

BRITISH MOUNTAINEERING COUNCIL

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Board of Directors

Redacted minutes of the Board meeting held by way of GoToMeeting on Wednesday 15 July at 09.30am

Directors Present:	Gareth Pierce (GP)	Chair**
	Matthew Bradbury (MB)	Senior Independent Director (SID)
	Paul Drew (PD)	Independent Director
	Jonny Dry (JD)	Nominated Director (Fundraising)
	Huw Jones (HJ)	Nominated Director (Finance)
	Amanda Parshall (AP)	Independent Director
	Jon Punshon (JP)	Council Nominated Director (CND)***
	Lynn Robinson (LR)	President
	Fiona Sanders (FS)	CND
	Chris Stone (CS)	CND
	Jonathan White (JW)	Nominated Director (Clubs)

In attendance:	Lucy Valerio (LV)	Company Secretary
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* denotes supporting paper(s) circulated prior to meeting

** left the meeting at minute 2.6 and re-joined at minute 3

*** left the meeting at minute 3.1

Item	Topic and Main Aspects Considered	Decision / Action	Who	When
1	Welcome, apologies & declaration of interests The Chair reported that due notice of the meeting had been given. He noted that the CEO was still on sickness absence and had confirmed just ahead of the meeting that he would not be joining the meeting, so his apologies were noted. Accordingly, the Chair declared the meeting open. The Chair noted that an issue had arisen the previous day that was not on the agenda, but needed to be dealt with. He added that the issue involved the Chair and therefore it had been decided that the SID should chair this part of the meeting. The Board agreed to this. The SID noted that the meeting was quorate and said he would chair the following part of the meeting and he asked the Chair to let him know if the meeting reached the point where he was uncomfortable to continue to partake, and vice versa.			
		The SID chair the next part of the meeting.		

Item	Topic and Main Aspects Considered	Decision / Action	Who	When
2	The Chair's position			
2.1	<p>The SID noted that at present the Board was experiencing a governance crisis and was fragmented. He made the following points:</p> <ul style="list-style-type: none"> • there is a loss of confidence in the Board by some staff • there is a crisis in management, with a lack of resources, a new strategy, the pandemic and many other matters happening all at the same time • there is an investigation into a sensitive matter which was being conducted by a NED, but they have resigned from working on the investigation • he encouraged the Board to work together to solve a prioritised list of issues, without being too operational, to have an orderly conversation, let everyone have their say and to try not to get too emotional <p>He said that the following questions needed to be discussed:</p> <ol style="list-style-type: none"> 1) What are the core issues that the Board needs to deal with in terms of governance and administration, and what are the 'sacred cows'? 2) Can the issues be fixed by the current Board and the governance structure in place? 3) If yes, how can they be fixed, and how quickly can the trust of staff be repaired? 4) If the Board cannot move forward as one, then what and who gives way and when? <p>He suggested that the answers would lead to a set of actions, which would benefit the organisation. He said he would not let the meeting finish until there is agreement on the way forward.</p> <p>The Board agreed with this approach.</p>	<p>The meeting should discuss the questions listed and not move on to other matters until a way forward was reached.</p>		
2.2	<p>The President asked if the CEO should be party to the discussion. The meeting discussed this and felt as he was signed off sick he should not, as the Board were concerned for his health, and that the discussion was needed for the non-executive directors (NEDs) to deal with the issues arising between NEDs.</p> <p>It was also noted that the meeting was happy for the Company Secretary to remain present, as long as she felt comfortable to do so.</p> <p>The SID asked for the meeting to ensure that they did not use any specific names when dealing with some of the items to be discussed.</p>	<p>The CEO should not join the meeting.</p>		

