there are specific BMC activities which are already charitable in nature which may be better routed through a charitable subsidiary. This should be seriously explored.

Recommendation 22: The BMC should ensure that it has 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 currently known to be 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)

The ORG Report highlighted that the BMC's existing charitable subsidiaries are not currently compliant with company and charity law, and that the BMC does not currently have effective oversight and governance of them. Whilst the recommendation is unchanged, the ORG considers it important to emphasise that its implementation is likely to be a substantial project, involving root-and-branch reviews of the constitutions, governance and operations of each of the three subsidiaries. Moreover, this work needs to be carried out as a priority given that the subsidiaries are currently legally non-compliant.

The ORG notes here the position of Mountain Training Trust (MTT). MTT is the charity established by the BMC with Mountain Training UK and Mountain Training England to

operate the national mountain sports centre at Plas y Brenin on behalf of its owner, Sport England. The three members each nominate a Director/Trustee to its Board. MTT has in recent years undergone a thorough governance review and operates to the Sport England governance requirements (and thereby good governance). The ORG therefore does not envisage that the review contemplated in this recommendation will extend to MTT.

Recommendation 23: The BMC should explore the potential for a clearly defined sub-group, or creation of a wholly owned subsidiary for some of its commercial activities

This recommendation remains unchanged in its intent, but the ORG wishes to ensure that members understand that this is a direction to ‘explore the potential’, and should only be carried out if felt beneficial after financial and cost/benefit analysis. Such a sub-group, or subsidiary, could provide a separate vehicle for existing and new commercial activities, including, for example, the sale of insurance to members and non-members and commercial partnerships.

Recommendation 24: The BMC should create a joint subsidiary for competitive activities in partnership with Mountaineering Scotland and other relevant home nation governing bodies for the purposes of managing competitive activities and to support elite level competitive activities such as Team GB

Following the member consultation and discussions with Mountaineering Scotland, the ORG felt compelled to strengthen and amend this recommendation. The ORG recommends that a joint subsidiary should be created, in partnership with Mountaineering Scotland and where appropriate, other recognised UK governing bodies for relevant competitive activities. This is required to ensure transparency of decision making in relation to all aspects of the Olympics and competitions across the home nations.

In light of the BMC’s recent acceptance as the governing body for ski mountaineering and the UK’s representative to the International Ski Mountaineering Federation (ISMF), the ORG notes that ski mountaineering will be an activity within the competitive activities covered in this recommendation.

The ORG recommends that the BMC set up a working group as soon as possible to consider how best to implement this recommendation. This working group should include representatives of Mountaineering Scotland to involve them in the strategic development of this recommendation and ultimately in the governance, and relevant committees related to this subsidiary. The working group should also consider engaging with other home nation governing bodies for competitive activities within climbing, hillwalking and mountaineering as they see fit. This could include Mountaineering Ireland.

Recommendation 25: The BMC should research the benefits of creating a sub-group or subsidiary to support its operations and activities in Wales/Cymru, and to help maximise region-specific funding opportunities

The original recommendation received a significant amount of polarised feedback and misinterpretation so the ORG has updated the recommendation to clarify intent, explain why this has been recommended and the further action required. The ORG notes that this recommendation was positively received by Welsh BMC members during consultation.

The ORG wishes to clarify that there is no intention to separate Wales/Cymru from the BMC. It would remain a core part of the BMC, whilst recognising its specific identity, its language, and its autonomy as a nation within the UK. Indeed the ORG's recommendations overall are intended to bring greater cohesion to all facets of British climbing, hillwalking and mountaineering.

To clarify, the ORG proposes the BMC should set up a working group to consider the specific details of this recommendation and carry out a full cost/benefit analysis of whether it is of benefit to create a sub-group for Wales/Cymru.

A number of bodies, including the Welsh Assembly, hold requirements for a specific presence by a body in Wales in order for that body to receive regional specific funding from them. The BMC should research the corporate structures available to allow it to take advantage of such funding opportunities.

The outcome of this recommendation brings benefit to all BMC members, whichever BMC local area they belong to. The ORG urges BMC members to consider the volume of participation in climbing, hillwalking and mountaineering that occurs in Wales, and the number of visitors to Welsh mountain areas.

