

Evidence statement presented to the Presidential Commission on ICE Governance

By Paul Jowitt¹, Adrian Coy², Ian Jenkinson³, Richard Bayfield⁴ and Bob McGowan⁵

ICE Council's 2017-18 Deliberations on ICE Governance.

Haven't we been here before? And if so, what has changed?

Behind the scenes, the ICE has been on manoeuvres about Governance Changes for quite some time.

In 2013, a Company Doctor suggested Council should be done away with and everything put in the hands of the Executive Board (a body with a very similar composition to the New Trustee Board).

In 2014 a consultancy report on ICE Governance from leadership experts Saxton Bampfylde was commissioned by the DG. On the Principle of "*Working effectively as individuals and as a team*" it said:

"...it might be worth considering whether Council and the Executive Board should take more proactive steps to engage the Institution's membership."

There have been previous reviews of ICE Governance/Council by leading ICE figures such as Past President David Orr and Past Vice President Bill Hewlett.

It is not clear in the most recent 2017-18 Council Review that led to the 2018 Ballot, which, if any, of the above were considered and with what conclusions.

In 2017 the ICE hired a charity lawyer. Their advice to Council was to question the competence of Council itself. It was even suggested that the ICE might be verging on illegality by having a Trustee body of 44 rather than 12. But nowhere does the Charity Commission specify the size of the Trustee Body.

A Trustee Body of 12 is not a requirement but the idea of 12 has been used as stick to persuade Council of its supposed incompetence and 'illegality'.

The idea of transferring Governance was brought to Council in October 2017.

The process was driven by the Executive Board and the DG

Not much is known about these 2017-2018 Council discussions as they were conducted behind closed doors. There are no available Minutes. The record is blank.

It is assumed that the Commission has had full access to what went on. But has it? Do we know?

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Instances of specific ‘problems’ that needed to be resolved have not been given, apart from some vague concerns about the need for increased ‘agility’ to deal with unspecified exigencies.

A recurrent theme of all these Governance discussions and reviews has been the wish within the ICE for more freedom to act without the checks and balances that Council provided and which the Membership might expect.

In May 2018 the ICE Council presented the Membership with a short notice Ballot on Governance to transfer ICE Governance from a Council of Trustees elected by and from the Membership to a Trustee Board appointed from within (but almost identical in composition to the old Executive Board). There was a total failure to engage with the Membership in any consultation, let alone discussion and debate.

The whole flawed process flew in the face of the Charity Commission’s Guidelines on Openness and Transparency **and it was this opacity that led to the calling of an SGM by over 120 Members in July 2018**. All the SGM Resolutions were passed by large majorities and have resulted in this Presidential Commission and Governance Review.

A time-line of events can be found on <https://www.civilsmatters.org/page/history> .

And a record of some of the SGM comments, including a recording of the SGM proceedings, can be found on <https://www.civilsmatters.org/forum/special-general-meeting-31st-july-2018>

The ICE as a Charity.

The ICE is constituted as a Charity, but not a charity in the tin-rattling/funds-raising sense, but principally because it is tax efficient. Of course, it has charitable objectives: its Members are key in developing the knowledge and practice that enable the ICE to fulfil its Objectives as stated in the Charter – “to promote and foster the art and science of civil engineering”.

The ICE is a large charity, but it is not the RSPB, Save the Children, the RNLI or Water Aid

- You don’t have to be an ornithologist to be a member of the RSPB
- You don’t have to be a care worker to be a supporter of Save The Children.
- You don’t have to be a sailor to be a supporter of the RNLI
- You don’t even have to be an engineer to be a supporter of Water Aid.
- But you do have to be a Civil Engineer/allied professional to be a member of the ICE.

Without its members, ICE would not exist.

But more than that, Members of the ICE are dependent on the ICE for their professional qualification and registration with the Engineering Council as a CEng/IEng/ EngTech – a *de facto* licence to practice. And Members are responsible to the ICE for their professional conduct and subject to its disciplinary procedures.

Ergo, the ICE is both Master and Servant. Its Members are its Stakeholders – and more.

And this has important consequences for its Governance.

