



Findings and Recommendations of Chairman's Review Panel

September 2008

Background

The Chairman's Review Group was convened and commissioned with the task of carrying out a review or "health check" of the workings of QPANI.

The CRG met a total of five times on 19th February, 21st April and May 19th. June 17th and August 28th. The review group has been comprised of

Johnny McQuillan
Paddy Mohan
Willie McNabb
Stephen Robinson
Matthew Murphy
Paul Connolly
Mark Kelly
Seamus McKeague
Gordon Best

The Facilitator at the first three meetings was Jim Dearie of UXL.

The objective of the Chairman's Review sessions was to consider the future of QPANI and create a new vision for the Association. This vision would provide a sense of purpose and focus for the Regional Director and his team and the various committees that support the activities of the Association.

During the sessions there was lively debate about the role of the Association and the challenges facing the sector, the members and the QPANI. The main areas discussed were:

- The Chairman's review
- 14 stated core values in QPA documents
- Current activities including some advisory services that risk overstepping the mark in terms of commercial activity.
- Future services
- Committee structures
- Staff resources
- Current membership fee based funding model

FINDINGS AND RECOMMENDATIONS

One key output of the review was the agreement of a new draft mission statement and a series of 5 focused roles.

The Review Group agreed a statement of purpose

“The QPANI exists to add value and improve the long term commercial sustainability of member businesses and the Industry as a whole”.

(approved by the Executive Committee at their meeting on 29th May 2008)

This will not change over time, it be a constant and should be repeated often in communications with members.

The Review Group also identified the 5 focused roles and the four priorities under each role as,

1 – Facilitator/to/from Government influence

1. Planning / Long term security of Aggregate reserves.
2. Procurement policy and public sector investment particularly in roads, water, housing and education infrastructure.
3. Reduce cost of doing business i.e. rates, energy, insurance etc.
4. Reduce bureaucracy through better regulation.
5. Secure Aggregates Levy rebate for further 10 years from 2011.

2 – Education internal/external

1. Educate those who regulate our industry about industry issues.
2. Educate all stakeholders about our industry, i.e. environmental NGOs, professionals, politicians, Councillors, educationalists, business organisations, and media.

3. Educate members about best practice and complying with QPANI Core Values.

3 – Protect & expand market

1. Promote sustainability and benefits of quarry products against competitors such as steel and timber and overseas competitors.
2. Protect
 - Modern Methods of Construction
 - Government Legislation
3. Expand
 - Diversification of industry activities
 - Public sector investment

4 – Sustainable employment/careers path

1. Develop partnerships with educational establishments and Government to establish recognised qualifications and skilled young people that will meet the needs of the industry.

5 – Corporate Social Responsibility

1. Image of the industry
2. Working with Community.
3. Environmental Performance
4. Health and Safety performance

(These fives areas were approved by the Executive Committee at their meeting on May 29th 2008)

Having identified and agreed these priorities the group recognised that although QPANI has been successful in the past at lobbying and influencing Government policy on sector specific issues there are some of the above priorities which require a more collective approach. Over the past number of years the Association has gained respect and recognition from other industry groups and our Politicians. To achieve many of our objectives we now need to work with and engage organisations such as CBI, IOD, Chamber of Commerce, CEF and maximise the potential of the Construction Industry Group. The Review Group agreed that QPANI need to be at the forefront of developing a new relationship with the public sector and local authorities in order that we maximise the benefits for our industry from the Investment Strategy. Members recognised that our role within CIG and other groupings is and will become more important as this relationship with Government develops. The setting up of the Assembly Construction Group is seen as one of significant potential and must be used to maximum benefit not only for QPANI members but also the wider Construction Industry as a whole.

First and foremost we are a lobbying organisation but that lobbying and networking has to take place at various levels within Government and local

authorities. At a higher political level through our contact with policy advisors, key MLAs and with the implementation of the RPA key policy influencers within our local Councils. At a lower level of networking and lobbying valuable work is done with Departmental Officials within CPD, Roads Service, Planning and Environmental Policy Division, Water Management, Natural Heritage, NGOs and local Council officials. This work lays the foundations for the pedestal of respect from where our voice of the industry can be heard.

As identified in our priorities we are also in the business of education both internally and externally in order to improve the awareness of and better inform key decision makers about the essential nature of our Industry.

The internal aspect of this role is obviously to advise and inform members of changing legislation, communicate health, safety and environmental best practice and to establish, maintain and monitor a level playing field on which all member companies can commercially compete.