Governance

Introduction to changes

This area of the original report attracted much attention and feedback, specifically around the balance of member representation across the governance structure of the organisation. Key concerns centred upon:

- perceived dilution of member representation across both the Board and Members' Assembly
- concern around an increase in Senior BMC staff influence in the governance structure
- the transparency in the way the Board operates
- the way in which the President and Chair of the Board operate - ensuring that the President is able to effectively participate in the governance of the BMC
- the role of the Members' Assembly, Partners' Assembly, funded partner organisations and Mountaineering Scotland
- the methods in which the broader membership can participate and contribute to the governance process
- the relationship between the Board and the Patrons

The ORG received many alternate proposals and is grateful for assistance from a wide range of parties. The backdrop to the current recommendation changes is the desire to meet the clear and overriding requirement of the ORG Terms of Reference to deliver best practice governance in the sport and recreation sector, and remain compliant with the Code for Sports Governance, whilst trying to look at ways to address and meet some of the proposals received. The Board structure (and its Nominations Committee) in particular has received a significant amount of thinking and attention in order to accommodate some of these viewpoints.

The issue of Board primacy has been a heavily debated topic, with some strong views asserting that this is at best, a very difficult balancing act, and at worst, impossible to achieve in a member-led organisation. The ORG has looked closely at this and believes that careful crafting of a schedule of 'reserved matters' for the Members' Assembly, as well as further clarity on rights of the Members' Assembly, will allow the members to still control the issues that matter closely to them, whilst allowing the Board to operate within its fiduciary duty to drive and protect the organisation. This can be done without compromising good governance.

Amended Recommendations

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

This recommendation is one in which some of the more significant changes have been made. There are a number of constraints on the structure and make-up of a Board of Directors that will meet the governance standards that the ORG's Terms of Reference require. Feedback has been balanced against these constraints and also what is considered good practice.

From the initial recommendation, the ORG recommend that the BMC:

- increase the size of the Board of Directors from eleven to twelve members
- reduce the number of staff Directors from three to two, and define these two positions to be the CEO and the Finance Director
- add the President as a full member of the Board
- add an elected Members' Assembly Director to specifically represent clubs
 - It will be for the Members' Assembly to decide how best to represent clubs through this role
- add a nominated Director from Mountaineering Scotland
 - The ORG requests reciprocity of a full voting BMC Director on the Board of Directors of Mountaineering Scotland, with the understanding that this may take some time to implement
- remove the Partners' Assembly Director and replace them with a nominated Director from the funded partners
 - Should this role be unable to be filled, for example, if there are no funded partners from time to time, then a nomination should be sought from the Partners' Assembly.

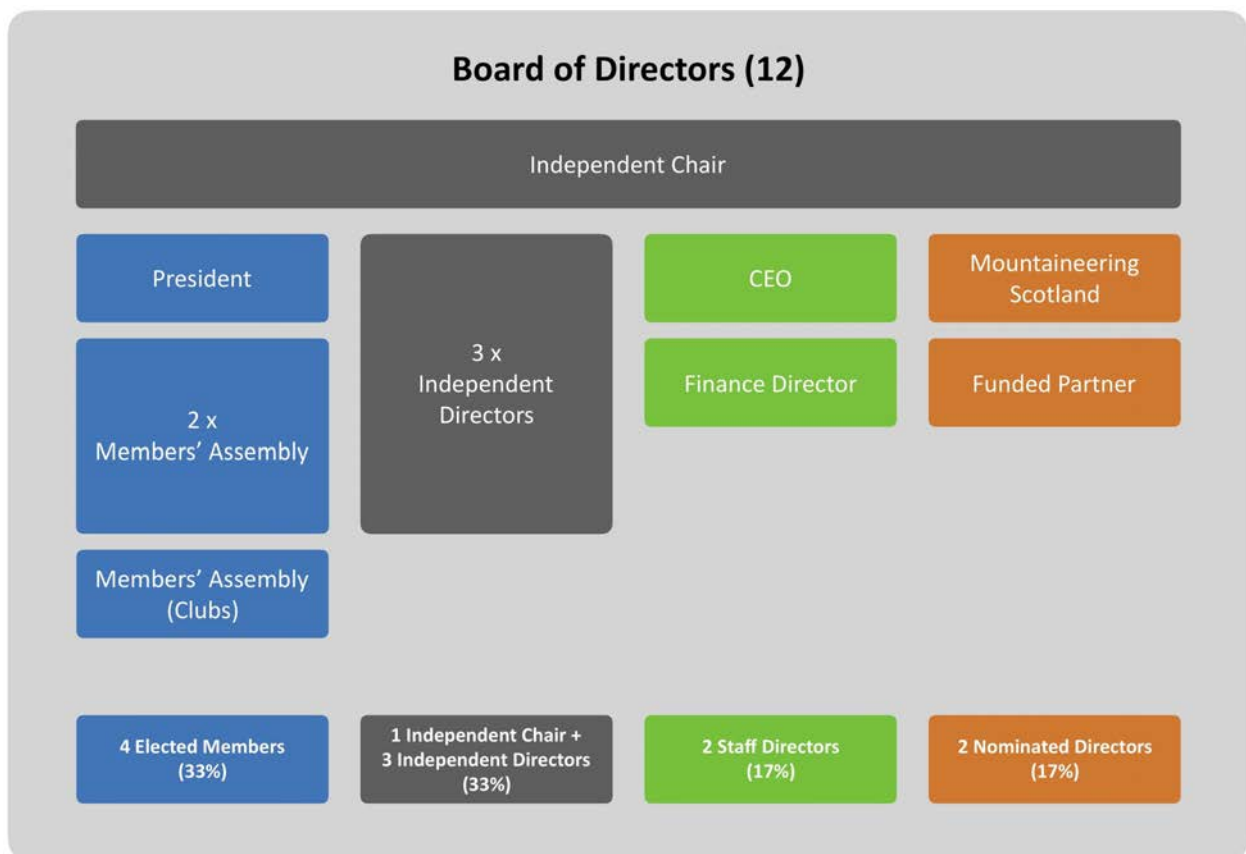
For the avoidance of doubt, and in order to support BMC members reviewing this recommendation, the Sport England Code for Sports Governance, in simplified terms, requires:

- a maximum Board size of 12
- a maximum of 33% elected "council" Directors (i.e member elected representatives)
- a minimum of 25% independent Directors
- a minimum of 30% gender diversity and a general commitment to diversity

- that the appointment of the Chair and independent Directors must be via an open, publicly advertised recruitment process.

These requirements are broadly mirrored in the Sport and Recreation Alliance Principles of Good Governance for Sport and Recreation (which the ORG considers to set out best practice for governance in the sector), as well as other relevant governance codes.

As such, the Board of Directors is now comprised as follows:



It will be noted that it is recommended that the President now sits on the Board of Directors and that this is a significant departure from the position taken by the ORG in the original report. The ORG remains of the view that the President being separate from the Board would provide a stronger and more independent check and balance on behalf of the members. However, the ORG have recommended what is believed to represent the best balance between good governance practice and what the feedback suggests will be accepted by the membership.

The ORG recognises that this amended recommendation and the proposed make-up of the Board of Directors could make it more difficult for the BMC to achieve the requisite Board diversity. The BMC should be mindful of this and seek to have gender diversity within each

of the four categories of Director where possible, as well as reviewing its wider diversity in line with the protected characteristics of the Equality Act 2010.

Recommendation 29: The Board of Directors should establish a Nominations Committee and a Finance/Audit Committee

There were strong views that the Nominations Committee should contain more member representation. The concern was that if the BMC was truly to be run for the benefit of its members, these members should have more influence over the appointments of senior personnel such as the Chair, independent Directors and Senior Leadership Team.

Recognising this concern, the ORG now proposes that the Nominations Committee should comprise the Chair, the President, two independent Directors and one Members' Assembly Director. This will strengthen member representation on the Nominations Committee. Not only will the President be a member (as originally proposed), but there will also be a further Members' Assembly Director. To ensure good governance, it is important for independent Directors to constitute a majority on the Nominations Committee. Otherwise, there will always be a risk of a perception of appointments being influenced by affiliation.

On further consideration, the ORG also recommends that the Finance/Audit Committee should comprise the following three members as a minimum: an independent Director appointed to have a finance portfolio, who will act as Chair; the Finance Director (see recommendations 26 and 41); and a Members' Assembly representative with financial experience. Other positions on this Committee should be at the discretion of the Board.

Recommendation 31: In addition to publishing minutes (excluding any sensitive matters) after every meeting, the Board of Directors should produce a communiqué (summary of key themes and discussions), to be published on the BMC website

Some comments in the feedback questioned the value of a Board communiqué, in the absence of publication of the Board minutes themselves. Others wanted clarity about the type of matters that would or should be covered in such a communiqué.

In the ORG's view, the content of the communiqué must be for the Board to decide on each occasion, but the principle is that it should contain a member-focused and easily digestible summary of the issues discussed at the meeting. For clarity, it is also recommended that the Board minutes of each meeting should also be published and available to members, recognising that the Board may not be able to report (and will have to redact the minutes for) sensitive issues such as personnel matters, or for reasons of commercial confidentiality.

Recommendation 32: The Board of Directors must work with the Patrons to create a strong basis for working relationship and clarify the mechanism for bringing new Patrons into the organisation

In light of feedback from existing Patrons and the wider consultation, the ORG is proposing significant changes to the detail of this recommendation, resulting in a less regimented framework.

It is now recommended that Patron appointments should be at the discretion of the Board, in consultation with the Members' Assembly. The Nominations Committee would not play a role.

The Patrons welcomed the proposal for a meeting at least annually with the Chair and President to discuss their activities, wider BMC activities, and how best to perform their roles. The ORG considers it to be the Board's collective responsibility to bring about a good working relationship with the Patrons and precise terms of reference for dealings between the Board and the Patrons should be established as soon as possible. The Board of Directors should have a power to remove Patrons in exceptional circumstances where their actions bring the BMC, or climbing, hillwalking and mountaineering into disrepute.

