

AGM minutes

THE INSTITUTION OF CHEMICAL ENGINEERS

Minutes of the Ninety Seventh Annual General Meeting

The NINETY SEVENTH Annual General Meeting of The Institution of Chemical Engineers was held at IChemE, Davis Building, Rugby on Monday 20 May 2019.

PRESENT:

Mr K J Rivers (President) in the Chair, Dr A S Thompson (Deputy President), Mr I J Martin (Honorary Treasurer), and 32 other Voting members of the Institution.

APOLOGIES for absence were received from 9 members.

NOTICE:

The President welcomed everyone to the Ninety Seventh Annual General Meeting, introduced those on the top table, declared a quorum present and the meeting open at 18:00. 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 2018 to 1 May 2019. Special mention was made of two Past Presidents who had passed away since the last AGM, Professor Roger Sargent (in September 2018) and Professor Geoff Hewitt (in January 2019).

MINUTES:

The President proposed that the minutes of the Ninety Sixth Annual General Meeting held on 21 May 2018 and published in the April 2019 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 referred to the changes that had needed to be made to the strategic leadership, organisational structure and the Institution's approach to member engagement.

By the end of 2018, there had been significant achievement in three core areas: the establishment of a smaller, more focused Board of Trustees to replace the previous Council; the establishment of the inaugural Congress as the voice of all the Institution's members; and the delivery of a number of administrative updates including an electronic voting system. However, it had been recognised that a modern, connected, forward-looking Institution could not be achieved on its governance structure alone.

Significant work had been completed on the sustainable membership model that would accurately balance the number of professionally qualified members (Fellows and Chartered Members with those non-professionally qualified). The aim of Programme SMART was to deliver sustainable membership growth and provide greater clarity around the membership structure, while maintaining and enhancing IChemE's high qualifications standards.

Towards the end of 2018 work had begun on creating the framework to deliver a vibrant learned society and IChemE's Vice President (Technical), Professor Jarka Glassey, had been key in moving this vitally important project forward. Chemical engineers were at the forefront of key programmes that were addressing some of the world's biggest challenges and it would be important for IChemE to ensure that their insights and knowledge were shared, both inside and outside of our community, for the benefit of society.

All these initiatives needed to be supported by a robust business architecture, of which a key part was digitalisation. The launch of the new mobile and tablet-friendly website was a major achievement last year and received positive feedback. The website would continue to be developed throughout the remainder of 2019 and into 2020. Strategy 2024 had outlined digitalisation as a major part of one of the four key aims of the strategic plan and the Trustees approved a £1 million investment in IT transformation to help support this at the end of 2018.

In closing his remarks, the President thanked all of those who had contributed to the progress achieved during the past 12 months. The Institution was now in a good place to deliver Strategy 2024 which would align all its activities and projects under four key aims.

TRUSTEES REPORT & FINANCIAL STATEMENTS

Mr Rivers then invited Mr Martin to read the Auditor's Report and present the trustees Report and Financial Statements for the year ended 31 December 2018.

The Honorary Treasurer confirmed that the accounts had been put together in strict accordance with UK Accounting Standards. The accounts and internal controls in place had been scrutinised and verified by RSM UK, the Institution's independent auditors, and had been given a clean bill of health with no audit or accounting issues identified.

While the accounts and notes were presented in significant depth in the annual report in line with the required accounting standards, the Honorary Treasurer summarised some of the main elements of the accounts and some of the more significant actions that had been taken during 2018.

Overall, 2018 had been a positive year financially for IChemE, ending ahead of budget.

In relation to revenue, total group income had increased by 9% above the previous year. This increase had been largely due to growth of learned society activities with a larger number of training courses and conferences being delivered during the year and also a growth in journals and book sales.

Expenditure had risen as a direct result of delivering the increased number of training courses and conferences and also added costs as projects were undertaken to deliver on the strategy. The Institution would continue to focus on managing costs but also to improve organisational effectiveness to ensure long-term sustainable finances.

Turning to the investment performance, the decline in the UK stock market had impacted on the value of the Institution's investment portfolio and pension funds.

The Honorary Treasurer then explained some of the movements in relation to pension liabilities and designated and restricted funds.

He reported that the overall reserves level was healthy and that a further payment of £1.15m had been made to the closed defined benefit pension scheme following the triannual pension valuation, which, as reported at the previous AGM, had shown that the deficit had increased over the three years since 2015. The pension trustees had also accepted a small extension to the recovery period.

A sum of £1m had been moved into a designated fund with the specific purpose of funding an IT transformation programme over the next two to three years. The IT architecture within the Institution had been underinvested for some years and it was important that this was addressed as a matter of urgency. The Trustees believed that this was prudent use of reserves and agreed that a designated fund gave visibility to the spending related to that activity.

The level of unrestricted reserves at year end was £5,300,000, which was a reduction against the previous year due to the pension payment made in the year, the creation of a designated IT fund and unrealised losses on the investment portfolio.

The current level of reserves held remained in excess of policy. Given the continuing need to deliver on the strategy, the Trustee Board believed this excess to be at an appropriate level. The Board had considered the level of reserves held at year end and believed they were sufficient to protect it from risk of insolvency or serious disruption to its work.

Although the Group reserves were healthy, the Charity position was less so as there had been a gradual reduction in the UK Charity funds and an increase in reserves held outside the UK. This was partly due to exchange rate variations to subscription rates but also insufficient recovery of central costs. The Trustee Board was currently reviewing the funding model across the Institution as the situation would not be viable in the longer term.

The Honorary Treasurer then thanked all IChemE members who had made a contribution to the Chemical Engineers Benevolent Fund with their annual subscriptions. This Fund was a separate charity which offered support to chemical engineers and their dependants and these contributions would enable the Fund to take a more proactive approach than it had in the past.