ICE’s Governance has to be accountable directly to its Members.

The Governance and Trustee models of such as the RNLI are not remotely relevant comparators.

ICE Governance – Principles.

The ICE is a **member-based institution**. It is not a simply a subscription-based organisation. It is not a donor-based organisation.

And it matters that ICE's Trustees are openly and directly elected rather than being internally appointed.

Charities and similar organisations— especially those involving professional qualification - use a variety of trustee models. There isn't one 'best' governance solution to fit all circumstances.

But of the models available, none are so dependent as the ICE on internal appointments, or so removed from accountability to their Members.

Best practice, including that recommended by the Charity Commission, advocates a separation of roles between Management and Governance/Oversight.

In terms of good Governance, it should be axiomatic that the Senior Management Group and the Trustees should be separate.

But what was in the 2018 Ballot has resulted in an Unelected Trustee cum Management Board left to mark its own homework.

It used to be clearly understood that the President and Council (ie the Trustees) set the policy and the DG and the ICE Staff delivered it.

While they can never be completely separated, Governance shouldn't be confused with Management. Management is what the DG and the full-time staff do. Governance is the way that Members choose to allow the ICE to be managed. Leadership can, and should, come from both sides of the Institution - but each respecting the other's role.

When these roles get confused, things go wrong.

We are now in danger of things going wrong!... just as we have recently seen with others.

Good Governance should not be sacrificed for Agility....

The ICE – Agility?

Much has been said recently by the ICE – not least in its PR promotion to the Members - about the need for Agility. Being digitally enabled – the 4th Industrial Revolution - (and in which the ICE has some ground to make up) - is not the same as Agility.

Agility to do what exactly?

The only example offered with respect to ICE Governance was the purchase of 8 Storeys Gate.

As a member of Council at the time, and chairing it as President in 2009-10, Agility and Challenge was never a problem. Lots of agility was required. There was no indecision. But there was challenge. And rightly so. Agility with Authority. There were some problems later, but these occurred in the implementation/management phase. Not Governance.

In the past year or so there have been a number of high profile incidents involving large, well-known charities, and which have caused massive reputational damage to the charities involved. Of course, the ICE needs to be able to respond to such important issues should they ever arise. The ICE's agility to respond is, in the first instance, a **Management** issue – a matter for the DG. The appropriate measures to prevent such incidents happening aren't so much about agility, but about pre-emptive oversight - **Governance** - and ensuring that appropriate risk management and risk assessment systems are in place. **This requires thoroughness, not agility.**

Talk of the 'correct skill set for Trustees' is fine but the **elected** governing majority should arise, for good or otherwise, from the electoral process. The Trustees are responsible for choosing the skill set of Management. Not the other way round.

ICE Governance and Process – Past and Present

Immediate and Recent Past

Until a few years ago, the **process** of Governance – ie the format of the Council Meetings acting as Trustees – was a formal meeting presided over by the President and which received formal papers for decision/discussion/information as required. By and large the papers came via the Executive Board (chaired by the Senior VP) acting as a quasi senior executive cum management board under the delegated authority of Council (the Trustees) and/or via Sub-Committees of Council. The Exec Board acted as the interface between the Trustees (Council) and the DG's management team.

Council received a summary of the Executive Board discussions. But Council Meetings were fully minuted and the minutes available to the Membership. Occasionally there were confidential items (eg on commercial matters or with respect to personal privacy etc) but by and large these were the exception.

The effectiveness of Council depended on the skill of the President to chair an open meeting of independently-minded Trustees who were representative of the **stakeholders** – the ICE's Membership at large.

This often required different skills to those of chairing a company board.

In more recent years, Council meetings have been rather more informal. Prior to the actual Council meetings, the DG would give Council members a briefing. The Council meetings themselves would be held more in Cabaret style with rather less emphasis on the formal approval of papers and rather more emphasis on group flip chart style discussions, with ICE staff interpreting the discussions and collating the feedback. The formal process of Governance seems to have been lost, with Council members being required to act rather less as independently-minded Trustees and more as a sounding board. This might be disputed by those involved, but as in other spheres, external perception is often the effective reality. Council minutes, where they exist, are relatively uninformative.