In terms of Actions linked to the five priority areas the Review Group discussed and proposed the following

1. Facilitator/to/from Government influence

- Setting up of Assembly Construction Group- July 08
- Deliver an aggregates mapping programme for Northern Ireland – Dec 08
- Deliver a Northern Ireland Aggregates Levy Sustainability Fund – Dec 08
- Influence the forthcoming review of Planning – September 08
- Influence the implementation of ROMPS legislation – ongoing
- Work to secure another 10 year derogation on Aggregates Levy – ongoing
- Work to secure adequate investment in our infrastructure – ongoing.

2. Education internal/external

- Roll out the employability initiative with members support – Dec 08
- Gain member support and participation in Association surveys such as the SD Report - ongoing.
- Organise and facilitate awareness visits for those who regulate our industry - ongoing
- Encourage and provide support to members organising open days or site visits – ongoing.
- Educate membership on Carbon reduction initiatives and impact of future sustainability criteria set by Government for Construction materials – ongoing.

3. Protect & expand market

The Group recognised that the Associations role here is limited because of Commercial and competition constraints. However we should continually promote the sustainability and benefits of quarry products against competitors such as steel and timber and overseas competitors. Specific areas this can be is through,

- The promotion of a Responsible Sourcing Scheme for quarry products.

- Highlight the capacity of the industry to ensure that the farming community can deliver on the requirements of the Farm Nutrient Scheme for the construction of slurry tanks.

4. Sustainable employment/careers path

The Review Group recognised and commended the work that has been done in this area and agreed that this should continue on its current path but steps should be taken to get wider member involvement.

5. Corporate Social Responsibility

The review group again acknowledged the work the Association has done in terms of improving the image of the industry and communicating the important role it plays in sustaining rural communities. However a number of actions were identified for the coming year and into the future, these are,

- Encourage our members to report issues pertaining to sustainability that will allow the Association to gather and disseminate a positive image to all our Stakeholders in the public and private sectors- ongoing
- Work with the Carbon Trust to develop industry benchmarks for carbon and develop an on line reporting system that will allow us to measure and communicate the industries improving performance in reducing its footprint - Dec 09.

New Membership Criteria

The Review Group agreed that membership of QPANI should be a statement of intent to follow good practice and to operate in a legal and responsible way. The group agreed that it is not the role of the Association to be a "policeman" and as such we should not be requiring our members to sign up and adhere to things that QPANI cannot enforce. It was recognised that under current Articles of Association compliance any member who persistently operates outside of good practice standards can be dealt with and their membership terminated if necessary.

The group agreed that the following proposal for Membership Criteria should be put to the Executive Committee

QPANI Members are expected

- To pay membership subscriptions in a timely fashion.
- To sign up and operate in accordance with the Associations Core Values.
- To submit RIDDOR and other H&S Data to support our target of zero accidents.
- To submit Sustainable Development indicator data to support the Report and Strategy.
- To support the QPA Driver Training Initiative.
- To support QPA market information surveys as appropriate.

In specific sectors members must have

Quarrying and sand / gravel

Registration with the Aggregates Levy Credit Scheme

Asphalt

Accreditation to Sector Scheme 14

Concrete / Cement

Accreditation to QSRMC, BSI, ISO 9000 or equivalent

Precast Concrete (to be reviewed and agreed later)

Funding of the Association

Every organisation no matter what size has to have a funding mechanism and then work within the constraints that it allows. Currently QPANIs projected income from membership subscriptions for 2009 will be £206,000 based on current members. However due to the challenges arising from the current operating environment some companies have or intend to close down / mothball some of their extraction or manufacturing sites. This obviously will have a potential impact on the QPANI finances as our membership subscription is based on numbers of operating sites that members have. We have carried out an assessment of the top 15 QPANI subscriptions in order that we can get an accurate picture of what we might expect our 2009 income to be. This has shown a reduction of £6049.

The group agreed that given the current economic climate an inflationary rise in the membership fee for 2009 would be inappropriate.

Other forms of incomes can be generated from

- Sponsorship of meetings & events
- Sponsorship of booklets i.e. Annual Report
- Charging basic fee for seminars/workshops
- Grant funding

A lengthy discussion took place on how to increase income from outside of the normal membership fee funding stream.

With the increasing Association profile we get an increasing number of requests by a wide range of organisations and individuals for industry information and contacts. The group felt that we should be charging for what is valuable information.

An example would be to charge £250 - £300 for the QPANI contact list of members, subject to member's agreement. This information would also include other industry information such as site location, site type etc.

Our website is getting an increasing number of visitors and it was proposed we charge for advertising on it. Charge for this to be investigated.

The proposal was also agreed to increase income from our events and various publications.

