

IPSE Annual General Meeting

Thursday 25th January 2024

1700h – 1800h

Conference Call

Attendees			
Iain Sturrock (IS)	Chair	Hamish Stewart (HS)	Elected NED
Rosie Halfhead (RH)	Appointed NED	Derek Cribb (DC)	IPSE CEO
Phil Cowhig (PC)	Director Elect	Joe Woodhouse (JW)	Director Elect
Number of Members in attendance	9	Number of staff and Board members in attendance	6
Apologies			
None			

1. Introduction (IS)

IS welcomed all Members to the 2024 AGM with the focus on the accounts for financial year 2022-2023.

It was noted that the AGM was recorded for the purposes of the minutes and the recording will be deleted when the minutes are received after the next AGM.

IS was delighted to welcome a good number of Members to the hybrid AGM. 20 Members were registered to attend today; 19 others had given their proxy in advance. 3 Members that had registered to attend had given their proxy in advance.

IS provided context to the purpose of the AGM and set out the agenda. Members were invited to ask questions which, in addition to those received in advance, would be answered later in the meeting.

2. CEO Report (DC)

DC assumed that the paper had been read and provided an update for the financial year 2022/23. The key points were as follows:

- The climate for membership bodies had remained quite difficult, particularly through the pandemic, with the implementation of IR35 changes adding an additional challenge to IPSE.
- The historic membership decline was exacerbated during the year and which had been ongoing since 2015.
- Focus had been placed on stabilising the organisation and preparing for the new strategy; a period of growth. This is expected to yield results mid-way through the 2024/25 financial year.
- A surplus of £179k had been recorded – a reinforcement of the organisation’s financial position by now having at least 3 months of operational costs held in the reserves.
- The services and offerings to members had been improved with the delivery of the Freelancer Awards, increased numbers of face-to-face member meet-ups, the roll out of ‘And Co’ with positive feedback, and, the Market Business Hub (free to members).
- The lease on Dean Ferrer Street had been exited during early Summer 2022. The organisation had entered a more flexible space that is better suited to the scale and operational style that IPSE has. The result was a significant cost saving.
- IPSE still has a crucial role to play in the future and relies on the Members to support its delivery. DC thanked the Members for their support.

The impact report had been published and is available on the IPSE website.

3. Chairs’ Statement (IS)

IS thanked Mandy Clarke (MC) who stood down as co-Chair toward the end of 2023. MC’s advice and input had been core to IPSE starting the organisation’s turnaround after many years of decline. The decline is now slowing significantly.

IS noted that it was still a difficult market today, and that IPSE has limited, albeit improving, financial resources. DC and his team had been a key factor in the turnaround of the financial position over the last 3 years.

Despite the tough times, IPSE continues to serve its members and the wider self-employed community with ever greater effectiveness. IPSE had stepped up member engagement and were actively campaigning on important issues e.g., late payment, umbrella companies, financial wellbeing and fairer taxation, as it pushes toward our vision for a fair environment where self-employment is an aspirational and sustainable career option.

IPSE believes there is a great opportunity to grow the core membership in the medium term for the first time in many years. With increased awareness and more innovative membership offerings, IPSE can increase penetration into the self-employed, and increase the power of its voice.

IPSE believes that the current projects will contribute to the future growth and sustainability of the organisation. They are only possible due to the improved financial stability that the team have brought about, and were reviewed by the Board before their implementation.

In mid-2023, IPSE launched new membership offerings to better represent how the self-employed actually work. The tailored memberships now include packages targeted specifically at umbrella workers. Almost 100 members had joined this category to date and it was increasing steadily.

The IPSE Quality Assured (IQA) standard is due to launch shortly. This is an accreditation of suppliers in the self-employed ecosystem who have undergone thorough assessment of their offerings (by IPSE) to

ensure they have great customer focus. IQA will flag the providers that put a focus on looking after self-employed clients, raise IPSE's market awareness and ultimately provide membership growth.

The refreshed website will be available in the first half of 2024 which, alongside investment in the CRM system, will ensure a smoother and more engaging experience for our members. It will also provide better understanding of the needs of current members as well as those who have yet to join, helping IPSE to provide the services they need and, deliver an even higher retention and conversion rate.