The recent discussions on Governance are not recorded/available. For some inexplicable reason they were deemed confidential. In effect, Council was acting increasingly less as a set of Trustees and more as a discussion forum.

It is not without some irony that some senior ICE insiders would remark that Council Members were out of their depth and incompetent as Trustees and cite this as a motor for change...

The Present

The Governance arrangements post the 2018 Ballot have resulted in an appointed 12-member Trustee Board (constituted more or less the same as the old Executive Board). Council, whilst still elected, is now *de jure* what it had been led to become in recent years – a discussion forum but no longer the Trustees. The New Council has limited oversight, and, legally, probably none. There can only be one set of Trustees. It is clear that the Trustee Board will be acting as a Trustee cum Management Board, dominated by the President and the 7 Vice Presidents. Those looking for formal minutes are likely to be disappointed. And there will be no check on its behaviours.

It will be setting and marking its own homework.

This overlap of roles should have been avoided.

We need to be crystal clear about upon what we want ICE to achieve, the powers that we are prepared to let the Trustees have, the problems we want to avoid and the checks & balances that we want in place to avoid any one group or person wielding power improperly over everyone else.

Crucially, whoever is elected or appointed needs to have the confidence of the Membership and the moral authority to do their job. Organisations that overlook this 'detail' nearly always find themselves in difficulty at some later date; generally in a crisis situation.

Council, it is claimed, will be able to advise the Trustee Board. Yet only 3 (4 in the interim) of the Trustee Board are members of the new Council. And under the new arrangements, both bodies will be chaired by the President, so it will be difficult in even the limited areas in which Council has any oversight of the Trustee Board, for one body to criticise the other. It is as though this was the intention. In the previous model, the President chaired Council (the Trustees) and the Senior VP chaired the subordinate body, the Executive Board.

It is difficult to imagine a more flawed system of Governance than that which has resulted from the 2018 Ballot.

The recent Governance changes are the latest step in the creeping corporatisation of the ICE, driven not by the Members, or even Council, but internally by the drivers that tend to affect large systems and organisations - and which have their own emergent properties and unintended consequences.

The ICE – Governance - Leadership and the Election of the President

Some organisations in related areas to the ICE, notably RIBA, have an open election for their President. But like most other engineering institutions, the ICE has a selection process for appointment of its President. And there are good reasons why the ICE and others follow this route.

The principle of selection is not at issue here.

But the process of selection is vitally important.

Until a few years ago, the ICE's Presidential Selection Panel comprised the President, the 3 succeeding Vice Presidents and the 5 members of Council who had been elected by Council to the Executive Board. It might have passed by the notice of some, but this composition meant that the majority of the Selection Panel were Council Members – ie 5 Trustees elected by the Members compared to the 4 in the Presidency/line of succession.

A few years ago the DG tabled a set of Presidential Selection Criteria and the idea of a Nomination Panel to replace the Selection Panel described above. The Nomination Panel would provide a group, it was suggested, who would be more knowledgeable than the 'ordinary member of Council' about the field of potential Presidents, especially the 'big hitters'... The elected Members of Council are not so well represented on the Nomination Panel...

This was the start of the process of '**Infenestration**'⁶.

The ICE must avoid adopting an 'Upstairs, Downstairs' Governance Model.

Many of the ordinary Membership are deeply critical of the ICE Presidency being passed around to the 'big hitters' from industry, 'big hitters' who have had little prior ICE involvement or experience and are unaware of the concerns of its ordinary members. The Presidency is not a 'wee bawbee' to be handed around.

There is a danger that the Trustee Board will be dominated by those who might be experienced in boardroom politics but who lack the time to fulfil the traditional – and valued - duties of ICE Presidents.

6 cf Defenestration - <https://en.oxforddictionaries.com/definition/defenestration>

The Presidency is at risk of becoming a figurehead appointment with an increasing number of Presidential duties being transferred to the DG and others within the ICE firmament, and with inadequate accountability to the Members, the neutered Council or even to the New Trustees.

ICE Governance – the Future?

