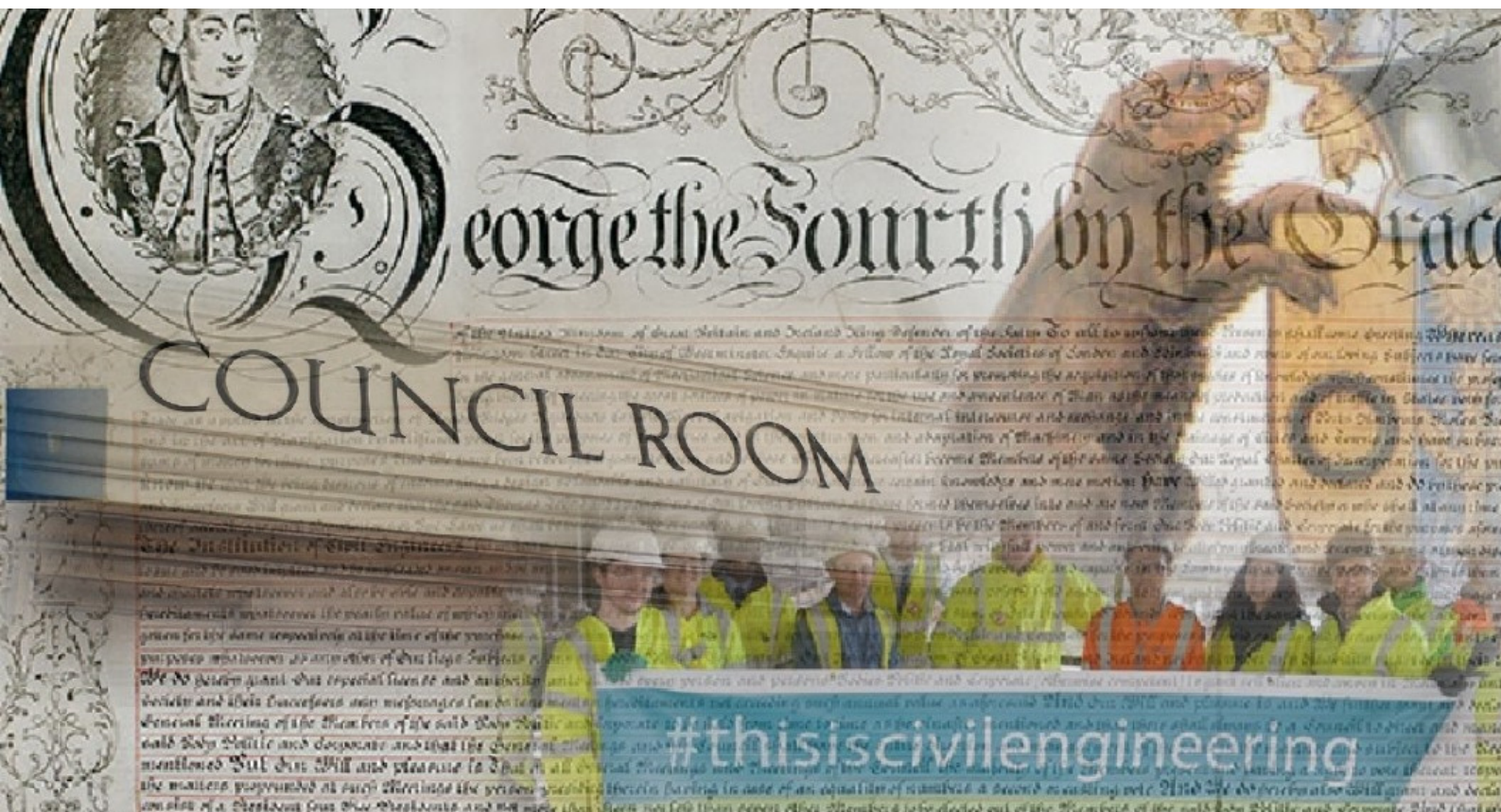


Presidential Commission into ICE Governance

Final Report

Volume 1 – Executive Summary

December 2019



1. Introduction

- 1.1 In 2018, the Council of the Institution of Civil Engineers set up a Presidential Commission to review the governance of the Institution to ensure it delivers its Royal Charter objects as effectively as possible, and to make recommendations to the Council and Trustee Board.
- 1.2 This is the Commission's Final Report agreed by all its members. It has been developed following two comprehensive and wide-ranging consultations within the ICE family. The consultation responses have been most valuable, allowing the Commission to take close account of the weight of opinion and the rationale for the views expressed in forming our judgement and advice on the various issues.
- 1.3 The Final Report comprises three volumes:
 - Vol 1: Executive Summary
 - Vol 2: Main Report
 - Vol 3: Submissions to the Stage 3 Consultation
- 1.4 This Executive Summary sets out all 20 of the Commission's Findings. Further detail on the background to each finding may be found in the relevant section of Volume 2, including the Commission's analysis of the various issues and how it took account of the consultation responses.

2. About the Institution of Civil Engineers

- 2.1 The object of the Institution, set out in its Royal Charter, is: 'to foster and promote the art and science of Civil Engineering'.
- 2.2 ICE is a global organisation with its head office in London. It relies heavily on the engagement, enthusiasm and professionalism of its more than 93,000 members, particularly those who actively engage in its activities.
- 2.3 ICE also exists for the public good by educating, qualifying and regulating civil engineers. It is therefore a global membership organisation registered and regulated under the Charities legislation in England and Wales and in Scotland.
- 2.4 The Institution's current top-level governance arrangements were introduced in November 2018 following a member ballot. In parallel with the ballot process, a Special General Meeting was called which passed resolutions expressing disappointment with ICE's handling of the ballot and calling on the ICE Council to formulate new proposals for ICE governance following extensive and effective consultation of the membership.
- 2.5 A special Council meeting was held on 4 September 2018 to consider the position. The Council continued to believe the governance changes were broadly the right approach; and it had legal advice saying that, due to the ballot result, there was no alternative but to implement the changes approved by the membership. At the same time, the Council accepted the results of the SGM and recognised the legitimate concerns expressed at that meeting about the need for effective communications. It therefore decided to accept the result of the SGM and implement a full governance review.
- 2.6 The ICE's previous and current governance arrangements are summarised in figure 1 overleaf, together with those proposed by the Commission.

