

Dear Chairman

Thank you for your letters to members and volunteers. We share the objective "to equip members with information". Your letters provide some of the information seen from your end of the proverbial telescope, but less from the petitioners' end. Your letters also provide examples of why members and volunteers lack confidence in the current board.

I agree, "it would be difficult to vote on the resolution without appropriate information". Your recent letters, though, seem aimed at discrediting and marginalising the petitioners' views. Providing this viewpoint and allowing it to be aired to members on your website and/or emailed to members, would further our shared objective.

It may be helpful to correct some misrepresentations contained in your letters, as seen by the petitioners, so that these can be adjusted and circulated to those who received your letters.

1. Basic timeline of events

Your letters state, "over the past couple of years various rumblings of discontent amongst an extremely small minority have begun to escalate".

This is the second petition for a vote of no confidence. The first was submitted at the 5 January meeting and withdrawn at the end of that meeting in the belief that concerns had been heard, appropriate action would be taken and that the meeting would be reconvened in future. However, the decisions were made after the meeting ignoring governance procedures by not going back to the original attendees. The minutes of the meeting were inaccurate, have not been verified/seconded by a member of the floor as true and accurate, nor have they been signed by the Chairman to this date and to that effect. These minutes were also "hidden in plain sight" on the BHS website. The minutes, although audio recorded, show no comments made against the Board or the CEO.

This petition is our attempt to reconvene that meeting.

This second petition has been signed by more than 40 members far beyond the 12 whose signatures are required by the Articles of Association. It may also be fair to assume that this represents the tip of the proverbial iceberg.

Regardless of this, the time has arrived for a conversation of a different sort. One that acknowledges voices of questions and concerns no matter the number. A conversation that respectfully acknowledges different points of view. A conversation that begins with acknowledging that in the past, some voices have been dismissed or ignored. A conversation that shows regret for the past and a willingness, indeed a desire for positive change.

Before we have that conversation, there is a need to clear the air as it has been stated, "no reasons were given for the petition".

Concerns about the charity's management have been expressed since 2013. A few examples may help.

- In 2013, A Director was appointed to a new post but not confirmed in that role. After approx. eight months service, the Director was dismissed without warning. The Director had not received induction training or clear guidelines on her expected achievements during her probationary period. The director communicated with the Board upon dismissal to point out this situation and to highlight cultural issues she had encountered including bullying of herself and others. The Board refused to communicate with her.

- In 2014, the then Chair called an extraordinary board meeting to discuss grave concerns about the CEO's conduct of the business (failure to comply with board requests and the need for forensic accounting in connection with an unexplained expenditure of £800K). During this year, three Directors left the BHS.
- In 2015, a letter to the charity from a departing staff member documented concerns. Two Directors left the BHS.
- In 2016, two Finance Directors and an Interim Finance Director left. So did the Fundraising Director. A long-serving staff member was dismissed and subsequently won a tribunal decision for unfair dismissal. The Director of Policy was suspended. The CEO failed to report a ban on driving and during the ban period continued to receive motoring benefits and expenses. A staff member telephoned the Chairman expressing concerns about this- the Chairman was unaware of the situation at that point.
- In 2017, a long-serving member of staff submitted a whistleblowing letter to the Board. The Employment Tribunal in the case of S Hardy accuses the charity of "significant procedural unfairness" and of being "in breach of natural justice" resulting in the individual's unfair dismissal. The judge highly criticized the HR director, yet she remains in post with no sanctions against her. Anonymous letters reporting an alleged fraud were sent to the Regional Chairs and Fellows. Three Directors leave the BHS.
- In 2018, HQ ruled that a former staff member who had been elected as a Regional Chair was 'unsuitable' and an attempt was made to annul the result. A dossier of evidence of allegations regarding bullying by the CEO was presented to the board, with former board members, former employees and current employees giving evidence. An investigation found the case was not proven but it was agreed that there had been mismanagement and recommendations were made. There is no published evidence of whether these recommendations were implemented, or their implementation evaluated. Concerns were raised and linger about the independence and the process of this investigation. A whistleblower was suspended and then dismissed. The Volunteer Manager left BHS. The National Development Director moved to another role, stepping down from managing the Regional and National Managers and Volunteer Manager. A General Meeting was called to change the Articles of Association. One Director leaves the BHS.
- In 2019, the first no confidence petition was submitted. A General Meeting was called to change the Articles of Association. Over 100 people attended. The meeting was adjourned by vote as it was not possible to complete the business of the meeting as notified. A range of questions and concerns were raised, and it was not possible to resolve them in the meeting. The Chair and Board decided not to reconvene the meeting, thus necessitating the call for a further General Meeting.
- A letter and file of more than 150 questions and concerns were gathered from past, present and potential members as well as volunteers. These were sent in hard copy and emailed to the President, Chairman, Board and CEO on 24 January 2019. Members offered to meet with the Chair and Trustees without the CEO as the presence of the CEO was not deemed appropriate. A meeting was eventually offered by the BHS with the CEO in attendance. Members did not agree to holding the meeting on the terms offered.