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

There were two important themes to the feedback on the recommendation for the National Council to be replaced by a Members' Assembly. One sought more information about how this new body would function. The other sought clarity as to how it would meet one of the most important roles it was tasked with; scrutinising the work of the Board and holding it to account.

One group objected to the concept of the Members' Assembly. It suggested that the ORG's recommendation would lead to the same muddling of roles and responsibilities which exists under the existing National Council/Executive Committee arrangement, and that it will not improve or increase member participation in the BMC. This group considers that such a body is unnecessary in a membership organisation.

Whilst the ORG has considered these objections carefully, it remains of the view that the Members' Assembly, as proposed, is critical in the context of such a diverse organisation with so many members. A representative body such as this is a common feature of other membership organisations in the sport and recreational and other sectors.

The new Articles would be specifically drafted to avoid the confusion of responsibilities which currently exists and make clear which body had which roles and responsibilities. Further, together with this recommendation, which includes appointing four independent members (appointed and elected directly from the membership) to the Members' Assembly, the ORG has proposed a number of steps designed to improve member engagement and participation – see for example recommendations 16, 17, 18, 19 and 38. All can and should be taken advantage of by the Members' Assembly. In recommendation 37 the ORG also proposes a review which should result in increased member participation in and via Local Areas. Finally, the ORG regards it as unrealistic to expect members in a membership organisation of the size and complexity of the BMC to effectively scrutinise and hold to account the Board of Directors without a representative intermediary body specifically empowered to do so.

The original recommendation therefore stands, but further detail on how the Members' Assembly will fulfil its function is included below.

In terms of scrutinising and holding the Board to account, the following is recommended in addition to the original recommendation:

- As noted in recommendation 26, there should be four Members' Assembly Directors, of which one will be the President, on the Board. One third of the Board will therefore come from the Members' Assembly, ensuring a strong member representative voice at Board level.
- The Members' Assembly should have the right to compel an audience with the Chair and/or the Board as a whole (and the Board should be able likewise to compel an audience with the Members' Assembly).
- The Members' Assembly should have the power to call a general meeting of members or to require resolutions to be put to the members at a general meeting called by the Board, subject to:
 - having first discussed the relevant issues at a formal meeting with the Board;
 - having also exhausted applicable grievance procedures, for example such as that proposed in recommendation 39; and
 - after a vote in favour of at least two thirds of Members' Assembly members.

The Board and the Members' Assembly should also work together to agree a communications plan enshrining these principles and setting out in broader detail how the two bodies will interact, with a view to ensuring a healthy and transparent working relationship between the two bodies.

These rights go alongside the “Schedule of Reserved Matters” as proposed in the original report. The ORG emphasises that the Schedule will need to be developed fully in the implementation phase, but minor amendments are envisaged, as listed below. Following consultation with partners and stakeholders the ORG recommends that the reserved matters should reflect at least the following:

Schedule of Reserved Matters

Matters requiring approval from the Members' Assembly	Matters requiring consultation with the Members' Assembly
<ul style="list-style-type: none"> ● Approval of the BMC's vision and organisational strategy ● Change of corporate structure, merger or business acquisition ● Establishment or winding up of subsidiaries ● Changes to the rights of members or the Members' Assembly ● Any change to the proportion of members required to trigger statutory procedures for calling and proposing resolutions to be considered at a general meeting ● Change of name or branding 	<ul style="list-style-type: none"> ● Job descriptions and objectives for the CEO, the Finance Director and any other SLT appointments ● Establishment of new sub-committees ● Changing the BMC's registered office or year end. ● Major acquisitions and borrowing/spending decisions ● Appointment of Patrons

The ORG considers that the detailed operations of the Members' Assembly should be determined by the Members' Assembly itself. However, in that context two core features are proposed.

First, the quorum should be weighted in favour of Local Area representatives and the four independent member representatives (who are directly elected from the membership). Second, it should be for the Members' Assembly to determine the process for appointing the independent members. However, the ORG recommends that the Members' Assembly should cast the net wide when seeking candidates, taking advantage of the various methods of improved member engagement recommended elsewhere in the original ORG report to identify candidates and invite applications. This will assist the Members' Assembly to capture the best candidates and improve its prospects of meeting the diversity targets to which it should aspire.

The ORG recommends that the Members' Assembly should undertake a three yearly review of its effectiveness as a check and balance on the Board, and in ensuring the voice of the membership is heard in debates about the BMC's policy and strategic direction.