In closing, the Honorary Treasurer reported on a number of finance-related activities and commitments that the Institution would be monitoring and encouraging in the next year: the IT implementation, which would move from scoping to the delivery phase; the funding model was under review to ensure a fair and viable long-term approach across the globe; the move to build a vibrant and engaged Learned Society; and the early stage of preparations for the Institution's centenary in 2022.

APPOINTMENT OF AUDITORS:

The President advised that it was proposed to re-appoint RSM UK as the Institution's Auditors for the next session. It was also proposed that the Board of Trustees would be authorised to determine the Auditors' remuneration for the year ended 31 December 2019. This proposal was carried unanimously.

ELECTION OF HONORARY OFFICERS AND BOARD OF TRUSTEES:

The Chief Executive first reminded members that arrangements had been put in place in relation to the office of President owing to special circumstances existing, which had resulted in current office holders extending their terms by six months. Two vacancies had been announced in the call for nominations: the roles of Deputy President – to succeed to the role of President in November 2019 – and Honorary Treasurer.

At the close of the call for nominations only one eligible nomination had been received for each of the two vacancies, which meant it had not been necessary to hold a ballot of the Voting members. The Nominations Committee had considered the applicants' experience, reputation, capacities and capabilities and unanimously supported the nomination of both candidates.

The Chief Executive then announced the confirmed appointments for the 2019/2020 year

PRESIDENT: Mr K J Rivers (to November 2019, at which time he would become Past President); DEPUTY PRESIDENT: Professor S M Richardson (to November 2019, at which time he would succeed Mr Rivers as President); HONORARY TREASURER: Mr I J Martin; PAST PRESIDENT: Mr J M McGagh (to November 2019); ORDINARY MEMBERS OF COUNCIL: Mrs M D Isles-Ahite; Eur Ing K C Plumb; Mr D M Sutton; Mrs W J Wilson; CO-OPTED MEMBERS: Mr A B Just (Vice President – Qualifications); Professor J Glassey (Vice President – Technical); Mr T H L White (Vice President – International); Ms A M Woodford; Dr C Phang; Mrs J Atkinson

VOTE OF THANKS:

Mr Rivers called on Dr A Jamieson who proposed a vote of thanks to the President, Honorary Officers and retiring members of the Board of Trustees.

Dr Jamieson remarked that the Institution thrived on the hard work, dedication and commitment of all its volunteer members and extended a particular vote of thanks to Dr Andrew Thompson as he stepped down from the Board for his efforts over the past year.

SPECIAL RESOLUTIONS:

Before inviting the Chief Executive to confirm the results of the vote, the President introduced the special resolution by explaining that at the time of the major changes to the Royal Charter and By-laws in 2018, it had been agreed that they would be kept under continual review to enable any necessary amendments to be brought forward on a regular basis.

The proposed changes this year had reflected amendments to the membership grades and processes in line with changes proposed by the Qualifications Committee; clarification in relation to the timescale for the lapsing of those members in arrears of subscription and those who had not complied with CPD requirements; clarification in relation to the time frame allowed for Extraordinary General Meetings to be called and held, and in relation to the notice of and participation in General Meetings; and the transfer of some of the clauses from the By-laws to the Regulations.

RESULTS:

The Chief Executive announced the result of the vote as follows:

Special Resolution

Votes in favour : 861 (89.2% of votes cast)

Votes against : 68 (7% of votes cast)

Abstentions : 36 (3.7% of votes cast)

The Chief Executive confirmed that the resolution had received a clear majority exceeding two-thirds of the votes cast, and subsequently declared the Special Resolution was duly carried.

QUESTIONS ARISING FROM THE ANNUAL REPORT:

The President then asked members present whether they had any questions to raise arising from the Annual Report.

Eur Ing Keith Plumb (FIChemE) asked whether IChemE's investments were mainly held on the UK stock market and whether the recent situation with the UK stock market had had an impact on investments. The Honorary Treasurer confirmed that the Institution's investments were predominantly held in the UK, and the Finance & Business Director advised that they were in managed funds with small elements of overseas equities.

Eur Ing Plumb also queried the significant increases in Finance and IT costs from 2017 to 2018. It was explained that the main changes in the finance area were due to exchange rate movements as subsidiary accounts were consolidated into the main accounts, and the changes in the IT costs were a result of the website upgrade that had taken place.

Dr Andrew Jamieson (FIChemE) asked for an update on the plans to utilise the Andrew Legacy funds. The Chief Executive reported that unfortunately not much progress had been made to date. In the first instance it had been quite a specific request but enquiries were being made as to whether it could be used in a broader context.

ANNUAL REPORT OF ICHEME'S CONGRESS:

Mr Rivers reported that the election of the inaugural Congress had been a significant milestone in the Institution's history. Since the 32 members had been elected in October 2018 three Congress sessions had been held, and he invited the Chair of Congress, Mr J N Hirst, to provide an update to the membership on progress made by introducing their first annual report.

Mr Hirst reported that Congress had held several high-quality discussions in its first six months of operation including exploring the role of IChemE, building a sustainable membership, engagement and communications. Two working groups had been established to look at the latter issues.

Congress had also consulted on Strategy 2024 and provided the Board of Trustees with useful comment which helped shape the content for the launch phase.

Looking ahead, Congress intended to focus on three key areas. Firstly, and of the highest priority, further definition around the role of Congress; secondly, communications and member engagement which remained key areas for Congress; and finally, succession planning for the next election cycle.

In closing, Mr Hirst thanked members and Trustees for their support of Congress so far.

CLOSURE:

There being no further business the President, Mr K J Rivers, declared the meeting closed at 18:48.