

# Proposed amendments to Royal Charter and Bye-Laws

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## CIPP - The Chartered Institute of Payroll Professionals

July 2020

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Change	Aspect	VWV recommendation	Proposed amendment	Notes
1.0	<b>POLICY ISSUES</b>			
1.1	Board Composition	<p>The Board agreed that:</p> <ul style="list-style-type: none"> <li>Board members should serve fixed-terms of three years (this period being a common balance between continuity and refreshment);</li> <li>there should be a maximum continuous term of office of 9 years (three terms of three years);</li> <li>there should be a cooling-off period of one year after the maximum terms has expired before a Board member is eligible to stand again for appointment to the Board;</li> </ul> <p>where someone is elected as Vice-Chair, they will be excepted from the maximum continuous term of office if that is necessary to enable them to serve for four years from the time of that appointment. This reflects the practice of the Institute for the members to elect a Vice-Chair of the</p>	<p><b>Bye-Laws</b></p> <p>In 25 (a): delete '<i>Governance Committee and approved by the</i>' and '<i>, a minimum of two of whom shall retire each year</i>'</p> <p>In 28 (e): replace '<i>;</i> or' with '<i>'</i>'</p> <p>In 28 (f): replace 'if he is removed under Bye-Law 25' with 'on completing the term for which he is appointed'</p> <p><b>Regulations</b></p> <p>In 13: delete '<i>other than a Director retiring by rotation</i>' and replace '<i>Appointments Committee</i>' with '<i>Nominations and Appeals Committee</i>'.</p> <p>In 14: delete '<i>(other than a Director retiring by rotation at the meeting)</i>'</p> <p>In 15: replace '<i>the rotation in which</i>' with '<i>when</i>'</p> <p>In 16: delete '<i>and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting</i>'</p> <p>In 18: delete the second sentence.</p>	<p>This removes the reference to retirement by rotation which will not apply if fixed terms of office are introduced.</p> <p>The reference in Regulation 13 c) to '<i>the Appointments Committee of the Institute</i>' is to be replaced by the Nominations and Appeals Committee referred to below.</p>

		<p>Board who remains on the Board for four years, serving in turn as:</p> <ul style="list-style-type: none"> <li>• Vice-Chair for a year,</li> <li>• Chair for two years, and then</li> <li>• for a year as Past-Chair.</li> </ul>	<p>Add as new Regulation 14 and renumber subsequent regulations:</p> <p><i>'14. Subject as aforesaid, Directors shall be elected to the Board for fixed terms of three years to expire at the third Annual General meeting after the one at which they were appointed. The maximum continuous term of office for Directors is 9 years (three terms of three years) after which they must cease to be a Director for at least one year before being eligible to stand again for appointment to the Board, but the maximum continuous term of office shall not apply to:</i></p> <p><i>a) A person appointed as Vice-Chair to the extent necessary to enable them to remain on the Board for four years from the time of that appointment, serving in turn as:</i></p> <ul style="list-style-type: none"> <li>• <i>Vice-Chair for a year,</i></li> <li>• <i>Chair for two years, and</i></li> <li>• <i>as Past-Chair for a year.</i></li> </ul> <p>b) A person co-opted by the Board under Bye-Law 25 provided that the resolution to co-opt is passed by a majority of at least three quarters of the Board members voting. An individual co-opted in this way immediately after serving for nine consecutive years as an elected Director shall not be eligible to be elected by the membership as a member of the Board until a year has elapsed from the end of the period for which they are co-opted to the Board.</p>	
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1.2	Ability of Co-opted Board members to vote	The Board agreed that the Regulations should be amended to allow co-opted Board members to vote at Board meetings.	See the change to Bye-Law 18 proposed above.	
1.3	Changes to the Code of Conduct and Disciplinary Procedure	The Board agreed that: <ul style="list-style-type: none"> <li>the Institute Secretary should propose changes to these documents.</li> <li>a Nominations and Appeals Committee should be established.</li> </ul>	Refer to the separate paper prepared by the Institute Secretary.	
1.4	Membership Categories	The Board agreed that: <ul style="list-style-type: none"> <li>the governing documents of the Institute should provide the flexibility for the Board to determine categories of membership, and</li> <li>the membership categories set out in the Bye-Laws should be updated to reflect any changes agreed at the Board Strategy Day.</li> </ul>	Bye-Law 4 provides that <i>'Other classes of Member may be set up from time to time by the Board.'</i>  To make this more obvious to readers of the Regulations, we such the following addition to the regulations (as renumbered):  <b><i>'Membership Categories</i></b> <sup>27</sup> . The Board shall periodically review the categories of Member and may set new classes of Member from time to time provided that no new or additional designation including the word Chartered may be allowed after the date of approval of these byelaws without the prior approval of the Privy Council.'	If the Board agreed at the Board Strategy Day or now wishes to agree any changes to the list of categories of voting member in the current Bye-Laws, those can be incorporated in the proposed changes to the Bye-Laws. The current categories are:  (a) Fellow  (b) Member  (c) Associate  (d) Chartered Professional
1.5	Designatory Initials	Bye-Law 4 to be amended to update the description of a Chartered Member and clarify the rights of	In Bye-Law 4 (d) replace <i>'Professional'</i> with <i>Member'</i> In the last sentence of Bye-Law 4: insert <i>'propose or'</i>	