The outcome of the 2018 Ballot was a Trustee cum Management Board of 12, with 8 being the President and 7 VPs, together with 4 others. Of these 4, only 3 will come directly from Council. The 4th is a nominee of the Nomination Committee. Whilst in essence it looks like the old Executive Board, it has even fewer members of Council.

Where is the Governance and accountability to the Membership? There is none.

The Council of Trustees, which the Trustee Board has replaced, had 44 members, of whom 35 were directly elected by the Membership.

There's nothing sacrosanct about 44.

But there is something sacrosanct about the majority of the Trustee Body (or whatever it is called) being directly elected.

Some possible models are suggested later.

But whatever representative Governance Model is chosen, it should reflect the structure and organisation of the ICE itself.

This begs the question – what is most appropriate structure for the ICE in the 21stc?

Now that we are having a Governance Review, it is vital that its outcome is more than a 'Sticking Plaster' to cover up the mess which resulted from the recent ballot.

The ICE as a Global/UK Organisation?

The ICE routinely goes through the process of asking itself if it is a 'Global organisation based in London', or a 'UK Organisation with international outreach'. Currently, about a third of its membership is based overseas. It had an aspirational target for 50% international membership and in recent years, it had moved – with good reason - to increase the number of elected Trustees on Council drawn from its international membership.

As a result of the 2018 Ballot, the new Trustee Board has effectively cast that model aside - not only with respect to the International Membership but also with regards to UK members in the Regions and Devolved/Constituent Nations. Their roles will be confined - by and large - to a Council meeting twice a year as a focus group...

The ICE as an Organisation - the Structure of ICE and implications for Governance

If the ICE's objective is to be a world class thought leader for infrastructure & city management – and as a key focus and engine for all 3-pillars of sustainability and the UN SDGs - then it should follow that we need to build a world-wide governance structure of people who walk-the-talk.

We also need to look at who we define as a 'Member' for the purposes of Governance (as opposed to their areas of professional competence). We have a growing number of people who aren't engineers and therefore can't vote. Our Governance Review needs to look at these people to ensure that we aren't creating a body of the disenfranchised. If we don't, this is likely to lead to problems later on.

Finally, the Governance Review has to deal with at least two different aspects of ICE.

We are an organisation of members but we are also an organisation that offers and sells services to others, only some of whom are members. Conflating the two is a recipe for confusion especially when we are seeking to create an organisation that recognises, celebrates and embraces diversity in all its forms. There needs to be clarity between the Governance and the roles of the ICE and its commercial arm, Thomas Telford Ltd.

The Composition of Council and its Trustee Board?

Council, both pre and post Nov 2018, is a combination of:

1. Regionally elected Members (from the UK and Internationally) and General Members. There are minimum requirements for Members (as opposed to Fellows) in the General Member category. Voting Members can vote in the General List and in their Region.
2. Graduates - elected by the graduates.
3. ex officio positions (ie the President, PP and SVP – it used to be all the VPs).

Note that Members can vote and stand for election in both a Regional and General context, and this duality means that a Member's ICE involvement can be recognised through either route.

The motivation to stand for election for the New Council – a member of a distant discussion forum - has been much diminished, not least for the International Membership and those remote from London.

It is reasonable to question if the Regional Structure in the UK and Internationally is still relevant in the internet age. What is certain, though, is that whilst modern working practices often flow across boundaries such that ICE's Regional Structures might be more loosely defined than heretofore, the Regional Model is still relevant in many areas of ICE activity.

And certainly, the ICE's Governance Model – currently based on representation from the UK Regions and its International Areas - should not be replaced by one based on a metro-centric elite and reliant on the 21st century equivalent of the boardrooms of Victoria Street for its leadership.

The structure of ICE's Governance should also reflect what the ICE does, as well as where its members are located.