Activities and Projects	Project Cost	Project Income	Balance	Surplus
Health and Safety (venue and flyers paid by HSENI)	£400	£2,000	£1,600	£1,600
Environment Conference	£2,500	£4,500	£2,000	£2,000
BI Annual Showcase	£18,000	£21,000	£3,000	£1,500
In house training - Check Course	£4,000	£4,800	£800	£800
Sponsorship of specific industry guidance / toolbox talks and best practice information	£2,000	£3,000	£1,000	£1,000
Industry information package for interested parties	n/a	£2,500	£2,500	£2,500
Total				£9,400

In terms of grant funding the objectives are as follows

1. Application has been made to NIEA Grants Scheme for 50% funding of time and resource allocation to manage implementation of the "Our Nature with Aggregates" Strategy. This funding would last for 3 years and totals **£49k** for the period.
2. Stage All Ireland Conference on Site Restoration. QPANI / ICF Biodiversity / geo-diversity including development of event brochure and guidance. This will be funded through the North / South Ministerial Council. Bid for maximum of **£10,000**
3. Application through the NIEA Education Grants scheme to Develop local industry information booklet for both internal and external stakeholders similar to our aggregates at a glance booklet. Bid for maximum of **£10,000**

4. Source funding through Proskills and EMP, the industry accreditation body, for an accredited unit on Biodiversity and Geo-diversity that can be offered to the industry and that has the potential for adoption across the UK.

QPA Nationally have made a verbal commitment to contributing to at least half of Laverne's costs as they are keen to utilise her experience and skills in managing, on behalf of QPA, the After Minerals Project. This would amount to approximately **£15k** per year.

The attached financial statement showing projected end of year finances and 2009 budget shows a healthy state of finances. However as mentioned earlier the current economic environment and subsequent closer or mothballing of sites will mean a reduction on membership subscriptions of £6049. This will mean that our projected surplus for 2009 will be £37,000. This will more than meet the EC objective of maintaining a fund of £50,000 at each year end.

Resources

The Review Group agreed that to maintain and enhance QPANI profile and influence that the level of resources made available to the Regional Director should be maintained at its current level. That resource is currently a team of 3, including the RDs Personal Assistant. The Chairman's Group have agreed that the Laverne's current contract, which expires on December 31st, should be made permanent. The position would take up the responsibility for assisting the Regional Director in areas of work pertaining to Planning, Environment and the general Corporate Social Responsibility aspects of the Industry. It was agreed that the Chairman, Vice-Chairman and Regional Director should meet shortly to agree a remuneration package for the position. However this should be looked at further in the near future as a number of other options become available.

1. QPA London is considering the appointment of a National Biodiversity Officer who will manage, on the industries behalf, the UK After Minerals Programme in partnership with the Wildlife Trusts, RSPB and Environment Agencies (National and Local). This position will be funded through the Aggregates Levy Sustainability Fund. QPA London have expressed their strong interest in taking on Laverne for this role in what would be a "shared" capacity with most, if not all, of the funding coming from London. The funding issue will have to be agreed and be based on the amount of time required to manage the programme. At this stage however we would see Laverne based between Belfast and London. Such a scenario would obviously mean that QPANI would lose that full time third person but would not lose that resource that will be available to maintain an advisory role in insuring that the industry embraces and achieves the objectives set out in our Biodiversity / Geo-diversity Strategy. In early discussions with QPA Chairman Lynda Thompson and QPA Executive Director Nigel Jackson there is a common view that this could be a win/win situation for all concerned.

2. The Northern Ireland Manufacturers Group had proposed the idea of aligning itself with QPANI as in the past the two organisations have worked closely on the rates issue. The NIMFG have considered their position and have decided to maintain a watching brief on the single issue of Rates. They intend to employ a part time officer and share admin and credit control responsibilities among their Steering Group.
3. A number of QPANI members are involved in Waste Management Activities and currently there is no recognised employer grouping for companies in this field. One idea has been put forward that QPANI could be a template or even part of the solution for waste management companies to form a recognised voice in Northern Ireland. At this stage it is only an idea and further investigation and discussion needs to be carried out and views sought. The CRG discussed this issue and agreed that further consultation is required with those companies concerned and the Executive Committee.
(See attached proposal / recommendations)

Definition of Roles and Responsibilities

To create the QPANI that will deliver the type of sustainable industry we all wish we need a leadership structure from Executive Committee down that will give clear and concise direction to the QPANI team and the various sub-groups.

In terms of priorities these should be agreed by the Executive Committee and should be focused on delivering the objectives as set out above. Each Committee / working group should be set clear targets by the EC with no more than four key priorities being worked on at one time. Each sub group should submit a progress report at each Executive Committee meeting. Once an objective is met then approval is given by the EC for the Committee to add a new objective.