		<p>Honorary Members.</p> <p>Bye-Law 6 to be amended to make clear that only voting Members can use designatory initials.</p>	<p>before 'vote'.</p> <p>In Bye-Law 6:</p> <ul style="list-style-type: none"> <li>• replace '<i>members</i>' with '<i>Members</i>'</li> <li>• replace the first instance of '<i>Professional</i>' with '<i>Member</i>'</li> <li>• insert '<i>Payroll</i>' before the second instance of '<i>Professional</i>'</li> <li>• replace '<i>area of the profession</i>' with '<i>former membership level</i>'</li> <li>• replace 'CPay – Payroll CPen - Pensions CRew – Reward' with '<i>Former Fellows ChFCIPP</i> <i>Former Members ChMCIPP</i>'</li> </ul>	
1.6	Timing of the Annual General meeting ('AGM')	The Board agreed that the Bye-Laws should be amended to provide greater flexibility in the timing of the AGM, by requiring an AGM to be held each year and not more than 15 months after the last AGM.	<p>In Bye-Law 16:</p> <ul style="list-style-type: none"> <li>• replace '<i>once in every calendar year beginning in 2011</i>' with '<i>in each period of 9 months beginning with the day following its accounting reference date</i>'</li> <li>• replace '<i>fifteen</i>' with '<i>eighteen</i>'</li> </ul>	This approach draws on that applied to private companies under the Companies Act 2006.

<b>2.0</b>	<b>MAINTENANCE</b>			
2.1	Setting the number of Board members	The Board resolved that this provision should be updated to replace the redundant reference to the Governance Committee.	See change to Regulation 25 (a) above.	
2.2	Removal of Board members for non-attendance	The Board resolved that the Bye Laws should be amended to reflect the current practice of the Board of considering removal if a Board members fails to attend two consecutive meetings without good reason.	In Bye-Law 28: replace 'three' with 'two' and add 'and the Board resolves that his office should be vacated' after 'meetings'.	
2.3	Removal of Board members and Natural justice.	The Board resolved that Bye-Law 29 should include a right to be heard and a reference to an appeals process.	In Bye-Law 29: insert 'to be heard and' after 'right'.	
2.4	Clarity - remuneration and payments to companies and firms	The Board agreed that the Charter should better reflect that the Institute is not a Charity and: <ul style="list-style-type: none"> <li>• reflect the restricted circumstances in which Board members may receive proper and reasonable remuneration,</li> <li>• provide greater clarity about</li> </ul>	Add to article 4 of the Charter: <ul style="list-style-type: none"> <li>(e) of a reasonable rent or hiring fee for property let or hired to the Institute;</li> <li>(f) of payment to any company in accordance with sub-clause 4(g) below or to any company in which a Board member has no more than a 2% shareholding; and</li> <li>(g) of the amount due under a written contract with the Institute (whether personally or</li> </ul>	

		<p>situations to companies in which Board members have an interest.</p>	<p>through a service company), to supply goods or services to the Institute, including serving as Board members, in return for payment or other benefit but only if:</p> <ul style="list-style-type: none"> <li>(i) the goods or services are actually required by the Institute;</li> <li>(ii) the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services supplied;</li> <li>(iii) the Board member has declared his or her Interest in accordance with this Our Charter, the Bye-Laws and the Regulations;</li> </ul> <p>provided that the members of the Board must comply with his obligations to declare interests and obtain appropriate authorisation of conflicts of interest in relation to any Benefit provided by the Institute to any Board member pursuant to this article.</p>	
2.5	Appointment of officers	<p>The Board agreed there should be a new regulation intended to provide greater clarity as to the manner in which 'officers' of the Board are appointed.</p>	<p>New regulation. Add as regulation 27:</p> <p>27. The officers of the Institute shall be appointed by resolution of the Board and shall comprise:</p> <ul style="list-style-type: none"> <li>a) the Chair</li> <li>b) the Institute Secretary</li> <li>c) the CEO, and</li> </ul>	

			d) such other officers as may be determined by the Board.	
2.6	The Chair and other officers	The Board sought clarity on the process for appointing the chair and other officers.	See above.	

3.0	<b>ASSURANCE, REVIEW AND FUTURE PROOFING</b>			
3.1	Activities and objects	The Board has reviewed the activities of the Institute and concluded that no difficulties currently exist - all the activities of the Institute are in line with its objects.	None	
General	Latitude and consequential changes.	The Board recognises that it may be appropriate at a later stage to accommodate changes suggested by the Privy Council Office and/or some of the wider issues raised in the initial report of our legal advisers.	<p>The proposed changes are approved in principal together with:</p> <ul style="list-style-type: none"> <li>• such changes as the Privy Council may require and which are agreed by the Institute Secretary on the advice of our lawyers, and</li> <li>• such further or consequential changes as may be approved by the Institute Secretary in consultation with our legal advisers,</li> </ul> <p>subject always to circulation of the final changes to the Board for approval.</p>	