It is often said that "Form follows Function" – and this fundamental principle might usefully be applied to ICE's Governance

ICE – the Fundamentals

The ICE's principal activities are

- Membership Qualification,
- Member Recruitment,
- Member Engagement, Diversity etc
- Professional Conduct and Ethics,
- Knowledge (free exchange through meetings and paper publication and on a commercial basis through the sale of journals, conferences etc – "the bloggable versus the floggable"),
- Influencing and Policy (in Whitehall, the devolved Nations and the Regions and on the International stage. Although, in practice, its primary focus appears to be Whitehall...)
- Providing a register of competent experts in an array of engineering disciplines from reservoirs to ground engineering

- Publishing and revising standard forms of contract for engineering projects in the UK and overseas (the NEC)
- and a range of other commercial activities undertaken through ICE's commercial arm TTL Ltd, and including Training, Recruitment and the Commercial use of OGGs as a top quality Venue.

What, then, should be the key focus of the ICE Trustee Board?

And in which of the above areas are they competent?

The post-Ballot arrangements have resulted in the elected Council being subordinate to the 12-member appointed Trustee Board. The terms of reference for all the ICE committees have been rewritten to have them report to the Trustee Board rather than Council. Council has been left as an advisory board whose views on matters of policy cannot – by definition - bind the Trustees, and with no other clear role.

The motivation and desire for well-qualified candidates to put themselves forward for election is likely to wane. The Trustee Board will not have the time – or the knowledge – to deal with all the business and sub committees that reported previously to Council.

The irony of this is that the Members of Council – both in its old and new forms – are far more informed, experienced and qualified to deal with a range of ICE matters, notably Membership, Qualification and Professional Conduct matters than most members of the Trustee Board as currently constituted (9 appointed members from 12).

The new structure is fatally flawed in a number of ways, first because it is not accountable to the Members, and then because of its dysfunctionality in terms of who is best placed to do what.

In its present form, the new Trustee Board is not only ill-equipped to deal with some key Institution functions but its members will be overloaded unless they skip some of their duties. What was the responsibility of 44 is now the responsibility of just 12.

On top of that, it appears that the time commitment of the President to the role the Presidency has recently been downgraded from what used to be 2-3 days a week to 3 days a month (and presumably with similar reductions in the roles of the VPs). This has reduced the position to almost a 'walk on role' and will lead to a further transfer of responsibilities to the DG. It might suit the big hitters parachuted into the Presidency to reduce their commitment but it does the Institution and its Members no service whatsoever.

Parallels with Corporate Governance – CEO and Chairman – are not appropriate. The ICE does not share the same ownership model and shareholder issues as a commercial company. Local Government structures more clearly distinguish between management (CEO) and policy (the elected Leader of the Council), sometimes augmented by a figurehead role (the Mayor). But neither is this a direct the parallel with the ICE, far less with Central Government (Permanent Secretary and the Minister).

For the ICE, the Governance model is neither "Yes, President" nor "Yes, Director General". There is a separation of roles that needs to be respected. Of course, not being a business does not preclude being efficient and business-like in conducting the ICE's affairs – and its Members interests. But at the end of the day, the ICE is not a business.

So, what Governance Model might be appropriate?

It was stated earlier that there was nothing sacrosanct about a 44 Member Trustee Council.

There are some Sticking Plaster Solutions:

With 8 ex officio Trustees (the President and 7 VPs), it's possible to get the number of Trustees down to as low as 17 but still with the majority directly elected. A bit of re-jigging of the "constituencies" is all that is required. Eg 4 from the UK Regions, 4 from the International Regions and 1 from G&S.

Other representative models are available that maintain this accountability to the Members.

For example: A body of 22 might be better, with the elected Members comprising two thirds of the Membership.

But all this pre-supposes that all 7 VPs should be Trustees. And there's no compelling reason why this should be so.

It comes back to **Functionality**, and the respective roles of the Trustee Board and the Council.

The Trustees should have immediate oversight for those areas which expose the ICE to Risk (financial, commercial, reputational, moral etc). But Council should be delegated to look after what it can do best - the Member-facing issues of qualification, conduct, etc.

But whatever - the majority of the Trustees must be directly elected from and by the Membership.

A Trustee Board of 12 doesn't need all 7 VPs plus the President to be Trustees.

The President (whether or not as chair) and 3 VPs is plenty, with the remaining 8 Trustees being directly elected from and by the Membership at large.

