

## **Statement by members of IPSE Consultative Council**

*Concerning Resolutions to be Discussed at the IPSE AGM 26 January 2019*

You have received notification of the IPSE AGM, to be held at Grange City Hotel, 8-14 Coopers Row, London EC3N 2BQ on Saturday 26 January 2019 at 10.00am. The Board of Directors has submitted a special resolution to the AGM to change the Constitution of our organisation.

We the undersigned, representing a majority of your elected Consultative Council (CC), have grave reservations about these proposals, which we believe would fundamentally change the ethos of the organisation.

### **1) The Board is Proposing major changes to the Articles of Association without consultation.**

The Governance review and the proposals based on it were conducted without consultation with your CC. The flyer was issued to us on Friday 30th November. We were invited to web meetings on 4th and 5th December to receive a briefing and have the opportunity to ask questions. We received copies of the full Governance Report at 11:00 on Monday 3rd December. We rapidly established that the recommendations in the flyer had been accepted by the Board and that the content of the rule changes was not up for discussion. This is in violation of longstanding precedent, in which changes in Governance have been the result of consultation with your CC, representing the interests of the members.

We are supportive of some of the proposed changes, and we have offered to engage with the Board (as is our role under the current Articles) to find a way forward. But we cannot support the proposed new Articles in their current form, for the reasons given below.

*We do not accept that it is good practice for the Board to attempt to alter the rules under which it operates unilaterally and without wider consultation.*

### **2) Removing the right of members to stand for the Board**

Far from democratising the organisation, the proposals would make the right of members to stand for the Board subject to a veto by the Nominations Committee, which would be appointed by the Board. Effectively the Board would become self-selecting.

The Nominations Committee presently comprises two Board members, two CC members and an independent Chair (as recommended by the 2014 Governance review), and does not have to power to veto candidates.

*We reject the suggestion that the proposed changes increase democracy, in fact they reduce it.*

### **3) Replacing the elected CC with a hand-picked members forum with no power to hold the BoD to account.**

Your Consultative Council as presently constituted consists of 30 unpaid volunteers elected by the members. It:

- may elect any member as a Director during Board elections
- should be consulted by the Board and Management on major issues
- is represented on the Nominations Committee which selects Board candidates and sets Board remuneration
- in extremis, your CC can call a General Meeting and propose the removal of directors

The new members forum which would replace the CC (and which would exist entirely at the discretion of the Board) would have no such powers. The proposed changes would remove existing checks and balances on the Board, with no equivalent replacement.

### **4) A rushed decision by a depleted Board**

The timetable for the Governance Review has been unnecessarily rushed. Due to resignations this year the Board is currently short on numbers, consisting of two external directors, three elected directors (one having resigned in protest at the handling of the Governance Review) and the IPSE CEO. Three new elected directors are due to take office at the AGM in January.

*We believe a decision of this magnitude should have been discussed by a Board with a full complement of elected members.*

### **5) Ethos of IPSE as a membership organisation**

The Board is describing the proposed changes as “best practice”. But the best practice cited is for commercial organisations, and we consider that in many ways this is not relevant, or is indeed harmful, for a democratic membership organisation. We believe that in such an organisation there must be a wider body of members, external to the Board of Directors, that has real power to scrutinise and check, as well as advise and encourage, the activities of the Board. Within IPSE that role has been fulfilled by your CC.

*Since its birth in 1999, IPSE (formerly PCG) has had a strong ethos of being a member-owned and member-led organisation. We believe the proposed rule changes would take the organisation in a very different direction, leaving it entirely in the hands of an unaccountable and self-selecting Board of Directors.*

***We would ask you to vote against the resolution to change the Articles of Association.***

## **Resolution to Remove Caroline Morgan as a Director of IPSE**

Furthermore, since we hold that the IPSE Board of Directors, in moving the above resolution, has acted contrary to the long-standing ethos of the organisation and the best interests of its members, we consider it essential that the members be given the opportunity to require a change of leadership and a change of direction. Consequently your CC has used our power under the current Articles to move a resolution to remove directors. This resolution will be put to an Extraordinary General Meeting of IPSE to be held on Monday 4 February 2019.

Your CC remains ready to engage positively with the Board to help resolve issues arising from the Governance Review.

***We would ask you to vote in favour of the resolution to Remove Caroline Morgan as a Director of IPSE.***

***You can vote in person at the IPSE AGM on 26 January 2019 or by returning a proxy form by post.***

[Signed: As many CC members as possible. And possibly former Board members too]

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AGM, to be held at Grange City Hotel, 8-14 Coopers Row, London EC3N 2BQ on Saturday 26 January 2019 at 10.00am.

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EGM to be held at IPSE's offices Heron House, 10 Dean Farrar Street, London SW1H 0DX on Monday 4 February 2019 at 09:00am.