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2.3	<p>The SID said he would now open the meeting up to discussion to enable the key governance and management issues to be unpicked. The first item to be discussed was a letter sent from a NED to the Board the previous day. It was noted the letter referred to the investigation taking place, which is still live and so names will not be used in case another NED has to pick up the investigation.</p> <p>The following points were made:</p> <ul style="list-style-type: none"> the NED noted he was resigning from the investigation as he felt he had not been properly supported in his work by the Chair, there had been multiple delays he had requested the Chair support him he had not had any response to some of his emails, <p>The SID noted the Chair had shared a substantive paper and asked if he wanted to respond. He made the following points</p> <ul style="list-style-type: none"> he agreed it was a difficult exercise the investigation had had its problems, but he felt it was now progressing and reaching its final stages it was unfortunate that the NED had not taken any account of the perspective communicated to him by the Chair before he wrote to the Board in his response to the NED's letter, he has tried to point to general lessons that can be learned and the Board need to reflect on how they end up in these situations, which he said is partly because of infrastructure weaknesses in relation to audit and assurance and there is not sufficient capacity he added that there are constraints to the organisation's governance structure within the articles of association (AoA) and specialist committees, but he felt the Board had it within them to deal with this and put the right arrangements in place. 			
2.4	<p>The SID then asked for further comments from the rest of the Board, it was noted:</p> <ul style="list-style-type: none"> the seeds of the investigation were sown about 12 months ago when two other NEDs were made aware of the issue this led to the Chair carrying out some initial enquiries, including taking advice from the auditors as they were preparing the year end accounts, they said it was a grey area on technical grounds but not material enough for a provision to need to be made within the 2019 accounts In March 2020 it was decided that an investigation was warranted the NED leading on the investigation had made it clear in June that unless progress was made they would resign 			

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	<ul style="list-style-type: none"> in December a former director raised a similar concern to another NED and this was flagged to the Chair following the board meeting of 29 January 2020 the Board was made aware of the investigation in May 2020 as it was mentioned as part of a paper prepared by the Chair, but no specific details were given due to its confidential nature despite the fact the investigation was of a financial nature it was agreed with the Chair that the NED asked to investigate was an appropriate choice as they had investigation experience, and the chair of the Finance and Audit Committee (FAC) should assist them the Board has communication issues and it often feels like a set of individuals rather than a team 			

The SID noted that it was clear that the investigation should continue, and that a solution to the issue of how and who should continue the investigation was needed.

- 2.5 The SID drew the strands of the previous discussion together at a high level, and said the meeting needed to consider:
- divided loyalties, especially regarding staff
 - is the Board operating as a set of individuals or as a team?
 - is the Board falling over the processes that are in place?
 - there is a need to balance culture with the pace of change
 - the landscape the Board is operating in at international and national levels should be reviewed
 - the stage the organisation is at in respect of change should be looked at in view of the capacity available – not just staff, but NEDs too
 - the responsibilities they have as directors, not just s.172 of the Companies Act 2006, but others: he mentioned that the seven principles of public life are a good place to start
 - the future success of the BMC as an organisation and the ability to operate and service the membership
 - how to balance and deliver the plethora of on-going projects
 - how the checks and balances work so there is confidence the organisation is being run by a competent team.

He opened up the discussion asking for thoughts on what the issues are, but also if they can be fixed, and how. A question was asked as to how the Chair and the President view their roles on the Board.

- the Chair said he sees his role as a co-ordinator and facilitator of what the Board needs to be involved in, and a driver of actions