These 8 Elected Trustees could also serve on Council along with the remaining 4 VPs. The remainder of Council could be elected as now, from the 12 UK Regions and the International Areas. The 8 Council Trustees would provide the link between the Membership, Council and the Trustees. The other VPs would be free to take on other roles (Membership, Knowledge, UK & International Regions, Public Voice etc). The Council would deal with delegated, Member-facing matters. And Council and the Trustees might be chaired by different people.

Closure: The Future:

The ICE has just turned 200. In the next 200 years we want to see young people inspired by the ICE.

Young people who might aspire to become its President.

Their path needs to be open.

The ICE started in a Coffee Shop, open to all.

It would be a tragedy now if the ICE's Governance shifted from the openness and transparency of the Coffee Shop to the dark corners of a Closed Shop out of touch with its members, not just within the UK, but across the globe.

The Governance of the ICE must be elected and democratically accountable to the Membership.

Thereafter all other issues can be debated - but not this first principle.

Institution of MECHANICAL ENGINEERS

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ABOUT IMEChE

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FROM BIRDCAGE WALK

Colin Brown, the IMechE's interim CEO, aims to ensure better communication between the Institution and members throughout 2019

New Year's resolutions to improve the way we live must be a good idea. Not surprisingly, our Institution has one – a desire to not repeat the negative events of 2018. Instead we want to celebrate the many positives of 2018.

We mustn't forget that we continue to lead the way with new registrations to the Engineering Council and with public statements on key engineering issues. We're still seen as a thought leader on how to better stimulate engineering interest in schools, and our Stephenson Fund to support innovation in industry has been associated with a number of growing companies that are working towards their business goals.

So what does 2019 hold for us? In many ways, more of the same, although based around a budget that allows us to be confident of not having to further draw down on our reserves to achieve our goals. Most importantly, it will include the changes recommended from our independent Finance and Governance Reviews, ensuring we've learned from the lessons of the past.

Changes to the structure of our governance and to our financial monitoring seem very likely. Although not visible to the vast majority of our membership, they will be designed to make sure that we're stronger as an Institution in meeting our charitable aims. That applies to both our learned society activities and to the competitiveness of our subsidiaries.

This year has already seen the recording of continuing professional development



become mandatory for our registrants. We will therefore be increasing our efforts to support members with what this means to each individual – especially if they feel that they're potentially at risk of losing their registration as a result. This is extremely unlikely in these early stages of regulation, but it's essential that we get complete engagement with the system to bring about the positive culture change intended for our profession.

This is also the year of decisions for the UK on leaving the European Union.

The only certainty is that there continues to be uncertainty. A recent event organised by our Germany Group at the British Embassy in Berlin to discuss the UK aerospace industry confirmed the impossible task of pleasing everyone all of the time. It was reassuring, however,

to hear the pragmatic approach being taken by our embassy staff to achieve the best deal in the circumstances.

Finally, for our own Institution, we will be redoubling efforts to improve our two-way communication with our membership. There will be more forums and webinars to address the issues that still concern us. We will be inviting our members, including our critics, to discuss the challenges we face and showing the way their elected representatives are responding to them.

In simple terms, it is good governance to reinstate the power of the ballot box over the power of the soapbox. It would be great if we can look back in a year's time and see that we have achieved just that.

**'CHANGES TO THE
STRUCTURE OF OUR
GOVERNANCE AND
TO OUR FINANCIAL
MONITORING SEEM
VERY LIKELY'**

IMPROVING THE WORLD THROUGH ENGINEERING

IMEchE president **Tony Roche** and other trustees on why members should take up the challenge of governing one of the UK's largest membership organisations



Advancements in technology are changing the face of society on a daily basis and the Institution of Mechanical Engineers has continued to place itself at the heart of these dynamic changes since its formation in 1847. 'Improving the world through engineering' could not have been achieved without the influential and progressive nature of its membership. Now standing at 120,000 members in 140 countries, it continues to be a driving force in industry and wider society.

Since its inception, the Institution has actively sought members' views and recommendations on how it should be governed and on its charitable aims. The trustee board governs and leads the Institution, and is responsible for ensuring it abides by its royal charter, by-laws and statutory regulations. The Institution's council, made up of over 70 volunteer member representatives from across our UK and international regions, divisions and groups, advises the 13 elected trustees on strategy, membership and other key issues.