Similarly, the ORG also recommends that the Member's Assembly should commit itself to the same diversity requirements as the Board of Directors. It should review itself annually, in partnership with the Board of Directors, to reflect on whether or not it represents the diversity of the membership and the participant landscape of climbing, hillwalking and mountaineering. The Members' Assembly should publish the outcome of this review to all members including, if required, the steps it plans to take in order to address any issues it identifies.

The original ORG report recommended that a summary of each Members' Assembly meeting should be published on the BMC's website and circulated to Local Areas. As with the Board, we consider that the minutes of Members' Assembly meetings should be similarly published.

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 remains unchanged. The ORG wishes to draw attention to the addition of the President on the Board of Directors, as a voting member. However, the ORG remains firmly of the view that to ensure that the appropriate system of checks and balances is in place, that the person who chairs the Board of Directors should not also be the person who leads the Members' Assembly i.e. the body which holds that Board to account.

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

Feedback on the original report sought further information about which partners would join the proposed Partners' Assembly, whether it would include commercial partners, and how it would be constituted and operate.

The ORG does not foresee commercial or profit-making partners joining the Partners' Assembly. Rather, we would expect its members to be other organisations (which might include non-profit making businesses) engaged in the climbing, hillwalking and mountaineering sector, such as Mountain Rescue, Mountain Training UK, Mountain Training Trust, ABC, ABCTT, Outdoor Industries Association, other organisations for which the BMC

bids for and obtains grant funding, and other home nation representative and governing bodies. The ORG considers, however, that the Board should have discretion to decide who to invite to join and the Members' Assembly should be able to recommend to the Board that a particular organisation be appointed.

The initial terms of reference should be prepared by the Board of Directors, but should be approved by the Partners' Assembly, which should also review them from time to time.

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 remains unchanged, though it was felt that further information needed to be added to the ORG's original commentary. The key desirable outcome is that the membership and the Members' Assembly will have a greater understanding of the work done by the volunteers on the Specialist Committees and Working Groups, engage them directly in the development and delivery of the BMC's vision, and ensure that there is the appropriate balance between operational and specialist policy-making bodies in the governance structure. With this in mind, the BMC should set up a working group as soon as possible to carefully consider the roles of all Specialist Committees and Working Groups, their terms of reference, and critically, which Specialist Committees are required to have delegated authority from the Board of Directors.

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 unchanged, but feedback required some clarification be made. Firstly, it is important to reiterate that Local Areas and their committees are an important part of member representation. The question of realigning area boundaries to better represent the spread of members was discussed, but it was felt that this was not of immediate priority. Any changes that the BMC wishes to make to Local Area boundaries should only be reviewed at a later date, once the present organisation and governance changes have been implemented. The ORG considers that this is a very significant additional piece of work, which could have a number of unintended consequences on how the BMC makes policy and works with its volunteers, and should not be recommended, nor investigated, alongside this current review.

Local Area Committees should be the hub for local BMC volunteers, and should work with BMC staff to engage greater attendance, as well as gaining a more representative view of the members in their area. The ORG has recommended that the BMC introduce digital methods to discern member views and that Local Area Committees should use such

platforms to understand the wider views of their members and thereby represent them more accurately at the Members' Assembly.

Recommendation 38: The BMC should implement an online voting platform in order to increase member engagement in its General Meetings

Whilst this recommendation remains unchanged, the ORG thought it necessary to clarify a number of points that have been raised during feedback. Firstly, the use of electronic proxy voting at General Meetings, including AGMs, is commonplace in many modern organisations. There are a number of different ways in which electronic voting can be implemented, from enabling proxy voting online, to voting electronically during a live General Meeting.

In its simplest form, the BMC can collect proxy votes from verified members via a secure internet based platform, in advance of a General Meeting. This can happen in parallel to traditional methods of voting, or proxy voting, whilst ensuring that members votes are only counted once.

An example of such a platform is ERS Votes: <https://www.electoralreform.co.uk/election-services/agm-proxy-voting/>

The ORG understands that implementation of an online proxy voting platform, such as ERS Votes, does not require a change to the current M&AA. The ORG recommends that a service such as this should be implemented at the earliest opportunity, and ideally, in advance of any future General Meetings. Whilst there is a cost implication to this recommendation, the ORG feels that this is critical to engaging the BMC's wider membership effectively in its governance.

Other ways of voting electronically, such as digital or online voting during a live AGM, may require amendments to the existing M&AA. Consideration of other ways of voting digitally should be carried out at a later date if it is deemed necessary, including a full cost/benefit analysis.

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

The ORG wishes to clarify two points about this recommendation.

Firstly, we do not see the proposed process applying to grievances about the conduct of individual Directors, staff members or volunteers. Such grievances should be subject to

formal BMC policies (such as the existing grievance policy) which allow for a fair and effective investigation and resolution of such complaints.

