

IWFM Annual General Meeting 2022

Questions and answers | Thursday 28 July, 1400

Question	Response
FINANCES	

On reading the minutes of the 2020 AGM (minute 13.2021) the Head of Finance predicted for the current year i.e. to 31 December 2021) that an operating profit of £100,000 was expected. As the actual result was that an operating loss of £27,191 has been reported and as the 2021 AGM was held on 30 September 2021, what went so wrong over the next three months to 31 December 2021? Hence I am also uneasy with the statement in the latest Annual Report that as a "going concern" forecasts / cashflows have been produced and monitored up to June 2023 when last year's predictions were awry and we are now in an economic cycle of very high inflation plus increased bank rates impacting our bank loans etc.

For the year ended 31st December 2021, the actual result was an operating loss, after depreciation, of £27,183.

At the AGM last year, the Head of Finance stated that the expected forecasted result for the year ended 31st December 2021 (forecasted to be a loss, after depreciation, of £27,938) was projected to produce a swing in the institute's operating profit of circa £100k. Given that for the prior year, ended 31st December 2020, the Institute reported an operating loss (after depreciation) of £125,787, the actual result for the year ended 31st December 2021 was a positive swing of £99k (i.e. £125,787-£27,938) compared to the previous year.

The results for the year ended 31st December 2021 were forecasted to be an operating loss, after depreciation, of £27,938 and the Institute ended the year with an operating loss, after depreciation, of £27,183, a difference of £755, which was almost spot on.

Turning to the 'going concern' point, since 2020, the first year of the pandemic, all entities which are audited are required to produce cash flow forecasts and other predictions which are then examined closely by auditors to determine whether or not an entity can continue to trade for at least one year beyond the balance sheet date (in this case, until 31st December 2022). IWFM went further and produced an 18 month forecast which was audited and found by the auditors to support the assertion that the institute can continue to trade as a going concern.

The economic headwinds you mention are front of mind for the Institute. The Executive team is managing income and expenditure very closely to ensure that the Institute remains a going concern into the future.

In 2021 we grew overall income by 9%. To put that into perspective, the UK economy grew by 1.5% in the same period, so we are tracking higher than that. In that same period, we grew non-member income by 23%, that's a 53% swing on the prior year. We also increased membership income by £50,000 or 2 per cent. We did so in an exceptionally difficult year for people, when (for the second time) we did not increase subscription rates.

This 9% growth in income with a 7% increase in operating costs enabled IWFM to end the year with an operating surplus of £329k, which was £100k higher than the 2020 result. Indeed, 2021 was a year for consolidating and rebuilding for the Institute to ensure that it was best placed to recover to face whatever 2022 brought. During 2021 we repaid the deferred PAYE costs and we have begun to repay the Coronavirus Business Interruption Loan (CBIL).

I don't want to be the harbinger of doom, but 2021 is the fourth year of making losses. The annual review was so positive, and yet does not really reflect the accounts. Whilst the bank account is healthy, your net current liabilities are not, at £950K i.e. money the institute lacks to repay its creditors presently. Reserves have been depleted to just £52K. We surely all appreciate this is not a sustainable way to run the institute. Will IWFM make a profit in 2022, what's the forecast or is it just 'more of the same' from the institute?

Looking ahead to 2022, the latest expected full year forecast is trending close to budget, both in terms of income and expenditure. The Institute continues to seek income opportunities and to manage its costs very closely, but against the headwinds of unexpected war in Europe leading to rising inflationary pressures, this is challenging. The effect of the gradually reducing depreciation will help.

In terms of a forward strategy IWFM is four things to the market:

1. We are a membership body
2. We set the framework for professional qualifications
3. We are a business enabler
4. We are a thought leader

We are delivering on these four things both strategically and tactically. And we are having success as the numbers show. Our priority is to continue to grow our existing products in existing markets. We will also look to diversify to other products and markets. We are approaching the end of a strategic cycle and as we set our new three-year strategy, we will review our priorities and decide where the best opportunities exist.

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I am worried about the regular losses and membership money we are paying with sometime limited benefits to show. Diversifying is fine but should we look to cut costs instead of selling more training course and running other business interests?	As can be seen from the Annual Review, we are focused on creating value for members. Our aim is to grow income whilst ensuring that costs are linked to value added for our customers and our primary focus is on existing products in existing markets. We operate prudently and if expenditure does not support our strategic objectives or represent value for our members, we will not pursue it. IWFM remains committed to and operates within a regime of strong financial management, upheld by the Extraordinary Finance Committee.

LEARNINGS

What's the institutes biggest learning over the last 3 years?	Chair: Communication has been key. Coming to the Board in 2019 there was much to understand about work behind the scenes. Getting involved at this level has opened up a new world of understanding. Communication is vital to sharing a broader understanding of Institute work. CEO: The value of communicating everything that happens to ensure that members know about the breadth and depth of work that goes on. Being more outward facing, building strong relationships. Embracing he new approach is very exciting. FD: Listening and understanding, especially in remote working times and showing appreciation whenever we can.
What is the institute looking forward to over the next 12 months?	Chair: IWFM Impact Awards. A privilege as Chair to work closely with Chair of Judges Mark Griffiths, and greatly encouraged by the quality of entrants. Grateful to David Sharp for the Review of the Awards and grateful for the volunteer time that went into this piece of work. CEO is looking forward to working with the new Executive Team and with volunteers through a strengthened Members Council to forge the next IWFM strategy and to operationalise it. FD: Excited about the next Strategy to shape the Institute's work over the next three years.