THE ROLE OF A TRUSTEE

Becoming a trustee is not a decision one takes lightly. It often means making decisions that will impact on people's lives, both within the Institution and society as a whole. I know this only too well, being responsible for the creation of the trustee board in 2002 and recently taking on the presidency for the second time in my career.

This is a serious voluntary undertaking. Trustees need to have a wide range of competencies to enable them to make professional judgements in diverse matters associated with the governance and operation of the Institution. In addition to their professional engineering competency, a trustee and the trustee board need to have good skills and experience in financial management, auditing and risk mitigation as well as communications skills to support the decision-making processes of the

Institution that help us achieve our aims and objectives.

"I was very excited to be elected to the trustee board and to be able to input into the running of the Institution, but I was under no illusions as to the commitment I was undertaking," says Helen Meese, who was elected to the board last May and is chair of the regional strategy board. "Making strategic decisions at this level can be very daunting. However, new trustees receive

'THE KEY FOR ME IS THAT WE REMAIN A DEMOCRACY; OUR STRENGTH IS THAT WITHIN OUR CHARITABLE AIMS WE ARE A MEMBERS-LED ORGANISATION'

induction training and have the opportunity to extend their learning and add new skills during their time on the board."

In both my terms of office as president, having a strong working knowledge of the Institution's by-laws has been essential. In addition, the Charity Commission provides excellent guidance in its publication *The Essential Trustee: What You Need To Know, What You Need To Do* and this is a recommended read for anyone considering election to the trustee board.

As we have experienced recently, it is not always possible to please all of the people all of the time. We are also exposed to confidential information that influences our decisions and yet clearly we cannot share it to explain why. The key for me is that we remain a democracy; our strength is that within our charitable aims we are a members-led organisation. The power of people is through the ballot box if they feel that at any time they want to see change.

ANNUAL ELECTION TO TRUSTEE BOARD

In early April, fellows and members will receive voting papers for you to choose whom you wish to support for election to the trustee board and council, with results

being announced at the annual general meeting on 22 May.

"We are keen to encourage fellows and members to consider putting themselves forward for the voluntary role of trustee, which is a three-year term," says Clive Hickman, one of the trustee board vice-presidents and chair of the commercial and investments board. "The president is the chair of trustees and there is also an honorary treasurer. All trustees are jointly

and individually responsible for the Institution, including shared responsibility for the finances. Trustees also chair or sit on subcommittees, which meet two to four times

per year. You need to consider your ability to commit to these obligations before submitting your form."

MAKING DECISIONS AS A TRUSTEE

"Trustees make decisions about the Institution together, working as a team," says Helena Rivers, who became a trustee in 2017 and is chair of the audit and risk committee. "Decisions are normally made at formal meetings of the trustee board which happen six times a year. When we make decisions about the Institution, it's important to consider are we:

- acting within our elected powers
- acting in good faith and only in the interests of the Institution
- making sure we are sufficiently informed, taking any advice that we need before reaching a decision
- taking account of all relevant factors we are aware of and ignoring irrelevant factors
- dealing with conflicts of interest
- making decisions that are within the range of decisions that a reasonable trustee body could make in the circumstances.

"We always make sure our minutes are formally recorded, and how we made more significant decisions in case we need to review or explain them in the future." ►

"Reaching consensus as a trustee board isn't always easy," says Phil Peel, who is also a vice-president and chairs the technical strategy board. "So it's important to listen to each other and respect the opinions of others, always placing the objectives of the Institution at the forefront of any outcome."

TRUSTEES' DUTIES

Under-30 trustee board member Salma Suleyman, who is also a member of the commercial and investment board, says: "I joined the trustee board on the understanding it would be 10 meetings a year, however the duties mean it can be more than this. Nominees should be prepared for it to take up a significant amount of time, with a lot of preparatory reading before meetings. However, as a young member, I've been part of processes that usually happen much later in your

career and have done this with the benefit of my very experienced board colleagues. It has hugely expanded my understanding of the mechanical engineering industry not just in a technical sense, but the position of it within the socio-economic and political environment of the UK and globally."