Each sub-committee should have a mentor from the Executive Committee.

Issues to be formally agreed and added to the Articles of Association

- Roles and Responsibility of Chairman
- Role and Responsibility of Chairman's Group
- Role and Responsibility of Executive Committee
- Role and Responsibility of Regional Director
- Roles and Responsibilities of sub groups/working groups

Executive Committee

The Executive Committee is the decision making body of the Association. The current format consists of three officers and seventeen members from across the various sectors that QPANI represents. The EC will also have a representative from one affiliate/ associate member. The current

arrangement is that Committee members come up for re-nomination every three years. At the end of this term there will be the opportunity to step down or nominate a replacement at a similar senior level.

The Executive Committee will

Approve annual membership fees and membership criteria.
Approve annual budget and financial statements
Approve Sub Committee activities and objectives.
Consider, direct and approve recommendations from sub-committees.
Convene and direct specific working groups as required.
Approve Chairmanships of sub-committees

Chairman's Group

The Chairman's Group is made up of

QPANI Chairman
QPANI Vice Chairman
QPANI past Chairman
QPANI Regional Director
Three to four senior members of the Executive Committee chosen at the Chairman's discretion.

The purpose of the Group is to facilitate efficient working of the QPANI Executive Committee and to ensure that the directives of the EC are being carried out by the Regional Director and various sub-committees. The group will

Review agendas and papers being discussed by the Executive Committee.
Discuss and propose new membership fees and membership criteria.
Approve new members.
Give direction and leadership to the QPANI Regional Director
Agree remuneration packages for QPANI staff.

QPANI Chairman

The Chairman and Vice Chairman will be proposed by the Executive Committee and elected by a majority of members at the Annual General Meeting. In order that we preserve a balance within QPANI the role of Chairman should be alternated between the various sectors represented by the Association and in terms of company size.

It will be the Chairman's role to lead and Chair the meetings of the Executive Committee. The Chairman shall also meet with and give guidance and Direction to the Regional Director on a monthly basis. The Chairman will also represent the QPANI on the General Council of QPA. Other duties will include

- Be in attendance at meetings between the Association and NI Ministers

- Be in attendance at meetings between the Association and Government Officials above the level of Chief Executive
- Be in attendance at meetings with Chairpersons or Presidents of other Business Organisations
- Signing of all QPANI responses to Government Consultation Papers.

Regional Director

The RD will

- Carry out the instructions and directives of the Executive Committee to ensure that the Association meets its agreed objectives.
- To ensure the efficient working of sub-committees and to ensure that sub-committees follow the direction as advocated and directed by the EC.
- Represent the QPANI on various bodies related to the activities of the quarry products sector in order that the industry concerns are recognised and member's right to operate protected.
- Represent QPANI on National QPA groupings such as the Policy and Advisory Group.
- Build relationships with political representatives and key business leaders to promote and protect the interests of the industry.
- Build relationships with relevant Government departments and officials to ensure member's right to operate are protected.
- Maintain and increase the membership of QPANI.
- Ensure that the Association operates in a profitable and efficient way.
- Ensure that the industry voice is heard by all stakeholders by developing and maintaining relationships with the media.
- Lead and give direction to QPANI staff
- Ensure effective communication within QPANI to ensure that members are kept well informed about issues that impact on their businesses.
- Ensure that all Committees and work of the Association is carried out in accordance with Competition law.
- Ensure that QPANI membership is viewed as a mark of quality and responsible operation.
- Develop links with Education Professionals and Institutions to ensure a sustainable supply of new employees are available to the Industry.
- Ensure that QPANI continues to be viewed as the voice of the Northern Ireland Quarry Products Industry.

Sub- Committee Chairmen

1. To ensure that each groups activities are consistent with the goals and objectives as set out and agreed with the QPANI Executive Committee.
2. To engender an ethos of team working, good communication, participation by all, openness and sharing of ideas among members in the interests of industry.
3. To make members aware of the resources, information and assistance that is available through QPANI, QPA and other industry bodies .
4. To provide a brief report on Committee progress in achieving objectives to the EC Committee for their regional meetings.

Conclusion

From the findings of the CRG there is a consensus that QPANI has been successful, however, there is also a recognition that the organisation cannot be complacent and stand still. It is the Chairman's Review Group view that in order to develop a more effective Trade Association, providing greater value to our members and have a better chance of meeting current and future challenges then the recommendations of the CRG are accepted by the Executive Committee.

Johnny McQuillan
Chairman QPANI