

**FROM THE PRESIDENT**

All CIWM Corporate Members

20 August 2018

Dear all,

**PRESIDENT'S LETTER AGM 2018**

Alongside the normal annual report and financial statements, this year we are providing you with some additional documents. A narrative review of what CIWM has achieved during the past year (2017) is provided as a separate section of the Annual Report. As you will see when you read it, 2017 was an eventful and in many respects successful year for us in terms of our role in the sector. Following the recent consultation, we are also sharing with you the final proposals for constitutional change.

This letter itself forms the third additional element. In it, I will set out what the Trustees and management of CIWM are doing in order to modernise the organisation, restore its sound financial footing and continue to develop it as the leading professional body for resource and waste management.

**Background**

Regrettably, but as expected when we discussed this at the 2017 AGM, last year saw another net operating deficit for CIWM as a whole of £223k. This is made up by:

- a surplus of £189k on WAMITAB's activities;
- £110k loss on CIWM Enterprises Ltd.'s activities arising partly from a continuing reduction in income from the RWM with CIWM exhibition partnership and reductions in other income streams [principally training and advertising]; and
- a loss of £302k from CIWM's activities, representing the difference between the cost of providing the services to members we wish to provide and the income from membership fees, and arising because non-Chartered member numbers have declined year on year for about ten years (Chartered numbers have remained broadly steady at over 2500).

CIWM has supported CIWM Enterprises Ltd during 2017 and Trustees have confirmed that they will continue to provide financial support as and when required because, based on its business plan, cash flow forecasts, profit projections, risk analysis and other available information, they are satisfied as to the future financial viability of the trading subsidiary. Indeed, Enterprises has already repaid in full the amounts owed to CIWM and to date in 2018 is trading profitably due in part to the new Affiliated Organisation package (see Annex), though the overall position of the Group remains unfavourable. CIWM's external auditors, Kingston Smith, have historically and continue to be satisfied with the Trustees decision

At the end of 2017, CIWM had reserves in the bank of £3.7m, built up from surpluses gained from sources including profits made by CIWM Enterprises Ltd since its incorporation over 25 years ago. There were 5240 active members (compared to 5446 in 2016) on 31 December 2017, a number which has (as of 20 August 2018) risen to 5520, up 299 on this time in 2017.

## **Action Plan**

Since I joined the Executive Committee as incoming Senior Vice President two years ago, financial issues have been at the top of both our agenda and that of General Council (Trustees). Early in 2017 we appointed Ashridge Communications to help us develop a better understanding of our members' needs and what we needed to do start growing membership once more. We also developed a more member-centric affiliate package for companies, which was implemented at the start of 2018, and has since resulted in CIWM Enterprises Ltd both paying off the debts owed to CIWM at the end of 2017 and returning to profitable trading, whilst boosting individual member numbers.

Then in January this year, Trustees initiated a programme aimed at restructuring the CIWM Group, to improve our service to members while at the same time cutting costs and returning the whole organisation to profitability. This Action Plan has four main elements – the constitutional change; work on membership; internal structure and revised business plan; and improving our other services – and more on each of these is set out in the Annex to this letter.

Since January, all the members of CIWM's Executive Committee have been putting a lot of time into this, as more recently have the Board members of CIWM Enterprises Ltd. Like you, we are all both resources and waste professionals, and also volunteers whose time inputs this year have far exceeded what we expected when we signed up. We have needed support from both inside and out to do the work required. Senior staff have played their part, whilst also keeping CIWM running. We asked Colin Church, our CEO, to juggle his representational and influencing role with work on restructuring; Sarah Poulter, our Director of Membership & Funding, to keep providing member and customer services and bringing in revenue whilst researching future options for delivering particular services; and Chris Murphy, our Director of Policy & Professional Standards, to continue to provide the professional and technical input members expect whilst working with Malcolm Sharp to deliver the constitutional changes that are a key part of our future. We also commissioned financial consultants BDO to provide a report on where things stood to ensure that Trustees had all the information required to fulfil their statutory functions. This is a confidential building block for discussion, not an end in itself and has provided us with useful background material for future deliberations.