MEMBERSHIP GROWTH

I have seen personally all the hard work that has gone into developing the community review, and I think this is credit to those developing the outputs of the review, - how do the Board anticipate these outputs encouraging membership levels to increase in future years?	The Communities Review has been a vitally important piece of work for IWFM and its recommendations are directly relevant to our plans to grow the Institute. On growing members we have a number of initiatives in play to ensure that existing members stay with us and to be relevant to new ones. We have undertaken research in order to inform the development of targeted acquisition plans and we are presently consulting members on a new value proposition. Our growth strategy continues to target professional members in line with our chartership aims. We are encouraged that professional membership and professional density within our membership has risen over time. In 2021 the % of members at assessed grades averaged 51% up from 46% in 2017. Since then we have doubled the percentage of members joining at professional grades from 21% to 43% in 2021. That's now two in five, up from one in five. More members are progressing within professional grades, increasing by 41% last year thanks to a certified member recognition programme. And in 2021, nearly 800 (798) professionals were awarded IWFM qualifications, the highest number since before 2018. Up 22% since 2019.
How can we help? How many new members do we to achieve a break even point of view?	Members can play a really important part in Institute life and its growth, from following Institute news and talking about IWFM with work colleagues to sharing IWFM-related stories and involvement in regional communities - what members do matters a great deal and we are introducing new communication tools to make that easier for them to connect. We are exploring a number of specific ideas for member-driven acquisition, so watch this space.

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Ref New membership. Has the institute looked at the Military/Civil Service for membership. I am currently serving and only joined this year. Every Military estate has personnel in the FM role and we are joined in partnership with our civil servant DIO staff and Industry partners. CILT have a scheme that works with Defence logistics staff	The Institute welcomes members from anywhere, including service personnel. We are currently looking at how we can attract members in from a diverse range of sectors as part of work to develop a new value proposition. We are speaking to members this month.

SECTOR REPRESENTATION

It has been suggested the IWFM no longer represents the wider FM community with a heavy focus on academic workplace studies and losing touch with the origin of facilities management. Does the IWFM have any plans to look at the broader community, from cleaners, engineers and maintenance managers etc and how it can support them grow within FM and get them included in discussions?	FM is an evolving profession and the Institute is constantly vigilant to the operating context for FM and the opportunities for the profession's advancement. The pandemic clearly demonstrated the critical role and impact that the facilities profession can have in organisations. As we develop the next phase of our strategy the Institute will explore the role of FM in all of its forms as a critical sector to the economy and society.
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CHARTERED STATUS

In 2018, a key justification for changing the name of the Institute was that it would be an enabler of Chartered Status for members - is the Institute still pursuing this and if so what is the current expected timeframe for delivering on this key promise?	<p>In 2018 we set out a vision that one day workplace and facilities management would be a chartered profession. The Institute still holds that vision and its strategy is framed so as to meet the criteria to go for that status when - and only when - the conditions have been met. The criteria that need to be met before any organisation can become chartered include a positive balance sheet; a certain percentage of members at 'qualified' grades; evidence that the profession is demonstrably in the public interest; support from other bodies; and funds to invest in the application. The Board is attuned to the Chartership journey. The Institute's strategy is focused on creating the conditions for a chartership application but we are also well aware that chartership is not an end itself and there can be no shortcut to it.</p> <p>The Certified grade is important both at the individual level and for the wider profession. For individual holders it signifies a level of proficiency for the practitioner. IWFM Pay and Prospects research (2021) suggests that on average members at the CIWFM grade earn more than those at MIWFM.</p> <p>This grade is also important at the organisational level. The Institute's focus on Certified members is linked to its long term aim to become a Chartered body. One of the criteria set out by Privy Council for chartership concerns the proportion of a body's membership which hold 'qualified' grades which they define as qualification at Level 6, which in IWFM's constitution is Certified. So what is good for the individual is good for the wider profession.</p> <p>Since then we have doubled the percentage of members joining at professional grades from 21% to 43% in 2021. That's now two in five, up from one in five. We're delighted to have supported more members to progress within professional grades, a number which has increasing by 41% last year thanks to a certified member recognition programme.</p> <p>We have been working to increase access to the Certified grade, including via an experience-based route so that our grades can recognise evidence of applied experience as well as formal education.</p> <p>While we make no apology for wanting to grow the number of members at professional – assessed – grades, we believe in the contribution made by all workplace and facilities professionals in our membership, whatever their background and we are committed to support them in their career in the best way we can.</p>
What benefits are perceived by the Certified member status?	

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Any update on CPD requirements?	We continue our work to increase access to the Certified grade, including via an experience-based route so that our grades can recognise evidence of applied experience as well as formal education. CPD is a requirement of our professional grades of membership and we support our members through formal (qualifications and training) and informal interventions with our insight, content and events programme. As we refresh our Professional Standards this provides the opportunity to review our CPD programme to ensure our members attain and maintain the highest competency standards.
OTHER	Neil do you want to have a go at this one?
Any idea when regional activities will recommence? Haven't heard anything from my region.	There are many regional activities on the calendar - do check the website for details. For information about activities in a specific area you can find details on the website. For forward plans, contact your regional chair directly.
No thanks to those NEDs that stepped down over the year? ;-)	2021/2 was unusual in that the NED composition of the Board changed part way through the year as Michael Kenny stepped down after three year's service. Paul Ash also stepped down this time, although he will continue to serve on the Extraordinary Finance Committee. It was an oversight to have omitted this from the AGM. We have updated the news article announcing the new NEDs to reflect these changes and to thank Michael and Paul for their service.