Peel adds: "My fellow trustees have a real passion for the aims of the Institution and a desire to ensure that its reputation is upheld within the engineering community."

FIT FOR THE 21ST CENTURY

It is essential we continue our mission to 'improve the world through engineering', but in doing so we must ensure that members can contribute their time and skills to the running and governance of this great organisation. While we are very focused on our legal and financial responsibilities as trustees, we must also

think creatively and strategically to enable us to lead our Institution through its next 170 years. I and fellow trustees encourage any member who feels they have what it takes to fulfil these rigorous requirements to consider this great opportunity.

WHAT'S NEXT

In the last issue of *Professional Engineering* (p54) there was a notice inviting fellows or members who wish to put their name forward for election to vacant places on the trustee board or council to submit their nomination. The closing date for receipt is the ordinary meeting on 20 March (see page 34). If you would like to take up the opportunity to become a trustee then please contact Joan Gibbins, the deputy council officer, who can advise you on the nomination process that you need to follow.
Tony Roche, President

DETAILED DUTIES OF A TRUSTEE

1 Ensure the Institution is carrying out its purposes for the public benefit

You and your co-trustees must make sure that the Institution is carrying out the purposes for which it is set up, and no other purpose. This means you should:

- ensure you understand the Institution's purposes as set out in its governing documents
- plan what your Institution will do, and what you want it to achieve
- be able to explain how all of the Institution's activities are intended to further or support its purposes
- understand how the Institution benefits the public.

Spending Institution funds on the wrong purposes is a very serious matter; in some cases, trustees may have to reimburse the charity.

2 Comply with the Institution's governing document and the law

You and your co-trustees must:

- make sure the Institution complies with its governing document
- comply with charity law requirements and other laws that apply to the Institution.

You should find out about legal requirements, for example by reading guidance or taking advice when you need it. Registered charities must keep their details on the register up to date and ensure that they send the right financial and other information to the Charity Commission in their annual return or annual update.

3 Act in the Institution's best interests

As a trustee, you must:

- do what you and your co-trustees (and no one else) decide will best enable the Institution to carry out its purposes
- with your co-trustees, make balanced and adequately informed decisions, thinking about the long term as well as the short term
- avoid putting yourself in a position where your duty to the Institution conflicts with your personal interests or loyalty to any other person or body
- not receive any benefit from the Institution unless it is properly authorised and is clearly in the Institution's interests; this also includes anyone who is financially connected to you, such as a partner.

4 Manage your charity's resources responsibly

You must act responsibly, reasonably and honestly. This is sometimes called the duty of prudence. Prudence is about exercising sound judgement. You and your co-trustees must:

- make sure the charity's assets are only used to support its purposes
- not take inappropriate risks with the charity's assets or reputation
- not over-commit the charity
- take special care when investing or borrowing
- comply with any restrictions on spending funds.

You and your co-trustees should put appropriate procedures and safeguards in place and take reasonable steps to ensure that these are followed. Otherwise you risk making the Institution vulnerable to fraud, theft or other kinds of abuse, and being in breach of your duty.

5 Act with reasonable care and skill

As a trustee responsible for governing the Institution, you:

- must use reasonable care and skill, making use of your skills and experience and taking appropriate advice when necessary
- should give enough time, thought and energy to your role, for example by preparing for, attending and actively participating in all trustee meetings.

6 Ensure your charity is accountable

You and your co-trustees must comply with statutory accounting and reporting requirements. You should also:

- be able to demonstrate that the Institution is complying with the law, is well run and effective
- ensure appropriate accountability to members of the Institution
- ensure accountability within the Institution, particularly where you delegate responsibility for particular tasks or decisions to staff or volunteers.

7 When trustees can be personally liable

It's extremely rare, but not impossible, for Institution trustees to be held personally liable:

- to the Institution, if they cause a financial loss by acting improperly
- to a third party that has a legal claim against the Institution which the Institution can't meet.

Understanding potential liabilities will help you to protect yourself and the Institution by taking action to reduce the risk. This includes complying with your duties.