Fig 1a: Arrangements prior to 2018

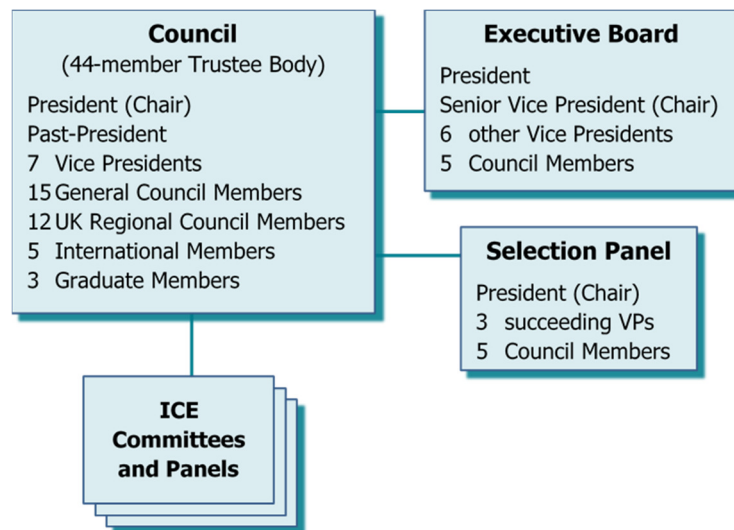


Fig 1b: Current Arrangements post 2018

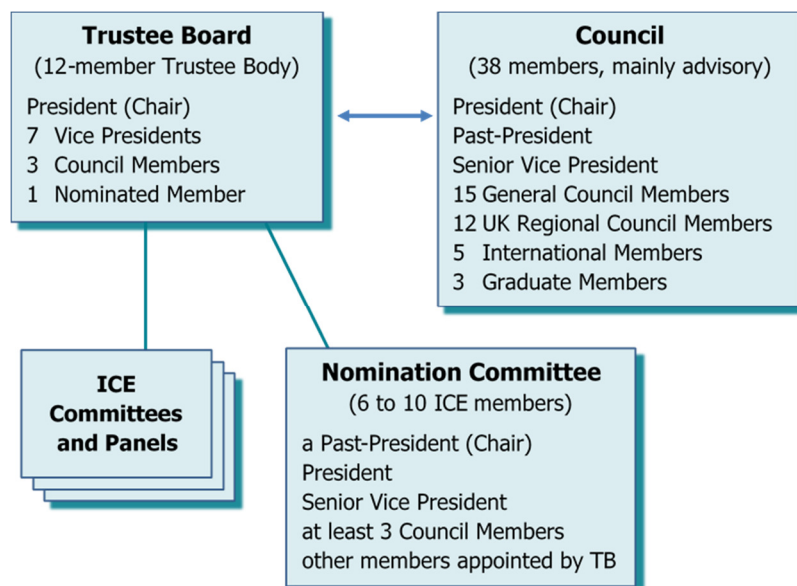
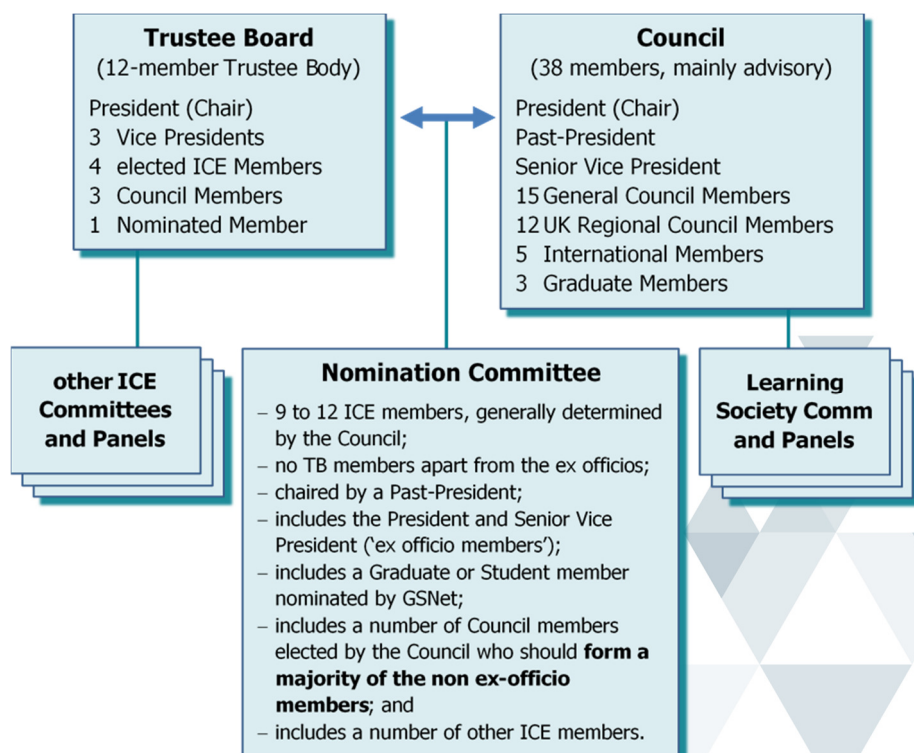


Fig 1c: Proposed Arrangements



3. About the Commission

- 3.1 The Commission mostly comprises ICE members who reflect the diverse nature of the Institution, as well as several external members with strong experience of governance. It operates under Terms of Reference approved by the Trustee Board and the Council.
- 3.2 The Commission has undertaken its work in three stages:
- 3.3 In Stage 1, the Commission considered the key principles and issues in relation to the good governance of an Institution such as ICE, reviewing the arrangements of comparator organisations and the advice of Regulators, and undertaking an initial consultation within the ICE family.
- 3.4 In Stage 2, it reviewed the key issues, concerns and expectations from the Stage 1 consultation, considered options for future governance and developed an Interim Report with 19 Interim Findings.
- 3.5 In Stage 3, the Commission consulted the ICE family on its Interim Report which allowed it to take close account of the weight of opinion and the rationale for the views expressed in developing this Final Report and its 20 Findings.
- 3.6 Throughout its work, the Commission made strenuous efforts to communicate and consult effectively with ICE members.

4. Gathering Information and Evidence

- 4.1 In addition to two major consultations with ICE members, the Commission took evidence from 14 ICE members representing a wide range of views, grades and geographical locations as well as an independent specialist in trustee governance. It also held facilitated workshops with the main ICE boards and committees and sought the views of the ICE's 15 Specialist Knowledge Societies.
- 4.2 The Commission also researched the governance arrangements of 9 comparator Institutions in engineering and the built environment and reviewed the advice from regulators in relation to trustee governance.

