

CIM Minutes

Minutes of the Twenty-Eighth Annual General Meeting
Held At 10.00 Hours on Thursday 26 January 2017
Location Moor Hall, Cookham

Leigh Hopwood welcomed those present to the meeting, her first as CIM Chair, and she then introduced the front table:

Leigh Hopwood	- Chair
Jenny Ashmore	- President
Chris Daly	- Chief Executive
David Robinson	- Finance Director
Joanne Saintclair-Abbott	- Institute Secretary

The Chair thanked the previous Chair, Christopher Masters, who retired in October 2016 and introduced herself to the meeting including her background in marketing and with CIM. She emphasised that the Board is listening to Members, shared her e-mail address - Leigh.hopwood@cim.co.uk - and welcomed Members contacting her.

The Chair then formally opened the meeting and confirmed that it was quorate.

There were 43 Voting Members present and apologies had been received from Chris Adams, Brian Gurnett, Richard Houdmont, Professor Malcolm McDonald, Vincenzo Raimo, Anthea Ross, Jon Tay, Peter Tomkins, Kenneth Ward and Rod Wilkes.

The Chair moved on to the formal business of the AGM and informed those present that voting would be by secret ballot with the results provided before the close of the meeting.

1) To approve the Minutes of the 27th Annual General Meeting held on Friday 4 December 2015 at Moor Hall, Cookham.

The Chair asked for approval of the Minutes of the 27th Annual General Meeting and this was proposed by Chris Parker and seconded by Norman Waite. Voting took place.

2) To receive and consider the Annual Report of the Board of Trustees on the business and activities of the Institute and the audited Annual Report and Accounts for the financial year ended 30 June 2016 and the Auditors' Report.

The Chair reported that CIM had had a challenging year financially, as set out in the Annual Review. CIM had continued to invest in products and qualifications and, going forward, this would stand CIM in good stead in finding new revenue opportunities. There had been capital investment in the Estate and CIM had also invested in its IT systems, with work on these still in progress. The Board and Executive had taken action to address the reported issues. First, a Strategy and Finance Committee had been set up to oversee the Accounts and Strategy. Secondly, the Executive had commenced the implementation of a two-year Recovery Plan. Thirdly, to ensure the right balance of skills the Board aimed to have a Chartered Accountant on the Board (which it has), a Legal Counsel and also an HR professional. The Chair welcomed suggestions from Members for those roles. Fourthly, the Board and Senior Management Team are looking at the longer term Strategy to make it fit for the modern day. The Chair also advised that the Board would examine the CIM Constitution to make sure it remained relevant and she welcomed Members' views via her e-mail address.

Leigh then handed over to the CIM Chief Executive.

Chris Daly thanked those present for attending and introduced the Finance Director.

David Robinson referred to the summary of the consolidated CIM results, comprising CIM, CAM, the now dormant CIM Holdings and CIM Hong Kong. There was a £308k operating loss, with net assets of £4.7m. There was also a decline in the Bank position from £530k to £318k overdrawn - hence the importance of securing on commercial terms a £1.5m loan from the Marketing Trust. Looking to the future, CIM had a strong asset base with the value of Moor Hall at approximately £6m and net assets of £4.7m. With the loan finance secured, David reported CIM as being in a good position to implement its Recovery Plan.

Chris Daly stated that CIM's strategy was being reviewed and refreshed. He said that a two-year Recovery Plan was in place and work was underway to consolidate and improve CIM's position.

Chris acknowledged challenges with Membership numbers. As a Professional Body, CIM needed to encourage Members to partner with it throughout their career. This would be a feature of the plan going forward, including continuing to work to establish Chartered Marketer status as a recognised kite mark for professionalism across business.

The Chair asked if there were any questions on Item 2.

Michael Harrison queried why voting slips were being used rather than a show of hands. The Chair advised that she believed every vote was important, and that this approach better incorporated the proxy vote and was fairer.

Mr Harrison raised a concern with the Accounts. The increased valuation of the Lodge, meant that the real loss figure was £596k. In reply, Chris referred to the Marketing Trust's loan, which ends in December 2017. Mr Harrison asked if the loan had been approved, bearing in mind the Trust's charitable status. Chris said that both CIM and The Marketing Trust sought their own legal advice on what was a £1.5m commercial investment.

