

AGM minutes

THE INSTITUTION OF CHEMICAL ENGINEERS

Minutes of the Ninety Sixth Annual General Meeting

The NINETY SIXTH Annual General Meeting of The Institution of Chemical Engineers was held at the Turing Lecture Theatre, IET, Savoy Place, London on Monday 21 May 2018.

PRESENT:

Mr J M McGagh (President) in the Chair, Mr K J Rivers (Deputy President & Honorary Treasurer), and 57 other Voting members of the Institution.

APOLOGIES for absence were received from 20 members.

NOTICE:

The President welcomed everyone to the Ninety Sixth Annual General Meeting, declared a quorum present and the meeting open. The Chief Executive then read the notice convening the meeting.

DEATHS:

Members stood in silence for one minute as a mark of respect for those members whose deaths had been recorded during the period 30 April 2017 to 1 May 2018. Special mention was made of two Past Presidents who had passed away since the last AGM, Professor Rolf Prince (in July 2017) and Sir John Cullen (in January 2018).

MINUTES:

The President proposed that the minutes of the Ninety Fifth Annual General Meeting held on 10 May 2017 and published in the April 2018 issue of The Chemical Engineer, should be noted as a correct record of the meeting. In the absence of any comments to the contrary, the President confirmed that the minutes were duly noted.

ANNUAL REVIEW:

In introducing the Annual Review, the President summarised the themes he had covered in his Presidential Address in May 2017: the need for IChemE to evolve as society around it evolved; and the world of transformative digital advances and self-learning cognitive systems.

He then highlighted three particular areas of achievement over the past 12 months.

First, developing IChemE as a connected Institution. The Chemical Engineer had launched a new website and progress was underway on a similar upgrade for the main IChemE website; Interface had been delivered, following member feedback, as a new member communication platform; a number of events had been delivered around the digital agenda; and we had engaged with those at the cutting edge of technology, such as AspenTech who were helping members use big data to better predict failure in offshore operations.

Secondly, governance reform where a great deal of consultation and deliberation had produced proposals to reform Council as a more focused Board of Trustees, create a new Congress as the voice of the members, and modernise the voting procedures. This year the democratic process had been opened up so that more members than ever could participate in the governance of their Institution. Good progress had also been made on other related issues including options for the design of the planned 'hub and spoke' structure.

Finally, Advancing Chemical Engineering Worldwide. Over 200 member and special interest group events had been supported around the world, 67 degree programmes had been accredited in 14 countries, and nominations for the 2017 Global Awards had been received from 25 countries.

In closing, the President thanked everyone – Trustees, other volunteers and staff – who had contributed to the progress achieved on so many fronts. The Institution was well on the way to being properly member-led and was focused on delivering value to its members and to the society we serve.

TRUSTEES REPORT & FINANCIAL STATEMENTS:

Mr McGagh then invited Mr Rivers to read the Auditor's Report and present the trustees Report and Financial Statements for the year ended 31 December 2017.

Mr Rivers confirmed that the accounts had been put together in strict accordance with UK Accounting Standards. The accounts had been scrutinised and verified by RSM UK, the Institution's independent auditors, and had been given a clean bill of health. He went on to read out the opinion of the Auditors, as stated on page 15 of the statutory accounts.

Looking back at his time in office as Honorary Treasurer, Mr Rivers commented that the last four years had been a challenging time for the Institution from a financial perspective, with the first deficit in 12 years being recorded in 2015. The following year, a projected operational deficit (in non-restricted funds) was clawed back to a break-even position which, when taking into account investment returns and restricted fund activity, led to an overall net surplus of £436k in 2016. At last year's AGM he had reported that, whilst conditions remained challenging, he was confident that the Institution would continue to be in overall net surplus during 2017, and that was indeed the case with an overall net surplus of £318k being delivered.

He then went on to report on revenues, expenditure, investments, reserves and pension liabilities in more detail.

Some recovery in training courses, journals and publications, as well as income from knowledge communities (such as the IChemE Safety Centre and Special Interest Groups) had been offset by a fall in revenue from conferences, seminars and events, with total revenues around £100k lower than the previous year.

As a result of the programme of cost reductions put in place in 2016, and the reduction in costs from the European Process Safety Centre, total expenditure was around £300k less than in the previous year. In addition, total net gains in investments were down by £300k.

The level of unrestricted reserves at year end was £6,670,000, which reflected the transfer, on advice from the Institution's new auditors, of £400k investment gain from legacies, from restricted to unrestricted funds; an operating surplus of £550k; actual contributions to the pension fund (-£170k); and investment gains (£250k).

The actuarial deficit on the pension fund continued to reflect low bond yields which increased the weight of future liabilities. The Pension Fund Trustees, in consultation with the Institution, had been working to de-risk the scheme.

The pension fund triennial review, which established the basis for pension support, had just taken place. The deficit had increased from £4.2m in 2015 to £4.9m in 2018 and increased payments had been factored into budgets from 2018 but final figures would now need to be agreed.

The current level of reserves held was in excess of policy. Council had considered the level of reserves held at year end and believed it was sufficient to protect it from risk of insolvency or serious disruption to its work. It put the Institution in a relatively comfortable position as it moved through continuing testing times.

In closing, Mr Rivers announced that this was his last AGM as Honorary Treasurer as he handed over to Iain Martin. It has been a privilege to serve as Honorary Treasurer for the last four years and he commended the accounts to the members.

APPOINTMENT OF AUDITORS:

Mr McGagh advised that it was proposed to re-appoint RSM UK as the Institution's Auditors for the next session. It was also proposed that Council would be authorised to determine the Auditors' remuneration for the year ended 31 December 2018.

