

Clarity on IChemE's Royal Charter and Governance

Over the last seven months, I have been getting to know our chemical engineering community and learning more about the Institution. I've gleaned a great deal, and thought it might be useful to share some clarity on the Institution's Royal Charter, its purpose, and how it applies to a 21st Century Professional Engineering Organisation.

Governance is a complex subject with many interlinking strands, underpinned by [Charity Law](#), the [Privy Council's requirements for Chartered bodies](#) and the [Engineering Council's requirements for professional registration](#).

During my attendance at an extensive array of meetings and engagements, I have listened carefully to members and it appears that historically, the Institution could be criticised for not expending enough effort on encouraging members to stand for Council. It could also be argued that as so few members have shown an inclination towards participating in the Institution's governance, that it would have been a poor use of resource to do so, however, this misses the point with respect to the democratic process.

The current situation has allowed it to become customary that vacant posts are routinely filled by an unopposed Council nomination. There has been nothing inappropriate about this process, but it has allowed a democratic deficit to open-up. This democratic deficit has been compounded by the fact that Council members are also the Trustees of the charity, which places legal obligations upon them with respect to an over-riding obligation to the charity.

The charitable objects are defined in the Royal Charter as being:

"To promote, foster and develop the general advancement of the science of chemical engineering in all its branches as an end in itself and as a means of furthering the scientific and economic development and application of processes in which chemical and physical changes of materials are involved and to promote, assist, finance and support such research, investigation and experimental work in chemical engineering as the Institution may consider likely to conduce to those ends and to the benefits of the community at large."

IChemE's Royal Charter was awarded in 1957, and it has been said by some commentators that its age is the reason why it's a bit wordy, and obscured by arcane language. The current [Governance Review](#) is an opportunity to revisit the Charter, and members are encouraged to participate in this process. I would also welcome any suggestions (to ceo@icheme.org), with respect to the key things that you would like to see clarified in our governance documents.

By way of background, a spectrum of regulation exists within the wider professions, ranging from those with voluntary codes (such as engineering) through to those with statutory duties (such as architecture and law). Professional self-regulation is a regulatory model which enables government to exercise a level of control (the level being dependent on the relative positioning within the spectrum) over the practice of a profession and the services provided by its members.

Engineering as a self-regulating profession, is therefore based on the concept of an occupational group entering into an agreement with government to formally regulate the activities of its members. In the UK, the agreement traditionally takes the form of the government granting or recognising self-regulatory status through the award of a Royal Charter. In return, the regulated community may then award individual Chartered titles such as 'Chartered Chemical Engineer'.

A professional body that wishes to apply for a Royal Charter today must satisfy the Privy Council in the following areas:

- (a) The Institution concerned should comprise members of a unique profession, and should have as members most of the eligible field for membership, without significant overlap with other bodies.
- (b) Corporate members of the Institution should be qualified to at least first-degree level in a relevant discipline.
- (c) The Institution should be financially sound and able to demonstrate a track record of achievement over a number of years;
- (d) Incorporation by Charter is a form of Government regulation as future amendments to the Charter and by-laws of the body require Privy Council (i.e. Government) approval. There therefore needs to be a convincing case that it would be in the public interest to regulate the body in this way;
- (e) The Institution is normally expected to be of substantial size (5,000 members or more).

The IChemE meets all of these requirements; although the boundaries of the profession are becoming increasingly blurred. More information is available from the privy Council:

<https://privycouncil.independent.gov.uk/royal-charters/applying-for-a-royal-charter/>

It is worth remembering that if you want the title Chartered Engineer (or Chartered Chemical Engineer), then you must comply with the requirements of the Privy Council and the Engineering Council. Regulation is therefore at the heart of the Charter.

The Charities Act (2011) defines charitable purpose under *13 Purposes*.

Professional Bodies traditionally fall under the 'Advancement of Education' purpose, with the public benefit generally being recognised as the protection of society through the education and regulation of members of the profession.

More information is available from the Charity Commission:

<https://www.gov.uk/government/publications/charitable-purposes/charitable-purposes>

The Charity Commission published new guidance on public benefit in 2013, which it recommends that all charity Trustees should read: <https://www.gov.uk/guidance/public-benefit-rules-for-charities>

It also provided an analysis of the law relating to public benefit. The guide explains that there are two 'aspects' to public benefit: the benefit aspect; and the public aspect:

“The ‘benefit aspect’ of public benefit is about whether the purpose is beneficial. To satisfy the ‘benefit aspect’ of public benefit:

- *A purpose must be beneficial. This must be in a way that is identifiable and capable of being proved by evidence where necessary and which is not based on personal views*
- *Any detriment or harm that results from the purpose (to people, property or the environment) must not outweigh the benefit.”*

And:

“The ‘public aspect’ of public benefit is about who the purpose benefits. To satisfy the ‘public aspect’ of public benefit the purpose must:

- *Benefit the public in general, or a sufficient section of the public*
- *Not give rise to more than incidental personal benefit.”*

The Trustees of the charity therefore have a legal obligation to ensure that these requirements are observed, and as a result individual member benefit must be incidental. A Trustee, can of course use their knowledge of member needs to inform debate and decision-making, but they simply cannot have loyalties to others or they will find themselves to be fundamentally conflicted.

The current proposals for a wider representative ‘congress’ have been set out to address the issue of representation. If adopted, they would allow member representation in the congress whilst Trustee duties would be fulfilled by the smaller Trustee Board.

More information can be found in the consultation pack (slide 16-18):

http://www.icheme.org/~media/Documents/icheme/About_us/we-are-icheme/icheme-consultation-pack.pdf

As a final thought, there is no intent on my part, as some have suggested on social media, to ignore the IChemE membership on the subject of governance. If contributors to the debate are amicable and constructive, and genuinely try to understand the governance framework that we operate within, then we can work together to improve the way that the Institution delivers its charitable objectives. Our members play an essential part in the running of the Institution, and I am proud to have a cohort of passionate, active volunteers that are prepared to freely give up their time to help IChemE advance the practice of chemical engineering.

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