5. ICE's Top-Level Governance Structure

Finding 1

The Commission **recommends** that ICE's top-level governance structures should comprise a compact Trustee Board with a larger, mainly advisory, Council. This is subject to considering the balance of the Trustee Board, the method of appointing its members and other matters discussed later in this Report.

6. Composition and Balance of the Trustee Board

Finding 2

The Commission **recommends** the key principle that a majority of Trustee Board members should be elected by the ICE voting membership (subject to further consideration as to the method of election in section 7), giving the proposed Trustee Board configuration shown in Finding 4, with a quorum of at least seven.

Finding 3

The Commission **recommends** the key principle that all trustees should have equal levels of responsibility with each trustee normally leading on a portfolio.

7. Method of Election to the Trustee Board

Finding 4

The Commission **recommends** the following methods for electing seven members to the Trustee Board:

- three Council members to be elected by Council members from a focused candidate list of Council members who meet the required profile for the vacant trustee position; and
- four members to be elected by ICE voting members from a focused candidate list of ICE members who meet the required profile for the vacant trustee position.

This gives the following composition for the Trustee Board:

President

3 Succeeding Vice Presidents

3 Council members elected by the Council

4 members elected by ICE voting members

1 member nominated by the Nomination Committee and approved by the Council

The Commission also **recommends** that in relation to Trustee Board elections:

- the Trustee Board sets the required profile for skills, knowledge, experience and diversity at a relatively high level (and plays no further part in the election process); and
- if there is a fine judgement as to an applicant's ability to meet the required profile, the Nomination Committee should give the applicant the benefit of the doubt and place the matter in the hands of the voters who can make their own decision.

Finding 5

The Commission **recommends** that a general Trustee Role Description be developed, which Trustee Board candidates must accept before they stand for election or accept a nomination.

8. The Nomination Committee

Finding 6

The Commission **recommends** the following key principles for the composition of the Nomination Committee:

- it should comprise 9 to 12 members of the Institution;
- the Council should have general responsibility for determining the members of the Nomination Committee;
- no member of the Nomination Committee shall be a member of the Trustee Board apart from the ex officio members;
- chaired by a Past-President;
- includes the President and Senior Vice President ('ex officio members');
- includes a Graduate or Student member nominated by GSNet;
- includes a number of Council members elected by the Council **who should form a majority of the non ex-officio members**; and
- includes a number of other ICE members.

Finding 7

The Commission **recommends** that the Nomination Committee when making a nomination (as opposed to its role of confirming the skills of prospective Trustee Board members):

- refers to a role specification for any position it is considering, setting out the specific characteristics needed;
- ensures that diversity and inclusion are a central theme in its considerations;
- gathers detailed information as to how the candidates under consideration meet the role specification and makes nominations on that basis;
- explains to the Trustee Board and Council how the nominee meets the required characteristics of the role;
- provides informal feedback, if requested, to any unsuccessful candidate to assist with any future nomination; and
- publishes a summary of the process in a Nomination Committee Annual Report, while respecting the confidentiality of the nominations process.

Finding 8

The Commission **recommends** that the Nomination Committee makes the nomination to fill any vacancy in the Chair of the Disciplinary Board and Chair of the Professional Conduct Panel, for approval by the Trustee Board and in accordance with the Disciplinary Regulations.

Each Chair should then nominate the members of their respective body, ensuring compliance with the requirements set out in the Disciplinary Regulations, under procedures codified in the Terms of Reference for the Disciplinary Board and Professional Conduct Panel.

9. Chairing the Trustee Board and Council

Finding 9

The Commission **recommends** that:

- the President should chair both the Trustee Board and the Council;
- the Senior Vice President should be the Deputy Chair of the Trustee Board;
- the Council annually elects from within its members a Deputy Chair of Council who is not a trustee;
- processes should be established to deal with perceived or actual conflicts of interest, as outlined in para 9.6.4 of the Main Report; and
- in two to three years the Audit Committee should review the matter and report to the Council and the Trustee Board on the significance and management of any conflicts of interest that may have occurred.