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	<ul style="list-style-type: none"> he added that there is a lack of appropriate Board committees at the BMC and the Board as a whole has insufficient engagement with senior staff, he felt there were simple solutions to be found, but the organisation had to want to make them. <p>The meeting discussed this and the following points were raised:</p> <ul style="list-style-type: none"> other directors sometimes feel they are out of the loop, partly as a result of some directors taking on more executive type duties a good governance structure needs to be implemented, committees are not being used effectively and there needs to be greater trust there needs to be greater liaison with the Senior Management Team (SMT) a facilitated session is needed between the NEDs, CEO and SMT there need to be clear procedures in place so that when the Board has decided to do something there is something to show what actions should be taken, when and by whom, and if a person involved is not able to do the work they say so. 			
2.6	<p>The SID asked the meeting if within the current structure, and with current plans, the Board is able to move forward and rebuild trust. The meeting noted the following:</p> <ul style="list-style-type: none"> there is often no progress on significant issues within the BMC the collaborative approach, may not be the right approach, the BMC needs strong leadership there is a capacity issue, the Board should look at strengthening the SMT to provide more capacity and new insight there is sometimes under recording in minutes of what the Board has agreed to staff concerns need to be taken seriously there is lack of effective oversight of the bodies that the BMC owns or is involved in and this is partly down to weak leadership the Board has to work together as a team to solve the current issues <p>The Chair was asked what changes he felt needed to be made and how the BMC could be more agile. He suggested that:</p> <ul style="list-style-type: none"> there should be a focus on priorities, which should come out of a discussion about the strategic plan priorities should then be matched with the resources available there needs to be a clear mechanism as to how to deliver on those priorities other issues should not over-dominate Board discussions the Board should build a relationship with the staff decisions need to be made more quickly, there needs to be clear understanding of what does and does not have to go to National Council 			

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	<p>The SID asked the Chair if he wished to leave the meeting, the Chair felt this would be best. Before he left he noted that he was just over half way through his term and he was not intending to seek a further term, so if it was appropriate a new chair could be brought in for members to approve the appointment at the 2021 AGM.</p>			
2.7	The SID said the issue of the chair of the BMC needs to be picked up, and the Board need to find a collective way forward. The board had a full and frank discussion of the issues.			
2.8	<p>The SID outlined the options available to the Board:</p> <ol style="list-style-type: none"> 1) do nothing 2) look at the Chair's offer to stay as chair until the 2021 AGM and in the interim period recruit a new chair 3) ask the Chair to step down now and put in place an interim chair <p>He added there may be some nuances to add to the above options, such as training. He stated he wanted to be able to draw a conclusion, and a vote would be held if necessary.</p> <p>The meeting discussed the options and the following points made:</p> <ul style="list-style-type: none"> • Strong leadership is needed during the crisis the pandemic has created • Option 2 has the potential for real focus and a fresh start with clear objectives, whilst allowing for a smooth transition • Option 1 should not be chosen • The Chair should not be forced out • If option 2 is chosen, there should be an agreed timeline and focus of the actions for the Chair to undertake until he steps down • The BMC should not be left without a chair as it would then be rudderless and lead to reputational damage • The option chosen should be managed carefully • New chairs are not in abundance and any recruitment process would take months • The 2021 AGM felt like it was too far away to replace the Chair • In the event that option 3 is chosen or the Chair does not want to continue, there needs to be a contingency plan for an acting Chair, therefore the SID polled the Board as to whether any of the existing directors would be willing to act as acting Chair, with the result that PD said he would be willing to take the role if required 			

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	<p>The SID asked the Company Secretary to set out any provisions in the AoA with regard to the replacement of the Chair. The Company Secretary noted the AoA were silent, but article 20.4 allowed the organisation to remove any director by way of an ordinary resolution at a general meeting.</p> <p>The meeting adjourned for lunch.</p>			
2.9	<p>The SID resumed the meeting, PD was not immediately present, but joined shortly.</p> <p>The discussion resumed, with the following points made:</p> <ul style="list-style-type: none"> • It is possible to set up a strategic group from the Board and have the Chair report to them in respect of work to be done, such a group could work with the Chair to transition to a new chair, it would need clear terms of reference • The process for the 2021 budget needs to be commenced within the next 2 months and agreed at the November Board meeting • An orderly exit is preferred, the option of using article 20.4 is very public and would mean a general meeting would have to be held • A decision group could be set up to help expedite any such issues • If a “hard option 2” is chosen, there is an end point and a robust framework can be put in place to manage issues up to the end point • The Chair has a huge amount of intellectual capital which will be difficult to pick up, unless there is an appropriate handover <p>The SID decided to get a sense of if a “hard option 2 plus” is something that could be developed. This option would involve a framework which details who is responsible for what, and as short a timescale as possible is looked at to find a replacement chair, with a third party recruitment firm to be used and that in the interim, the Chair reports to a strategic group of directors.</p> <p>A vote was held on the proposal and six NEDs voted yes to the above.</p>			
2.10	<p>The meeting then discussed the option further and made the following points:</p> <ul style="list-style-type: none"> • A managed exit of the Chair was preferred and the process should start asap • The Board needs to ensure there are plans and processes in place to manage work required • A paper prepared by the Chair does provide clues as to the work to be focused on in the next 12 months 			