Andrew Marsden asked, if conditions dictate, whether the Marketing Trust loan could be extended for a further year, and Chris replied that there may be scope for the Marketing Trust to consider this.

Bob Wilkinson wondered whether CIM had considered working with other Professional Bodies in an effort to increase membership. Mr Wilkinson also queried why CIM did not see the financial situation coming. Chris agreed that there was huge potential for collaboration. He acknowledged the financial situation had highlighted shortcomings with financial monitoring, which had since been rectified.

Peter Rees referred to his written question regarding an unrealistic property valuation and asked why it was appropriate for CIM to pay four Senior Managers a salary in excess of £100k. Chris noted the figure represented the total cost of employment, not just salary. Following a six-year pay freeze, in order to ensure CIM could recruit and retain people with the right skills and capabilities within the marketplace, CIM had undertaken a salary levelling exercise to benchmark against market rates and against a background of a six-year pay freeze for staff. After benchmarking was undertaken this pay structure had been put in place for certain roles to ensure the right skills were in place. He assured Mr Rees that the number of Senior Managers with high salaries had since been reduced. Mr Rees also asked what percentage of staff received performance related pay and whether they would then lose it if they did not make their target. Chris replied that those on performance related pay would not receive payment if they did not meet their targets.

Kelvin Golding welcomed the integrity and openness since Chris Daly's appointment. He advised that Professor Malcolm McDonald wanted to pass on his personal support and interest in CIM. Mr Golding referred to the need for improvement in the areas of Value Proposition and Membership and issues with some elements of Chartered Marketer status. Chris, as noted in his presentation, acknowledged the membership issue, noted that this was being addressed and welcomed support of the Regions in this. Chris stated that he would be visiting every UK Regional Board during 2017. With regard to Chartered status, Chris agreed that there could have been better communication of the changes. He urged Members to contact CIM if they need assistance with the new process. He added that CIM is engaging with Fellows, with an event having been held at the House of Lords in November 2016 and another planned for May 2017 at the offices of the Financial Conduct Authority.

Leigh Hopwood said that in her view there was no doubt that with Chris Daly's fifteen years' experience at CIM he was the right person at the right time to be CEO and noted that he had been talking and listening to Members.

With no other questions, Jonathan Deacon proposed that the Report and Accounts for the year ending 30 June 2016 be approved and this was seconded by Richard Storey. Voting took place.

3) To re-appoint BDO LLP as Auditors of the Institute until the Accounts are next laid before the members in general meeting and to authorise the Board of Trustees to approve their remuneration.

Michael Harrison asked how long BDO had been CIM's Auditors. Chris Daly advised that they had been in place for nine years and there is a re-tender process every three years.

The re-appointment was proposed by Michael Harrison, seconded by Derek Milward and voting took place.

4) Special Resolution 1 – In accordance with Article 10 of the Charter of the Institute, it is hereby resolved by the Voting Members that, subject to such modifications as the Privy Council may require, the Bye-laws of the Institute shall be altered as detailed in Appendix 1.

Leigh Hopwood advised that this resolution was supported by the Board of Trustees and CIM's Constitution and Ethics Committee.

Peter Rees stated it was undemocratic to allow appointed or co-opted Board members to veto candidates they don't think are suitable and he would vote against the Resolution. The Chair clarified the aim of the resolution as being to ensure the effectiveness of the Board where a candidate for election had such a substantial conflict of interest that they would be unable to take part in Board discussions if elected. Mr Rees suggested a motion be put forward to change the veto process and for the Application Form to ask about Conflict of Interest to allow veto by Membership and not by the Board. Kelvin Golding said he understood Peter Rees' point and agreed something should be put in place regarding Conflict of Interest specifically.

The Chair then asked for a vote on Special Resolution 1, which was proposed by Derek Milward and seconded by Peter Rees. Voting then took place.

Special Resolution 2 – In accordance with Article 10 of the Charter of the Institute, it is hereby resolved by the Voting Members that, subject to such modifications as the Privy Council may require, the Bye-laws of the Institute shall be altered as detailed in Appendix 2.

Peter Rees asked what percentage of the Board was appointed or co-opted. The Chair advised that there are nine members elected by the membership, three appointed, and the Board can co-opt up to five members.