IPSE is looking at novel routes to market for the membership. Although details cannot yet be shared, all at IPSE are excited at the possibility of seeing real growth in the coming months. Hopefully, the initiatives in that space will bear fruit within this current year.

4. Voting on the Resolutions (IS)

IS took the three resolutions as published and which the Board recommend for approval. IS invited online Members cast their votes, advising that the votes will be counted and added to the proxy votes received to date before announcing the final results.

IS reminded Members that online attendees who had already supplied a proxy vote could vote again, but that the original proxy vote would be discarded. *Voting commenced.*

The votes were collated and verified.

IS thanked Members for their votes and announced that ***all resolutions had been passed.***

5. Responses to Advance Questions (AQ)

- **AQ1** – The minutes from the 2023 AGM state that the Board will analyse the voting figures from the election held in 2023 at the next Board meeting. Will the Board be sharing the analysis with the Membership?

AA1 – The Board had analysed the results. Out of respect to current and future candidates, they will not be put into the public domain, but are available to current and future Board members.

- **AQ2** - Please share some of the key metrics of the election held in January 2024 - how many members applied, how many were vetoed at the application stage, how many were vetoed by the Board at the interview stage, and how many members voted in the election?

AA2 – Twelve (12) candidates self-nominated for Elected Director roles, three (3) applications were incomplete and therefore invalid. Nine (9) proceeded to the sift by the Nominations Panel, of which five (5) had the strongest match to the published skills matrix (filling the gaps) and were invited for interview. One (1) applicant subsequently withdrew. Three (3) were determined to have the most closely matching skill levels and experience being sought by the Board and were put forward for voting by the Membership.

There was good engagement effort from both candidates and staff and the voting was up 26.2% on previous years.

- **AQ3** – In answer to a question (2023 AGM) the Board stated they would consider a "None of the above" option in future elections, which would potentially give feedback to the Board about whether the candidates on offer reflected the views of the Membership. Can we please have feedback on why the Board felt it was not appropriate to offer a "None of the Above" or "Abstain" option for Director election?

AA3 – The Board did consider this and determined that the value of this option did not outweigh the benefits of streamlining the process and maximising participation. It is sometimes difficult to get sufficient good candidates and so the Board is happy to continue to seek and receive feedback on the election process and we do so through multiple channels.

- **AQ4** – At the 2023 AGM, it was suggested that there was a public record of when Directors are elected or appointed and when their terms would end, and whether they were eligible for re-election or re-appointment. This was noted as a very helpful suggestion but that information isn't available on the website yet. Will the Chair comment on ensuring the website is updated to include this information?

AA4 – Yes, we will be doing that but as we are having a complete refresh of the website, it was felt more sensible to do that as part of the website update which will happen this summer.

- **AQ5** – The 2024 election for Directors closed on January 19th. On what date will the successful candidates be appointed to the Board?

AA5 – The successful candidates were invited to sign Director contracts with immediate effect following the disclosure of election result to the candidates last Friday. Candidates were informed of the results privately on the 19th January 2024.

This is possible because we streamlined the process and completed background checking processes before the ballot stage and that means that we will have all the administration completed and the induction of the new Directors done, for them to be able to attend the next Board meeting on the 6th March 2024.

- **AQ6** – With both Mandy and Julia leaving the Board, and only one elected Director replacing them, the Board is now down to five (5) Directors including the CEO as ex officio. What was the reasoning behind reducing the size of the Board further? There used to be nine (9) Directors. This is possibly the smallest Board PCG/IPSE has ever had.

AA6 – We haven't, in fact, reduced the Board size from what it was last year. We had lost two Directors as is so rightly said, Mandy and Julia, but we have added two new elected Directors so there will be six people on the Board and that includes four elected members – we are in alignment with our Articles of Association.

The Board took the decision two years ago, to reduce the Board size because of the reducing size of the organisation and in order to save some costs. We felt at the time, six was an effective and sensible number of Board Directors. The Board could decide to increase it again later, as we turn around the organisation and start growing again.