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	<ul style="list-style-type: none"> The Board need to ensure it is collectively responsible for decisions taken There should be a plan B in case the Chair is not happy to step down, or decides to step down immediately Communications with National Council will be critical in respect of the subject of the Chair <p>The SID asked for a further vote to be taken, the vote was on the following:</p> <ul style="list-style-type: none"> The Chair be asked to step down, a timescale for his departure date to be decided A strategic group of NEDs be established with clear responsibilities and a clear framework which allows the Board to have full oversight – the Chair to be part of this group <p>Votes for: 7 Votes against: 1 Abstain: 1</p>	<p>The Chair be asked to step down in accordance with a timescale tbc.</p> <p>A strategic group of NEDs be established.</p>		
2.1	<p>The meeting resumed with the Chair present. The SID reported that he had outlined the proposal to the Chair and that the Chair had accepted the Board's decision.</p> <p>The SID asked if the Chair was happy to participate in the meeting and to chair it from this point, and he responded that he was.</p>			
4.	Strategic Plan			
4.1	<p>The Chair turned to the issue of the strategic group, which he welcomed and noted it needed to be in place soon to work on the strategic plan. It was noted the following NEDs should be involved – PD, HJ and FS. LR and CS also volunteered to be involved.</p> <p>The Chair said the strategic group's task would be to identify the gaps in the strategy and work out the themes and then determine what the BMC should do in 2021 together with resource implications, as well as identifying other themes that could wait until subsequent years. The Chair opened this up to discussion and the following points were made:</p> <ul style="list-style-type: none"> it's important the Board is fully engaged and works in step with the SMT there should be another group for decision-making that works with the Chair to deal with the day to day work in the absence of the CEO, so that the Chair is not the only director that understands everything that is going on: thought would need to be given as to how it works with the strategic group. 	<p>Strategic group to be established and to meet</p> <p>Decision making group to be established</p>	<p>GP, HJ, PD, FS</p>	<p>ASAP</p> <p>ASAP</p>

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	<ul style="list-style-type: none"> some meeting milestones could be mapped out for both groups, noting that National Council is meeting on 19 September to look at the BMC's strategic priorities the Board should continue to meet every two weeks or so during this period of upheaval, including a full day board meeting to deal with the agenda that should have been discussed today 			
	The Chair noted the following actions were required:			
i)	the Chair to prepare a scope for the strategic group and decision-making group	Scope of strategic and decision making group prepared	GP	ASAP
ii)	communiqué to be prepared for National Council in respect of a new chair noting the Chair does not wish to continue for a second term	Communique prepared for National Council	CS	ASAP
iii)	NomCom meeting to be arranged to discuss recruitment of a chair (once communiqué sent to National Council)	NomCom meeting arranged	LV	After Council informed
iv)	Dates to be trawled for further board meetings/group meetings/facilitated session	Dates trawled for further meetings	LV	ASAP

5 Close of meeting

The Chair thanked the Board for persevering through a difficult meeting.

Item	Action	Involving	Target date
2.11 & 3.2	Strategic group to be established	PD, HJ, FS	Immediate
4.1	Decision making group to be established	MB, JW	ASAP
4.1	Scope of work of strategic group and decision-making group to be prepared	GP	Immediate
4.1	Communique to be prepared for National Council re position of Chair	CS	Immediate
4.1	NomCom to meet to discuss recruitment of new chair (once communiqué sent to National Council)	LV	Immediate
4.1	Dates trawled for further Board meetings, facilitated session and meeting with SMT	LV	Immediate