We have also recruited an external consultant, both to provide independent advice to Trustees, and also practical support to Colin, Sarah and Chris on the restructuring work so that they could indeed continue to do their day jobs. We were very pleased to appoint Andrew Garcia, who is both the 'change specialist' that we were seeking, but also an experienced resources and waste manager.

Colin has been a modernising influence on CIWM and has been adept at taking the cause of sustainable resource and waste management to our key stakeholders and influencers in the UK governments and beyond. It is to say the least unfortunate timing that head-hunters came to call with an offer he could not refuse, while our change process is still very much in progress. I am pleased that Colin has agreed to stay on and help us develop the full Action Plan for agreement by Executive Committee in September and then Trustees in October.

Trustees have recognised that CIWM needs to change substantially to meet its future challenges. We remain confident in the underlying strength of CIWM and its brands; and the Group consolidated balance sheet remains strong with substantial accumulated financial reserves which provide the strength and depth to enable it to meet and overcome challenging economic circumstances. But there is work to be done.

Colin's departure does give us the opportunity to review our leadership structure and ensure that it is indeed suited to the future. Andrew Garcia is leading the work on that as part of the Action Plan, and all options remain open for consideration. To ensure continuity, we have asked Sarah to take on the role of interim CEO from October, to focus on implementing the internal reorganisation, while Chris continues as the 'external face' of CIWM. Job descriptions for the new CEO and other senior positions will be drawn up as soon as the new structure is agreed, and formal recruitment undertaken as soon as possible.

We appreciate that rumours about the situation are giving cause for concern to members. Under Colin's watch, we have started the reverse of the decline in membership numbers and have significantly improved the flow of communications from Trustees to Centre Councils, and vice versa; but we are very aware there is much still to achieve.

The future of CIWM depends on its Members, volunteers, Trustees and employees working together to embrace the necessary changes and move us onto a more stable footing. Then CIWM can continue to fulfil its role as the leading professional body for resource and waste management.

Yours faithfully,



DAVID WILSON  
PRESIDENT

## **Annex – Action Plan Elements**

### ***Constitutional changes***

The proposed constitutional changes, which have been in gestation for a considerable time, are seeking to align the governance of CIWM with current best practice (as for example set out in the NCVO Governance Code). This will enable us to have faster decision making and to bring more relevant skills into the Trustee body. It will help improve communications between Centre Councils and Trustees by creating a formal body for those discussions (the new Members' Council).

### ***Membership***

2017 saw the start of work to reinvigorate CIWM's membership offer. This work has continued and developed in 2018 and is beginning to take effect. At the time of writing, we have 5520 members, up 299 on this time last year.

The first part of 2018 has seen improvements to the joining experience for new members, a refresh of the member home pages on the website and the launch of a more focussed marketing campaign to raise awareness and promote membership.

August and September see the launch of the next part of the member recruitment campaign, with a focus on the benefits of achieving coveted Chartered status as we move towards the Autumn series of professional interviews and, given the time of year, efforts to increase our student membership.

At the June EGM, Members unanimously agreed to the proposed changes to our membership grade structure, replacing three old-fashioned and unclear grades with a new, simpler to explain intermediate professional grade of Associate Member, reducing the total number of grades from eight to five.

Each month we are also highlighting an existing or new member benefit too, in line with the results of the 2017 and 2018 member surveys and our other research with members.

We will soon be offering members the option of paying their membership fees over twelve months instead of ten as we do now, making membership even more affordable.