The ORG does recommend that the BMC should introduce a policy statement setting out some principles designed to ensure that all those involved in the BMC, including members, conduct themselves in a way which respects others and supports the vision, aims and values of the organisation. Members can be asked to accept these on joining or renewing their membership.

The grievance process recommended in the ORG's original report would apply to complaints made by members about the way the BMC is being managed and governed. This might include concerns that management is departing from the vision or organisational strategy, about proposals in relation to future activities, or how decisions taken by its management and representative bodies are being made and implemented.

Secondly, it was originally recommended that Board should, when drawing up the grievance process, decide whether the number of members who can call a General Meeting should remain at the Companies Act 2006 statutory maximum of 5%. Some feedback thought this too high. However, in light of the proposal in recommendation 33 to grant the Members' Assembly power to call a General Meeting and require resolutions be put to the members at a General Meeting, the ORG considers the 5% statutory maximum to be an appropriate level for action, which should only be necessary as a very last resort.

Recommendation 40: The BMC should review any Memorandum and Articles of Association amendments, including those of its subsidiaries, after three years in order to evaluate their effectiveness, and every three years thereafter

This recommendation remains unchanged, though the ORG feels it necessary to make clear to members that these periodic reviews are not intended to be reviews undertaken at the same level of depth and detail as the current ORG review. Such reviews should be undertaken to ensure, initially, the effectiveness of the implementation of this current ORG review, and subsequently, that they are relevant to the political, legislative and good governance environment at the time.

Culture, Leadership and Management

Introduction to changes

The eleven recommendations in this section were well received during our consultation, and it was felt that there was broad agreement from members and stakeholders. Whilst many respondents felt unable to comment on this section due to limited experience of the BMC's leadership and management, a number of those consulted echoed the ORG's view and recognised the importance of the recommendations made in this section.

Though there is only a single change in this section, the ORG sees the implementation of these recommendations as fundamental to the success of the BMC and they should be taken forward as soon as possible.

Amended Recommendations

Recommendation 41: The Senior Leadership Team should be expanded and must include the two staff Directors, the CEO and the Finance Director

This recommendation has been updated to reflect the changes in the structure of the Board of Directors, and to ensure that the BMC has the specific balance of skills the ORG felt were required in its Senior Leadership Team. The Senior Leadership Team should include at least the two staff members who will take an ex-officio position on the Board of Directors, and therefore hold, alongside the rest of the Board of Directors, legal and fiduciary responsibility for the BMC. These two staff Directors should be:

- the CEO, who is responsible overall for building the culture of the BMC, the day-to-day management decisions and for implementing the BMC's business plans; and,
- the Finance Director, who is primarily responsible for managing the financial risks for the BMC, financial planning and record-keeping, as well as financial reporting to the Board of Directors and Members' Assembly.

Save for those two individually defined staff Director positions, it is left to the discretion of the Board of Directors to manage the overall size of the Senior Leadership Team, as required by the BMC from time to time.

Glossary of Terms

Following the consultation, it was felt necessary to define and clarify a number of particular terms that have been used through the ORG's original report and this document.

Business Plan

The business plan will be prepared by the Senior Leadership Team to summarise, based on the requirements of the organisational strategy, the BMC's operational and financial objectives for the near future (one to three years) and to show how they will be achieved.

Directors

Those persons appointed to serve on the Board of Directors of the BMC in accordance with the requirements of the Articles from time to time. Directors have legal and fiduciary responsibility for management of the BMC.

Elected Directors

Those persons appointed to serve on the Board of Directors of the BMC via an election process, either from the full membership at a General Meeting, or via the Members' Assembly in accordance with the requirements of the Articles from time to time.

Funded Partners

The organisations with which the BMC partners (in its role as the overall representative body for climbers, hillwalkers and mountaineers) in order to obtain grant funding from public bodies. As part of the current "whole sport" Sport England grant funding application these are: Mountain Training UK (MTUK), Mountain Training England (MTE), Association of British Climbing Training Trust (ABCTT), and the Association of British Climbing Walls (ABC).

Governing Body

A group or organisation tasked with the governance of a particular activity. In the context of sporting and recreational activities, governing bodies are responsible for setting and administering rules and regulations governing participation, including in competitive versions of the activity.

Home Nations

The home nations are the four countries of the United Kingdom: England, Scotland, Wales, and Northern Ireland. In certain sports contexts, the phrase refers to England, Scotland, Wales and the whole island of Ireland. Currently, the home nations representative bodies for climbing, hillwalking and mountaineering are the BMC, Mountaineering Scotland and Mountaineering Ireland.