- With no clear path forward, a second petition calling for a general meeting was submitted on 14 March 2019 signed by 44 members. Subsequently the Board scheduled public meetings with members in several locations. The meetings had packed agendas and were not designed for sufficient two-way communication. Questions were raised by members about the locations, timing and publicising of these meetings.
- The Chairman made an offer of mediation after the petition was submitted and acknowledged but before any General Meeting date was set. All respondents rejected this proposal. The meeting date of 11 June is outside the date required under the Companies Act.

It is correct to say that no reasons accompanied the petition; none were required – quite a common feature of petitions. However, the documents and concerns had already been submitted in January 2019.

2. Charity Commission

It may be correct to say that the Commission is not investigating the charity. However, the Commission is engaged as members have filed several complaints and have documented responses from the Charity Commission.

3. Treatment of Staff

Hopefully, the sharing of this letter will correct the omission in your letter of the decision and comments made by the Employment Tribunal in the Hardy case. This case cost the charity £39,382.62 in compensation to Mrs Hardy for her unfair and wrongful dismissal plus legal costs. The Tribunal in the case of Wendy Suddes only rejected the claim because of its late filing. It is incorrect and entirely misleading to say that the Tribunal concluded that the claim was “unsubstantiated”.

The documents submitted in January expressed concern about the workforce growth and turnover (66% increase in the number of employees since 2011, and turnover ranging from 18% to 28%). There is also a high level of Director growth and turnover, with at least 19 Directors leaving the BHS since 2011. There have been statements made about the comparison to the sector average. However, it is not the numbers that matter so much as the reasons for staff leaving. There have been 23 changes to Director roles and titles and a growth of Director positions from five to 12. Concerns have also been raised about the cost of the workforce. Since 2012, at least 167 employees have left the BHS, based on information that is available from platforms such as LinkedIn. In 2012 there were 87 employees. The latest staff figure quoted by the BHS reveals there are now 144 employees, at an anticipated payroll cost of 45% of total income (excluding ongoing recruitment and training costs or cost of loss of expertise). Members have concerns about the on-going cost of the workforce. These concerns focus on the use and cost of non-disclosure and settlement agreements, as well as the legal costs incurred in dealing with these agreements and employment disputes.

The compulsory use of company cars which has resulted in staff members being out of pocket has been raised several times. You have promised to resolve this issue - something which does not appear to have been done.

3. Treatment of Volunteers

By omitting information, your letter misrepresents the “recent incident” where a life member/five-year volunteer/treasurer was removed from office. An organisation chart was provided by a BHS employee, not marked confidential in any way, and the BHS employee confirmed that it could be shared. The chart showed names, job titles and photos, and is quite similar to that of the ICO itself, who publish this openly. The BHS believe that sharing this document on a closed social media group

constitutes a data protection breach. The BHS breach report showed a very low level of incident but stated that the "individual who posted the information was spoken to and has been removed as a volunteer". Only then did the BHS inform the volunteer of the incident and demand a resignation. The Information Commissioner's Office (ICO) response 48 hours later stated, "potential breach" and no further action by the ICO. Communication appeared to break down and was characterised as intimidating in tone, lacking information and respectful dialogue, staff harassment, and so legal action was considered.

Numerous attempts by the local committee Chairman and volunteer to understand the BHS actions and decision leave substantial questions unanswered. The Chair and several members of the Committee resigned in protest after the BHS stated that if the volunteers removal was not accepted "*we will have no alternative but to disband the committee which will include the removal of the remaining volunteers, requesting the bank to place a freeze on the account and removing all associations of the committee from the BHS.*" Their resignations are yet to be acknowledged. To date, the complaint of four specific points filed by the now ex-Chair have not been resolved. This is in stark contrast to the judge's criticism of the HR Director in the S. Hardy case.

4. Election Process and Nominations Committee

At the January 2019 meeting, concern was expressed about the process of selecting candidates by the Nominations Committee. This was not made public and two qualified candidates had been rejected with seats on the Board left empty. It remains to be seen with the upcoming election if there is a shared view of the need for and confidence in the process of the Nominations Committee's selection of candidates.

5. BHS On the Move

The business case for, and the cost of, the significant capital expenditure involved have never been made and have been questioned by members. Members want to see evidence of the cost benefit for this substantial commitment. Members want evidence that this expenditure has been worthwhile and accurately quantified bearing in mind the charity's current financial position.

6. Publishing of Annual Accounts

Members have requested sight of the accounts prior to their formal adoption because of concerns over the charity's expenditure and loss reported in 2017 accounts. Members are entitled by law to receive the latest accounts, strategic report (if any), financial report, and auditor's report.

7. Faith Hope and Charity Fund

It was highlighted by members that this account has not seen any movement since 2016. Members look forward to seeing these funds used for welfare.

8. Publishing of Board Minutes

This has been raised several times over the years, most recently at the 9 April meeting in Scotland. You replied at that meeting that you would consider this. However, the BHS minutes gave the answer as "no". It is noted that you state there is process underway of preparing a summary of the April Board meeting; a long-awaited step in the right direction.