- **AQ7** – This financial year saw re-brand of the different membership levels from Plus, Standard and Essentials to Director, Umbrella, Freelancer, kick start Community. What were the primary drivers for this change and how has it affected membership

AA7 – One of our missions is to make IPSE the membership organisation of choice for the self-employed; a sector which is increasingly diverse in its operating models. The previous set of packages were primarily designed with limited company contractors in mind, particularly those working outside IR35. But the landscape has changed dramatically since IPSE was formed and particularly in the last few years.

The goal of these changes was therefore to provide membership packages that better reflect our current membership and other services tailored not just to those continuing outside IR35, but also sole traders, umbrella contractors and those who switch between inside and outside IR35 assignments.

We have actually had great take up across all of the new packages with larger than expected growth in the Director package. Since the re-brand our retention rates are at a 7-year high and IPSE has had its best two quarter performance in years.

- **AQ8** – Is IPSE growing membership numbers yet? Are we still in a state of declining membership numbers? If declining, what was the rate of decline and how does this compare to previous years?

AA8 – Unfortunately, as earlier stated, membership does continue to decline. But the rate of decline has slowed significantly.

In the midst of the pandemic and extension of the off-pay role working rules to the private sector, decline was around 10% per quarter. More recently, that has become 10% per annum and the continuing trend is going in the right direction.

We are hopeful that by the end of this calendar year, we will be moving in to a growth scenario. Our retention rate is far stronger than in previous years and currently runs at 80%. With members taking up all five of our new membership packages, we are anticipating this turn to growth as just mentioned.

- **AQ9** – Would you please describe what the Members Forum has been engaged in over the past 12 months, what their terms of reference are and any future plans of how the forum will operate in the future?

AA9 – The Member Forum has not actually met in the last 12 months. The Board and Executive are reviewing how we engage and how we receive feedback from the membership. This currently includes the Policy Committee, Member Meet-Ups, Member survey, focus groups, the online forums, webinars and the Members helpdesk.

We have found more target engagement with such as the Policy Committee and focus groups to be very helpful in gaining a more granular insight into what the Membership thinks and requires, and we are currently looking at how we optimize the value of our annual Membership survey.

6. Questions raised in the online chat room (OCR)

- **OCR Q1** – [To DC] Is the list of life members that is on the forum still accurate apart from the two life Members who have died?

OCR A1 – DC said that he was uncertain but would review it and ensure that it is kept up to date.

- **OCR Q2** – [To IS] With your three-year term as Chair ending in August 2024, are you intending to put yourself forward for a second term or will the Board be looking for a new Chair from August?

OCR A2 – IS confirmed that his term of office ends in late August 2024. IS clarified that he does not intend to stand for another term and the Board will be looking for a new Chair. The Board will discuss this at the next Board meeting.

- **OCR Q3** – re The Loan Charge. Are we aware of HMRC's tactics in accusing people of being involved with the loan charge schemes? Is there any plan to look at this?

OCR A3 – DC said that IPSE is very aware and had been heavily engaged with the government on this topic. IPSE has a long-held position on loan charge; the focus should not be so much on the individuals that have taken these up (quite often very poorly advised to go into it), but more on those that have been the promoters of the schemes. It is these that HMRC should be seeking to penalise. It is one of the core policy areas that is being looked at – a hot topic.

IS noted that on LinkedIn, Dave Chaplin is suggesting that he might be talking to ITV about making a drama about this.

- **OCR Q4** – Please can you remind everyone who is on the Board now? By my reckoning, we lose Mandy and Julia and have one replacement. As of today, who are the Board members?

OCR A1 – IS advised that the current Board members are Rosie Halfhead (Appointed NED 2023), Hamish Stewart (Elected NED 2023), IS (Chair) and DC (ex officio). Two new elected Board members will be announced after this meeting. DC advised that the roles have standard three-year terms. All Directors can choose to stand for a further term, subject to re-election or re-appointment processes having been completed.

IS thanked all Members for attending and declared the AGM closed.

Director Election Announcement

IS advised that the two new Directors are Phil Cowhig and Joe Woodhouse. IS congratulated both Directors and looked forward to working with both over the next few months.

Both Directors thanked all the members for voting.



Signed

Dated: 19 February 2024

Name

Iain Sturrock