10. Roles of President and Vice Presidents

Finding 10

The Commission **recommends** that the President's Terms of Reference are revised to specify a greater time commitment, and to include the important role of engaging with the ICE membership in the UK Regions and International Areas.

Finding 11

The Commission **recommends** that all trustees should have equal standing with all members normally allocated a portfolio. The only trustees to hold the title Vice President will be the succeeding Vice-Presidents. There should be transition arrangements for current non-succeeding Vice Presidents – none should lose their title.

11. Roles of Trustee Board and Council

Finding 12

The Commission **recommends** the following methods to strengthen the role of Council (without interfering with the Trustee Board's responsibilities, including the Board's ownership of the ICE Plan and Budget):

- the Council should be recognised as the pinnacle of the Institution's Learning Society, with the Learning Society Committee and its Panels reporting to the Council, and the Trustee - Learning Society becoming a member of the Council as well as the Trustee Board;
- one of the trustees elected by the Council should hold the portfolio of Trustee for the Council, promoting good two-way communications between Trustee Board and Council;
- the Terms of Reference of both the Trustee Board and the Council should include a requirement for the Trustee Board to consult Council on limited matters of particular significance as proposed in para 11.5.2 of the Main Report; and
- the Trustee Board must provide a reasoned explanation to the Council on each occasion when it declines to accept the Council's advice on any significant point.

Finding 13

The Commission **recommends** that one of the trustees should lead Ethics and Professional Conduct as a dedicated and exclusive portfolio.

The Commission **recommends** that the Trustee Board should have the power, after due process, to dismiss a trustee for justifiable reasons.

12. Transparency and Engagement

Finding 14

The Commission **recommends** that the Trustee Board and Council should improve transparency as outlined in Section 12 of the Main Report.

Finding 15

The Commission **recommends** that the Trustee Board considers a programme of inviting particular groups to present to it, to understand the internal and external environment, and the Trustee Board should discuss with GSNet the possibility of an aspiring member attending board meetings as an observer, or non-voting participant, on a regular basis.

Finding 16

The Commission **recommends** that the Trustee Board and Council examine in depth the low turnout in ICE governance votes and elections, benchmarking with comparator bodies, seeking out the root cause and taking the advice of specialists such as the Electoral Reform Society; all with the purpose of improving member engagement in key governance votes.

13. Special General Meetings

Finding 17

The Commission **recommends** there should be no change to the number of members required to requisition an SGM.

Finding 18

The Commission **recommends** that the By-Laws are amended to make clear that non-Voting Members may make an oral contribution at an SGM.

Finding 19

The Commission **recommends** that the By-Laws are amended to permit either voting in person or electronic voting.

14. Conclusion of the Final Report and Next Steps

- 14.1 During its work, the Commission gathered significant background information and evidence and undertook two major consultations within the ICE family. We are most grateful for all who assisted us so constructively and we took close account of the many submissions in arriving at our final conclusions.
- 14.2 The Commission believes we have fully covered the matters set out in our Terms of Reference and so our work is complete.
- 14.3 It is now for the Council and Trustee Board to consider the Commission's recommendations. The Council should advise the Trustee Board of its view on the recommendations of the Final Report. The Trustee Board should then decide upon any governance changes required as a result (providing a reasoned explanation in the unlikely event that it declines to accept any part of the Council's advice).
- 14.4 Some changes may be implemented immediately, while others may require a ballot of the voting members to change By-Laws.
- 14.5 The Commission strongly **recommends** that the Trustee Board communicates clearly with the Council and the ICE membership all changes that it proposes in advance of formally initiating any such changes, whether through changes to the By-Laws or otherwise.

- 14.6 The Commission fervently hopes that its Review and Recommendations will help to resolve the differences that arose in 2018, and will allow the Institution to move on and look forward to a period of stability in its governance, concentrating on its primary role: to foster and promote the art and science of Civil Engineering.

Finding 20

The Commission **commends** this Final Report to the Trustee Board and Council of the Institution of Civil Engineers. We **recommend** that:

- it receives the careful consideration of both bodies;
- the Council advises the Trustee Board of its view on the various Findings;
- the Trustee Board decides whether to implement the various Findings and determines the changes it proposes to make; and
- the Trustee Board communicates clearly with the Council and the membership all the changes it proposes in advance of formally initiating any such changes, whether through changes to the By-Laws or otherwise.