We have changed our approach to working with companies in the sector. Previously, they could join as company members with a range of benefits (discounts, Journal etc) but no clear commitment to the ideals of CIWM or to our policies on conduct. Since late 2017, only individuals can be actual members of CIWM. Companies can become Affiliated Organisations but to do so have to sign up to a Code of Conduct and agree to abide by terms and conditions that include the obligation to inform us of the circumstances of any relevant regulatory conviction. In addition, two or more individuals become Affiliated members of CIWM with all the rights and responsibilities that entails. This helps spread awareness of the benefits of membership and gives CIWM direct contact with the individuals concerned. The companies also commit to developing their own employees, and we have already seen this bear fruit in terms of greater engagement with professional development.

## **Structure and Revised Business Plan**

In May, Trustees agreed to appoint a change consultant to sit alongside the current management team. Andrew Garcia has fulfilled similar roles in several companies within the resources and waste sector. He started work in June, is reporting to Executive Committee and working closely with the Senior Management Team. He is undertaking a thorough review of the organisation and the current financial and operational challenges against the backdrop of the wider waste and resources market. He will be producing a financially robust Business Plan for CIWM, building on the work to date and with membership as its clear focus.

Key to the process will be three factors:

- Andrew is taking the time to contact and talk to members, Trustees, Centre Councils and stakeholders to gain the maximum breadth of views from across our diverse membership which focus on the future, where the lessons of the past help inform what good looks like;
- To use the breadth of information available (financial and operational) to properly understand the strengths and weakness of the services we provide members as well as the resources to deliver them to ensure they are all aligned to a clarified and re-enforced organisation objective. The plan will cover, not just the re-focusing of the objective, but also what services are best aligned to achieving it (short, medium and long term) and the resources, structures and core processes to enable the plan to be delivered; and
- We are in the process of interviewing for an interim Financial Director who we are hoping to have in place by the end of August. This appointment is of course crucial and will help ensure the success of the plan and the organisation as a whole can be monitored and measured to promote sensible and evidence-based decision-making and to enable us to fully understand the progress being made.

A fully costed and budgeted business plan will be presented to Executive Committee and General Council at the end of September/early October. Thereafter Trustees and senior staff will be available to visit Centres during the autumn to discuss the plan. Andrew will continue to work with Trustees and the management team to implement the plan and we would hope that the core elements of this will be in place by the end of the year. Permanent appointments including the CEO and other Senior Management Team appointments will be made in line with the plan.

## **Improving our Other Services**

### Information for Members and others

Work is underway to help position the Journal as a thought-leading publication in the sector, improving its editorial and production quality and further aligning it with our resource management ethos (for example we will move away from the recyclable plastic wrap to a more sustainable solution). We hope to be able to say more about this soon.

The CIWM Journal Online website remains a sector-leading news provider, with over 21,000 individual users in July for it and the main CIWM website, up 60% on July 2017. We have already introduced new online information resources for members such as the quarterly policy update and topic-specific Technical Briefing Notes and will be developing more information resources in the coming months. Our social media presence continues to grow, with 15,500 followers across all platforms giving CIWM's messages wide reach across the sector.

### Training and Professional Development

Providing specialist training for those new to the sector or needing to upgrade their skills has been a part of CIWM's activities for a very long time. However, our training programme has grown in an organic manner, which has meant some gaps emerging over time. We undertook a review of both our existing programme and the gaps in it over the end of 2017 and early 2018 and are now working to address the issues that we found. In essence, most of the existing programme is well-received and popular, but there are three main improvements we are seeking to deliver:

- Better provision of training in the Republic of Ireland, the regions of England, and in the devolved nations, including where appropriate customisation to local law;
- More professional development linked to managerial skills (negotiation, communication, management, leadership, etc) but in the context of our sector; and
- More blended learning (ie making use of classroom, e-learning, work experience and other learning modes in a blended offering).

### Conferences and Events

CIWM is involved in organising a number of sector leading events across the UK and Ireland each year. We continue to develop these events with key partners such as central and local governments, industry associations and other charities as a major part of our role to promote professional standards, disseminate technical knowledge and provide networking opportunities. We are keeping the events under constant review and development to ensure they continue to meet the needs of members and other attendees.