Independent (Director/Chair)

There are various accepted definitions of "independence" in the context of directorships. All have the same key features, although their detail varies. For a membership organisation, the ORG considers that the approach to independence can be at the more flexible end of the scale, and that ultimately it must be for the Board to determine who qualifies. However, the ORG suggests that the BMC should regard as independent an individual who:

- has not been an employee, Patron, National Council or Executive Committee member (and in due course, assuming the recommendations are implemented, has not been a member of the Members' Assembly, Board of Directors, or Partners' Assembly) in the last five years, and has no other material financial or business relationship with the BMC or its subsidiaries from time to time; and
- has no significant links with any of the other Directors through involvement in the management of, or a material financial or business relationship with, other companies or organisations.

For the avoidance of doubt, an independent Director can be a member of the BMC (but does not have to be) and/or a volunteer for the BMC and/or a member of a Local Area Committee, Specialist Committee or Working Group, as long as s/he does not also fall into the categories above. A material financial relationship should not include receiving from the BMC or another relevant business or organisation a Director's fee, expenses or a pension. The ORG expects that in the majority of cases an independent Director will have interest and involvement in climbing, hillwalking or mountaineering.

Nominated Director

Those persons appointed to serve on the Board of Directors by other organisations or stakeholders outside the BMC, for whom there is a role reserved on the Board of Directors of the BMC under the Articles. Currently, per recommendation 26, the ORG recommends this for a representative, who is a Director, of Mountaineering Scotland and a representative, who is a CEO or Director, of one of the BMC's funded partners.

Organisational Strategy

The organisational strategy will set out how the BMC needs to evolve over time to meet its targeted state as per the vision, along with a detailed assessment of what is required for that to be achieved.

Partner

A company or organisation with which the BMC works, in support of a joint aim, for the benefit of both companies/organisations and/or the wider climbing, hillwalking and mountaineering sector.

Representative Body

A group or organisation formed to represent the interests of a wider group of people or organisations interested in a particular activity and/or sector in dealings with government and other organisations and sectors.

Sub-group

A group formed within the BMC to manage a particular aspect of its activities, which is likely to have a separate business plan and a specific budget (as subsets of the BMC's overall business plan and budget), and specific individuals allocated to act as managers and staff for the relevant activities. The sub-group would not be a separate company to the BMC, however, and ultimately the BMC's Board of Directors would be responsible for it.

Subsidiary

A company which meets the definition of "subsidiary undertaking" in section 1162 of the Companies Act 2006. Essentially, this will in most cases mean a separate company which is owned or controlled by the BMC. Where this report refers to a joint subsidiary, it will be a separate company owned or controlled by the BMC in partnership with (an) other organisation(s).

Senior Leadership Team (SLT)

The CEO and the Finance Director, and other additional staff members designated to such a role by the Board of Directors.

Stakeholders

Those interested in the success of the BMC. They include the members, employees, volunteers, clubs, partner organisations, suppliers and even local communities affected by its activities. Under section 172 of the Companies Act 2006, the Board of Directors is effectively responsible for managing the BMC in the way most likely to promote the success of the BMC for the benefit of its members, but also taking into account the interests of other stakeholders.

Vision

A statement of the BMC's purpose, core values and future aims and aspirations, both in terms of its role as a membership organisation and its place in the wider climbing, hillwalking and mountaineering sector. See recommendation 2 in particular. The vision will serve as the foundation for the organisational strategy.

Appendix: ORG Financials

The current expenditure for ORG stands at £49,889.25. At the ORG report launch in November the estimated costs to the end of November were £41,492.69.

The increased expenditure between the end of November and February is largely down to the member consultation survey, higher printing costs, member travel expenses and legal fees.

Save for the £6,000 payment to the Chair, and £2,526 to the secretary, the work undertaken by the ORG members has been voluntary and unpaid, excluding reasonable travel expenses. It is estimated that ORG members have collectively spent 1,500 - 2,000 hours of voluntary work on this report. It is not anticipated that ORG expenditure will rise significantly before the work is handed over.

Expenditure (May 2017 - Feb 2018)	Explanation	Total Cost
Members Survey and Consultation	20:20 costs etc	£ 12,722.02
Focus Groups	Cost of Groups excl ORG travel	£ 151.51
Legal Costs	Womble Bond Dickinson	£ 19,854.90
	Other Legals	£ 21.77
Presentation Costs	Printing Report	£ 3,133.92
	Kendal Presentation	No cost
	Other (video streaming etc)	£ 1,311.92
ORG Member's Costs	Secretarial costs	£ 2,526.00
	Chair	£ 6,000.00
	Travel Expenses	£ 3,274.98
	Other	£ 892.23
	Total:	£ 49,889.25

Appendix: Original Terms of Reference

The ORG has included the original Terms of Reference in order to provide a documented record of its terms against the final, and amended recommendations. It will be noted that the timeline has changed, and the ORG is no longer required to create the new Articles of Association. The recommendations have been handed over to the BMC for their consideration, response and implementation under a new working group with new terms of reference.