ELECTION OF HONORARY OFFICERS AND COUNCIL:

The Chief Executive announced the confirmed appointments for the 2018/2019 year, including the voting percentages for those members who had been elected in the recent ballot.

PRESIDENT: Mr K J Rivers; DEPUTY PRESIDENT: Dr A S Thompson (56.8%); HONORARY TREASURER: Mr I J Martin; PAST PRESIDENT: Mr J M McGagh; ORDINARY MEMBERS OF COUNCIL: Mrs W J Wilson (52.4%); Eur Ing K C Plumb (30.9%); Mrs M D Isles-Ahite (27.3%); CO-OPTED MEMBERS: Mr A B Just (Vice President – Qualifications); Professor J Glassey (Vice President – Technical); Ms A M Woodford (Vice President – Australia); Mr T H L White (Vice President – International) (63.4%); Dr C Phang; Mrs J Atkinson; Mr D M Sutton (20.8%).

The Chief Executive advised that the President had been advised the previous day by Professor L Gladden that she would be standing down from Council following her appointment as Executive Chair of the Engineering & Physical Sciences Research Council (EPSRC). Mr D M Sutton, who received the fourth highest number of votes in the elections for Ordinary Member, had therefore been co-opted by the Council to fill this place.

VOTE OF THANKS:

The President, Mr J M McGagh, called on Dr A Jamieson who proposed a vote of thanks to the retiring President and members of Council.

SPECIAL RESOLUTIONS:

Before inviting the Chief Executive to explain the voting procedure, the President introduced the three special resolutions on which Council was seeking the members' support: Designating the Board of Trustees; Creating the Congress; and General Matters (which would allow the IChemE to move forward). These proposed changes were intended to ensure that IChemE had the agility and focus it needed and were designed to unlock more value through IChemE's core work on qualifications and the learned society to both support members and serve society.

In response to a question from Mr Lakshan Saldin (FICHEM) question as to why the resolutions had been packaged so that all three had to receive approval in order for the proposals to proceed, the Chief Executive explained that it had been hoped that the three resolutions could be voted on independently. However, advice received from both the lawyers and the Privy Council, after the original documentation had been circulated, was that it would be difficult to break out any individual clauses that were not approved.

Mr Paul Hill (FICHEM) enquired why voting was limited to only paid up Fellows and Chartered Members (~12,000) rather than the full membership (~40,000). In reply, the Chief Executive advised that this was the current requirement in the By-laws so voting could not, at this stage, be opened up to the wider membership. The hope was that, in the future, Congress would determine what members in each category would be entitled to vote on. Mr Hill then questioned why decisions were being taken on these resolutions rather than making the change to allow all members to vote first. The President reiterated the commitment that Council had taken last year to move forward with the governance proposals. If members wanted to be more influential then they could run for Council or for Congress. The Chief Executive added that the governance reform programme had started over two years previously and during the consultations the question of who could or could not vote had not been brought up as an issue of primary concern.

The President referred to the wide consultation that had been undertaken with regard to the content of the proposed Charter and By-law changes in answer to Mr Rob Peeling (FICHEM) who commented that it would be useful to have summaries of what was covered under the three general motions.

The Chief Executive then explained the voting procedures to those members in attendance, and confirmed that the scrutineers who would oversee the count were Mr Richard Cadbury (FICHEM), Mr Iain Martin (FICHEM) and Mrs Jane Atkinson (FICHEM).

PRESENTATION OF MEDALS:

While the votes for the special resolutions were being counted and verified, the President presented a number of awards to the 2017 medal winners.

RESULTS:

After the votes had been verified by the scrutineers, the Chief Executive announced the results as follows:

Special Resolution 1: Designating the Board of Trustees

Votes in favour : 1145 (92% of votes cast)

Votes against : 98

Special Resolution 2: Creating the Congress

Votes in favour : 1144 (92% of votes cast)

Votes against : 96

Special Resolution 3: General Matters

Votes in favour : 1143 (93% of votes cast)

Votes against : 89

The Chief Executive confirmed that all three resolutions had received a clear majority exceeding two-thirds of the votes cast, and subsequently declared all three resolutions were duly carried.

ANY OTHER COMPETENT BUSINESS:

The President then asked members present whether they had any other business to bring before the meeting arising from the Annual Report.

Mr Paul Hill (FICHEM) referred to page 17 of the annual accounts where 'Qualifying Chemical Engineers' was a line entry, and he asked what the cost was of non-qualifying members. The Chief Executive explained that the headings used in the accounts related to areas of the Institution's activity and one of IChemE's key functions was its qualifying role. Therefore, the costs included in this line were those involved in carrying out its qualifying function.

The President requested management to look at the question raised and, if appropriate, prepare a statement to be included on the Factchecker page of the website.

Referring to the pension fund deficit, Mr Chris Chambers (FICHEM) asked whether members would face a surcharge to meet the deficit if the Institution should cease to exist. Mr Rivers reiterated his previous statement, that the Institution's finances were in very good shape. The unrestricted reserves which were freely available had increased by over £1m during the last year and the reserves held by the Institution were in excess of the amount proposed in the reserves policy.

Reference was also made to the small increase in income from membership subscriptions, despite the decrease in membership numbers (page 25).

The Chief Executive responded, indicating that overall the number of paying members had remained fairly static. The decrease in membership numbers was as a result of those individuals who were in two years' arrears of their subscriptions being removed from the register.

Finally, Mr Rivers agreed that he would be happy to address the North West Member Group committee at a meeting later in the year to respond to the particular questions raised by the Member Group via Mr Anthony Greenough (FICHEM).

FORMAL HANDOVER:

Mr McGagh then handed over the Chain of Office to Mr Rivers and congratulated him on becoming IChemE's 78th President.

CLOSURE:

There being no further competent business the President, Mr K J Rivers, declared the meeting closed at 19:35.