

AGM minutes

THE INSTITUTION OF CHEMICAL ENGINEERS

Minutes of the Ninety Eighth Annual General Meeting

The NINETY EIGHTH Annual General Meeting of The Institution of Chemical Engineers was held as a fully virtual meeting on 15 June 2020.

PRESENT:

In addition to Professor S M Richardson (President) in the Chair, Mr I J Martin (Honorary Treasurer) and Mr J L Prichard (Chief Executive), 93 Voting members of the Institution attended the meeting. Eight non-Voting members and 15 non-members were also in attendance.

APOLOGIES for absence were received from two members (a further 35 members registered but did not join the meeting).

NOTICE:

The President welcomed all members to the Ninety Eighth Annual General Meeting, introduced those on the 'virtual' platform, declared a quorum present and the meeting formally open at 08:05. The Chief Executive then read the notice convening the meeting.

DEATHS:

Members observed a minute's silence as a mark of respect for those members whose deaths had been recorded during the period 1 May 2019 and 30 April 2020. Special mention was made of two Past Presidents who had passed away since the last AGM, Professor John Davidson (on 25 December 2019) and Mr John Solbett (on 3 April 2020).

MINUTES:

The motion was proposed by Mr Ken Rivers that the minutes of the Ninety Seventh Annual General Meeting held on 20 May 2019 and published in the April 2020 issue of *The Chemical Engineer*, should be noted as a correct record of the meeting. This was seconded by Professor Jarka Glassey before being put to the vote. The motion was carried (65 votes in support; 4 against; 8 abstentions) and the President confirmed that the minutes were duly approved as a correct record.

ANNUAL REVIEW:

Turning to the Annual Review, the President remarked that his time in office as Deputy President had provided him the opportunity to understand better how the Trustees, Congress, members and employees worked together to allow the Institution to progress.

During 2019 the changes to the strategic leadership and organisational structure, as outlined by Ken Rivers at the previous AGM, had been implemented and the Institution's five-year strategic plan, Strategy 2024, had been rolled out.

Key to the Institution's success would be member engagement and for this reason a Membership Engagement survey had been conducted in March. The results from the survey indicated that members wanted IChemE to focus on three things: being an ambassador for chemical engineers and chemical engineering; better communication of its activities as a learned society and what it was doing to influence policy; and improving the volunteer experience. As the Institution moved forward these important areas would be the focus of much of its work.

Congress, the Institution's member advisory body, had continued to make significant contributions to the development of key projects to ensure they were reflective of members' needs.

The activities described in the Annual Review were all driven by the Institution's enthusiastic members across the world, working hard to demonstrate professional and technical leadership, addressing global challenges and helping to deliver a safer profession and society.

A focus for 2019 had been linking IChemE's activities as a learned society to support members in addressing several of the major societal challenges and this had led to the creation of the Learned Society Committee to provide member oversight across all learned society activities. A number of projects had already been initiated by the Learned Society Committee in areas including climate change, responsible production and digitalisation.

The Institution's attention had now turned to enhancing its digital capacity and capability because for its work to have real impact, it was necessary to deliver an efficient and effective business architecture that was consistent and equitable for members wherever they worked.

The President specifically thanked all volunteers for their work in supporting the Institution and chemical engineers around the world and he announced that a two-year programme for improving recognition of, and rewarding, volunteers had been initiated in December 2019.

It was recognised that many members would have been affected by the coronavirus pandemic from a health perspective, either involving themselves, families or friends, or from a business perspective, and the President assured members that the Institution would seek to support them at this time, referencing the support available through the Chemical Engineers' Benevolent Fund and also the reduced membership rates that were available for those members whose income had been severely affected.

IChemE's centenary in 2022 would be an opportunity to reflect upon and honour the work of chemical engineers past and present in their mission to deliver value to society and to identify the role of chemical engineering in helping to meet the challenges of the future.

In closing his remarks, the President thanked everyone who had contributed so much to the progress achieved in so many areas. These efforts had ensured the Institution remained in a strong position to deliver Strategy 2024. Together it would be possible to ensure IChemE's vision was achieved of being a truly member-led institution focused on delivering value to its members and the society it served.

TRUSTEES REPORT & FINANCIAL STATEMENTS

Professor Richardson then invited Mr Martin to read the Auditor's Report and present the Trustees Report & Financial Statements for the year ended 31 December 2019.