Independent Organisational Review Group Terms of Reference (May 2017)

1 Background

This Terms of Reference for the BMC Organisational Review stems from a discussion at the 11 February 2017 National Council meeting, the draft minute of which reads:

Item 5.4, National Council

The meeting then formally agreed to establish a Governance Working Group the scope and Terms of Reference of which should be agreed by the AGM weekend. [Note, the AGM was held on the 22 April 2017.]

Please note that whilst these Terms of Reference will be used to initiate Review Group activities they are subject to discussion at the forthcoming (spring 2017) area meetings.

2 Aims and Scope

To review, and suggest amendments as necessary to, the BMC's organisation, governance, and decision making structures in order that they may reflect current best practice in sector governance whilst continuing to act in the best interests of the membership; to recommend a new structure and mechanism to facilitate broader engagement and consultation with all BMC members on key areas of the organisation's work.

3 Objectives

- To reconsider and suggest amendments to the BMC Memorandum & Articles of Association (M&AA) to ensure that they reflect and comply with UK company law

and good governance in the sporting / charitable sectors; to draw on good practice and case studies from relevant sports organisations as appropriate.

- Without prejudice to the generality of the above, to consider whether the current powers and structures of the Executive Committee and National Council as set out in the M&AA reflect UK company law and to suggest amendments to the M&AA such that they do.
- In light of the above to reconsider whether the current decision making structures of the Executive Committee and National Council are fit for *purpose* and whether a better alternative exists.
- To assess the BMC's democratic structure, arrangements for the appointment of Elected Officers, and mechanisms for regional and national engagement with individual members, club members, and clubs, and identify how the BMC can best engage with all members on issues of particular importance.
- To consider and suggest appropriate organisational structure or structures for the BMC that reflect the diverse scope of BMC operations and how those diverse operations may each be best managed.
- With respect to the future and strategic direction of the BMC, identify areas where development or change is seen to be of potential benefit to the organisation and its members' interests. Noting that it is beyond the scope of this review to develop that future strategic direction, this development may form a follow-on phase.

The *purpose* referred to above is the desire that:

- The BMC's governance structure reflects the law.
- The BMC remains a member led organisation so far as is possible within the confines of the law.
- The desires of the members, in terms of policy and strategic direction of the BMC, are communicated to, properly considered and where appropriate acted upon by, the decision making bodies of the BMC.
- The decision making bodies are accountable to the members to an appropriate and reasonable extent.
- The decision making bodies and processes are transparent to an appropriate and reasonable extent taking into consideration that decisions taken may be commercially and / or legally sensitive or deal with personnel matters.

- The BMC remains, so far as is reasonably practicable, a volunteer led organisation and that the requirements on any individual volunteers are not so onerous in terms of time commitments, responsibility, and accountability that the BMC would struggle to recruit for that position.
- The term of any governing appointment is reasonable and appropriate to ensuring that the BMC benefits from a constant flow of ideas and talent whilst balancing this with the need to recruit and retain knowledgeable and talented appointees.
- The governance structure meets the requirements of Sport England's, "A Code for Sport's Governance" so far as is possible whilst meeting the above requirements.
- The recommended organisational structure(s) recognise that the diverse BMC operations (including representation, sports governing body, retail of insurance and other products, MHT, ACT, Crag Care Fund, ACEG, Mountain Training, etc.) may be individually managed in different manners to best serve these specific organisational functions.

Whilst considering all of the above to make any other recommendations that the Review considers appropriate.

In so far as the Review may wish to make recommendations about the extent and content of its Terms of Reference it should ensure that any such recommendations are communicated to the BMC as soon as practicably possible, such that these Terms of Reference may be amended if appropriate.

4 Timescale Considerations

- The review should be targeted to complete its initial phase within a 4 to 6 month period.
- Any additional or *follow-on* phases thought to be required should be identified and communicated to the BMC within this initial 4 to 6 month period.
- Suggest necessary steps to align with Sport England's "Code for Sport's Governance" by the end of October 2017.
- The 6 to 8 month period running up to the 2018 AGM will provide for consultation, including with areas and members.
- Suggested amendments to M&AA to be drafted and redrafted further to feedback gathered over the above period.
- Suggested amendments to M&AA to go to the April 2018 AGM.

5 Composition of the Review Group

The Chair of the Review Group will have the responsibility for inviting and recruiting members of the Review Group. The Review Group will be free to consult and interview any party considered to have input to the review process.

- Chair: Mr Ray Wigglesworth QC.
- 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.
- A secretary (volunteer / non staff).