Mary Davies asked if specialists appointed to the Board would be appointed by co-option. The Institute Secretary confirmed this that all Trustees must be CIM members and co-options are for one year.

Tom Mason queried why the change put forward in this resolution was needed. The CIM Chair responded that in particular during the last six months it had been challenging, sometimes due to international time differences, to get a quorate Board together at short notice. This slowed CIMs decision making and risked impeding good governance.

Mark Batchelor was concerned that specialists co-opted onto the Board may not be CIM Members and asked if CIM would accept them being a member of another organisation. The CIM Chair and Institute Secretary confirmed that all Trustees must be CIM Members.

The Chair then asked for a vote on Special Resolution 2, which was proposed by Jonathan Deacon and seconded by Fiona Spencer. Voting then took place.

Special Resolution 3 – In accordance with Article 12 of the Charter of the Institute, it is hereby resolved by the Voting Members that the General Regulations of the Institute shall be altered as detailed in Appendix 3.

Peter Rees asked why it was CIM as an organisation which takes disciplinary action against a member and not the Chair or Board as individuals. Mr Rees noted that when he had taken disciplinary action against CIM he had been required to do it against every member of the CIM Board individually. The CIM Chair advised that this was a recommendation from the Chair of the Disciplinary Committee. Mr Rees queried whether the Chair is a CIM Member and the Institute Secretary confirmed he wasn't.

Mary Davies felt it was right that it should be an individual who makes a complaint about a member and it should not come from the corporate organisation.

Michael Harrison asked about the frequency of Disciplinary Committee hearings and the total cost to CIM of the review and proposed amendments. He also queried why the Chairman of the Disciplinary Committee had to be a barrister or lawyer, suggesting this resulted in increased cost. The CIM Chair explained that the review was undertaken by the Constitution and Ethics Committee and the Disciplinary Committee in response to questions from the floor at the last AGM. With regard to needing a lawyer or barrister as Chair, she added that in view of the potential implications to an individual arising from the Committee's decisions, it is important that a qualified legal advisor chairs the Committee. The Institute Secretary added that this provision for the Committee Chair has been in place for many years.

Richard Storey said the Resolution should be referred back to Membership for consideration and Mary Davies asked if a revised and amended Resolution could be accepted. The Institute Secretary advised that it was not possible to make a fundamental amendment to the Resolution for this meeting to consider.

The Resolution was proposed by Jonathan Deacon and seconded by Derek Milward. Voting then took place.

CIM President's Update:

Jenny Ashmore addressed the meeting, referring to the challenges and changes faced by CIM. She reflected on what a world of turbulence and uncertainty meant for marketers and CIM. Firstly, it called for strong leadership to unite people behind a clarity of vision and destination. CIM had a proud history with a compass set around growth and success, captured in the Royal Charter - "To help the profession and those who work within it, for the benefit of the economy and society". This highlighted four aspects: the profession (what it is and how it is evolving); professionals (those who work within it); the economy (the businesses, organisations and functions that drive prosperity and progress), and society (the public and consumers).

She finished by saying that we live in interesting times but the Royal Charter remained a profound compass for this organisation. There was a lot of great work and activity going on and, in a changing world, we would all need to continue to change and refocus to stay the course in the coming year.

5) To note the Officers and the composition of the Board of Trustees for the ensuing year.

The President then confirmed the composition of the Board of Trustees for the coming year:

Chair:	Leigh Hopwood
Vice Chair:	Professor Jonathan Deacon
Vice Chair:	Derek Milward
Trustees:	Dino Adriano
	June Dennis
	Nadi Dharmasiri
	Professor John Egan
	Kate Hamilton
	Freddie Hospedales
	Chris Parker
	Fiona Spencer
	Peter Standing
	Michael West

The Institute Secretary then informed the meeting of the result of the voting:

Minutes:	42 in favour, 0 against - passed
Resolution 1:	112 in favour, 2 against - passed
Resolution 2:	117 in favour, 7 against - passed
Special Resolution 1:	84 in favour, 30 against – not passed
Special Resolution 2:	94 in favour, 19 against – passed
Special Resolution 3:	89 in favour, 24 against –passed

The CIM Chair thanked those present for attending, adding that Members' comments and views are very important and valuable to her and asked that those present use the Feedback Form included in their AGM pack to share their views. The AGM concluded at 11.30 hours.