The Honorary Treasurer reported that the current unusual circumstances were having an impact on the Institution. A number of steps had been taken to mitigate the impact whilst still enabling the Institution to maintain its focus on the strategy but the situation was being closely monitored.

Mr Martin confirmed that the accounts had been put together in accordance with the UK Accounting Standards. The accounts and the internal controls in place had been scrutinised and verified by the Institution's independent auditors, RSM, and had been given a clean bill of health with no audit or accounting issues identified. He thanked the Finance & Business Support Director for once again achieving a good audit report.

While the accounts and notes were presented in significant depth in the annual report, the Honorary Treasurer summarised some of the main elements of the accounts and some of the more significant actions being taken.

2019 had been a positive year financially for the Institution, ending ahead of budget and with progress made on strategy and investment in the IT infrastructure.

At around £8m revenue had been slightly down on the previous year as a result of the timing of legacy income in 2018 and, to a lesser degree, a continued gradual decline in print advertising in *The Chemical Engineer*.

On expenditure, costs were higher but included spend associated with the IT infrastructure investment which was being treated as a designated fund drawing down from the £1m reserves fund created for that purpose the previous year. Net expenditure before that IT investment was £7.8m compared to £8.3m in 2018. The operating surplus for the year, again excluding IT, had been £186k.

The IT transformation project had progressed well and to budget and the investment should improve effectiveness and efficiency going forward as well as reduce costs. A significant benefit of moving the software to the Cloud had been seen when the Rugby office was vacated in March due to the Covid-19 outbreak and this had enabled a smooth transition to home working for the majority of the staff.

The launch of the knowledge hub had improved accessibility for members to a wide range of resources available through a single searchable index.

The Institution's invested funds had performed well during 2019, gaining £491k, and despite the turmoil in the financial markets since December, the most recent valuation in May had showed that investments were only down by 3% since the beginning of 2020.

In relation to pension obligations, the Institution continued to progress the agreed recovery plan for the closed defined benefit pension scheme. The next triennial valuation would be held at the beginning of 2021 and no further adjustment was anticipated ahead of that time. The Institution's aim continued to be to address the existing funding obligations whilst ensuring it was able to fully achieve its aims as a charity to its members and to society.

The level of unrestricted reserves available at year end stood at £4.9m. This was in excess of reserves policy which currently aimed at minimum reserves of £3.8m. The Trustee Board had considered the level of reserves held at year end and considered them to be sufficient to protect the Institution from the risk of insolvency or serious disruption to its work.

Turning to the consequences of Covid-19, there would be a fairly significant impact on the Institution's income, especially within training and events, an area which accounted for approximately 30% of total income. The commercial team had been working hard with course directors to move a large number of courses and events online.

Membership income had remained on target and members had been given a longer period of time to pay in order to help them during this difficult period.

The fall in income had resulted in cost saving measures being taken to contain the overall impact on the financial position. Latest forecasts indicated a below £500k deficit which was considered to be manageable and appropriate. The Board of Trustees and the auditors had reviewed the forecast and cashflow for the year and were content that the Institution remained a viable going concern.

In closing, the Honorary Treasurer confirmed that the Institution remained financially healthy despite the circumstances. The Chief Executive and his team had moved quickly to control costs whilst seeking to ensure that the Institution maintained its progress and focus on the longer term targets towards becoming an effective, member-led organisation.

APPOINTMENT OF AUDITORS:

The motion was proposed by Mr Ainslie Just that RSM (UK) should be re-appointed as the Institution's auditors for the next session, and also that the Board of Trustees should be authorised to determine the Auditor's remuneration for the year ended 31 December 2020. This was seconded by Mrs Wendy Wilson before being put to the vote. The motion was carried (76 for; 3 against; 7 abstentions) and the President confirmed that RSM UK Audit LLP would be duly appointed as the Institution's auditors for the next session and that the Board of Trustees were authorised to determine the Auditor's remuneration.

ELECTION OF HONORARY OFFICERS AND BOARD OF TRUSTEES:

The Chief Executive reported that two vacancies had been announced in the call for nominations: the roles of Deputy President and Honorary Treasurer.

Three eligible nominations had been received for the role of Deputy President and only one eligible nomination for the role of Honorary Treasurer. The Nominations Committee had considered the applicants' applications against the person specifications set out in the role profiles and confirmed that all candidates satisfied the requirements.

While a ballot had not been necessary for the Honorary Treasurer position, a ballot of the Voting Members had been held for the Deputy President vacancy. The turnout in the election had been 12.8% and the results were: Jane Cutler (769 votes – 48.5%); David Lynch (522 votes – 33%) and Christina Phang (293 votes – 18.5%).