9. Unity Trust

Your letter omits any reference to the concerns that have been raised about the change to the Unity Trust Bank. In the absence of any inclusion in the decision-making process and the absence of any stated rationale for the Board's decision, some volunteers currently responsible for funds raised concerns about the change from existing banking arrangements. Concerns included access for remote parts of the UK & Ireland, the trade union ownership of the bank, the political affiliations of the

Unity Trust Bank, and the setting of key performance indicators (KPIs) directing staff to force the members to change. When concerns were raised, they have been seen to be dismissed as a minority "pockets of resistance" ('20%').

10. One Team Agreement

A letter was read out at the 9 April Scottish meeting regarding this matter. Chairs within Scotland including people who had helped develop the Agreement felt that both the letter and the spirit of the Agreement had been abandoned without consultation and gave examples of this. While this may not be of prime interest to other parts of the UK, it may further illustrate the dynamics of our regional differences and how the BHS deal with them.

11. BHS International

In the absence of user-friendly accounts and a separate profit & loss account, members want information about non-UK (and non-core) operations, especially in countries with a poor welfare record including UAE and China. Reports of first and business class travel expenses incurred have raised concern about poor judgement regarding the use of the charity's funds. At the January meeting concerns were dismissed with statements such as "these are profit making". This seemed to say that making money is what the BHS is all about and that the existence of a profit justifies the use of charity resources no matter what the implications for horse welfare. We recognise this is a complex issue. Greater income may of course allow funds to be made available for further development and for other causes supported by the Society. The rationale and supporting information needs to be communicated to members, responses heard and acted upon.

12. Further concerns expressed to you and the Board in January

There is a perceived absence of effective transparency, two-way communication, and democratic processes.

- Examples
 - Lack of distributed minutes and record of decisions from Board and Senior Management Team (SMT) as recommended by the Charities Commission
 - No local, regional, or national AGMs
 - Heavy top down presentations and weak two way communication
 - Lack of information about important areas, e.g. capital investment, IT investment, welfare, membership growth and organisational performance
 - Centralised control or information and decision-making, often masked by GDPR or other cited reasons that lack substance, that limits the power & voices of members

13. Misallocation of resources

We are concerned about how resources (money and people) are applied to fulfilling our shared core purpose, which forms the basis of our charity and its charitable status and the governing processes involved.

In our opinion, the BHS has lost its way. Style has been and is being chosen over substance. Image is favoured over our central purpose.

- Examples
 - The welfare of the horse no longer appears to be at the heart of what the BHS does
 - Perceived low investment in training of welfare volunteers and declining numbers of welfare volunteers
 - Disrespectful treatment of volunteers

- Centralised control of welfare cases perceived as working against local action
- Lack of a welfare candidate for Trustee election 2019
- Fewer horses directly benefiting from BHS volunteer intervention as a direct result of instructions to 'stand down' and/or the appointment of fewer welfare volunteers
- High profile, publicly visible expenditures have been made with insufficient communication of the rationale or cost-effectiveness
 - One of the signatories of the petition letter requested this information in a formal letter. The Chair and the Board refused to issue any details.
 - A puppet said to cost more than £20,000 that has limited appeal or positive impact, already required repairs and takes trained people to operate.
 - International expansion, without the mandate of members appears to have been conducted without proper cost benefit analysis or fitness for charitable purpose.
 - Concerns unanswered about the high cost per person of "Changing Lives" (£3000 per individual) with questions about the need for BHS to provide this high cost programme
- Despite significant investment, education is viewed by both the training providers and participants as being "dumbed down". Relationships with providers have been suffering as a consequence.
- Few exam sessions for Accredited coaches have taken place and the number of those qualified has declined. In Scotland in particular UKCC (1st 4 Sport) has overtaken the excellent BHS exam and qualifications system as the qualification of choice.

In summary, petitioners' concerns cover a wide range of topics but can be grouped into the following categories.

1. Mistreatment of employees and volunteers
2. Lack of transparency, two-way communication, and democratic processes
3. Misallocation of resources

In conclusion, your letters to members and volunteers have omitted significant amounts of crucial information and in doing so failed to achieve our shared objective of "equipping members with more information". It would appear from social media that your letters created concern to many members who – until now – had not been aware of the serious concerns many others have. Recent actions taken to delete comments and block respectful members on the BHS social media page would also seem to work against "equipping members with more information".

I respectfully request in the spirit of openness, transparency and "One BHS Team" that you now circulate this letter to the same people who received your letters. I appreciate that the cost of communication has to be a consideration, but at the very least an email from you to all members who have email accounts available and an updated response/reply to this letter would go some way to mitigate this situation and hopefully change the dynamics. Posting on the BHS social media sites would serve to inform members more fully. Please consider using the BHS website to post files of the key communications of the exchange since January as a means of equipping members with more information in an open and transparent way.

In closing, this vote of "no confidence" can be turned into a common ground. The meeting and vote on 11 June is an opportunity to draw together and to draw a line to under the past so we can move on. This is especially important with the upcoming election, the change of Trustees and the Chair. Your response to this letter could be a major turning point.