The Chief Executive then announced the confirmed appointments for the 2020/2021 year

PRESIDENT: Professor S M Richardson; **DEPUTY PRESIDENT:** Ms L J Cutler; **HONORARY TREASURER:** Mr I J Martin; **PAST PRESIDENT:** Mr K J Rivers; **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:** Professor J Glassey (Vice President – Learned Society); Mr A B Just (Vice President – Qualifications); Mr T H L White (Vice President – Regions); Professor P Ashman; Dr J V Atkinson

ANNUAL REPORT OF ICHEME CONGRESS:

The President invited the Chair of Congress, Mr J N Hirst, to introduce the annual report of Congress which covered the first full year of Congress activities.

Mr Hirst reported on the recent elections and was pleased to welcome 11 new members onto Congress, which brought their total membership back to 32 out of 40 available seats.

Congress had provided input to the drafting of the new Code of Conduct; review of the

role, recording and monitoring of Continued Professional Development and to support the establishment of the Learned Society; all key areas to the future of the Institution's role in the profession.

Congress members had also participated in two joint committees with the Trustees looking at member engagement and communications.

Over the past 12 months Congress had maintained a low profile until the concept had been fully established and had a proven track record. It now looked forward to raising its profile and increasing its effectiveness in the coming year and looked to engage more extensively with Special Interest Groups and Members Groups.

Looking ahead, Congress planned to monitor progress of the implementation of key projects of member interest, including Programme SMART, enhanced Continued Professional Development and the Learned Society.

In closing, Mr Hirst thanked the staff at Rugby for their wholehearted backing, without which Congress could not function.

VOTE OF THANKS:

Professor Richardson called on Dr Andrew Jamieson who proposed a vote of thanks to the President, Honorary Officers, retiring members of the Board of Trustees and retiring members of Congress.

On behalf of IChemE's members, Dr Jamieson expressed sincere thanks to the President and other Trustees for their sterling efforts, and paid particular thanks to those members of the Board who had retired and also the retiring members of Congress.

He also took the opportunity to thank the Chief Executive and the staff team for their efforts during challenging times. In particular, the use of electronic media had proved a tremendous success.

QUESTIONS ARISING FROM THE ANNUAL REVIEW, FINANCIAL STATEMENTS OR CONGRESS REPORT:

The President then asked for members' questions arising from the Annual Review, financial statements or report of Congress.

Mr Chris Chambers (FICHEME) asked what the Institution was doing to address the pension deficit.

The Honorary Treasurer responded by confirming that the deficit was a fairly substantial obligation on the Institution and it was necessary to keep a strict balance between trying to control the deficit while, at the same time, progressing other areas of the Institution. The Scheme had been closed to new entrants in 2003 and to future liabilities in 2006, and the current recovery plan meant that IChemE paid an annual contribution of £274k (increasing in line with inflation) through to 2028. In addition a lump sum payment of £1.15m had been made at the end of 2018. The next triennial valuation of the Scheme would be in January 2021. This would determine the level of deficit in the Scheme, as a result of which a revised recovery plan might be required.

He advised that both the Board of Trustees and the Pension Scheme Trustees were looking to de-risk the Scheme as and when it was possible and the investment strategy adopted a couple of years ago had helped to reduce the impact on the Scheme deficit.

The Institution had a good relationship with the Pension Fund Trustees who had a duty to monitor the strength of the employer covenant. They were mindful of the financial pressures faced by the Institution as a result of COVID-19 and the Pensions Regulator had also issued guidance specifically for pension schemes currently going through their triennial valuations.

In summary, the Trustees believed that the deficit in the scheme was manageable and they would continue to work closely with the Pension Scheme Trustees.

The Honorary Treasurer then invited Past President, Dr Andrew Jamieson, one of the Pension Fund Scheme's Trustees, to comment. Dr Jamieson reported that the Pension Scheme Trustees met regularly and it was the case that most pension funds were suffering similar issues. The commitment of the Institution was very much appreciated and the Pension Fund Trustees would continue to work towards bringing the pension deficit back to balance by 2028.

The President apologised for not having time to respond to any further questions in the meeting, but promised that all questions submitted either ahead of or during the meeting would be answered and made available on IChemE's website by the end of the week.

CLOSURE:

The President, Professor S M Richardson, declared the meeting closed at 09:00.