

# THE INSTITUTION OF FIRE ENGINEERS

Founded 1918 • Incorporated 1924

## 'Our Future'

**A consultation paper by International Council**



### PREFACE

In 1918 our Founders determined that there should be an Institution that would endeavour: -

*To promote, encourage and improve the science and practice of Fire Extinction, Fire Prevention and Fire Engineering and all operations and expedients connected therewith, and to give an impulse to ideas likely to be useful in connection with or in relation to such science and practice to the members of the Institution and the community at large.*

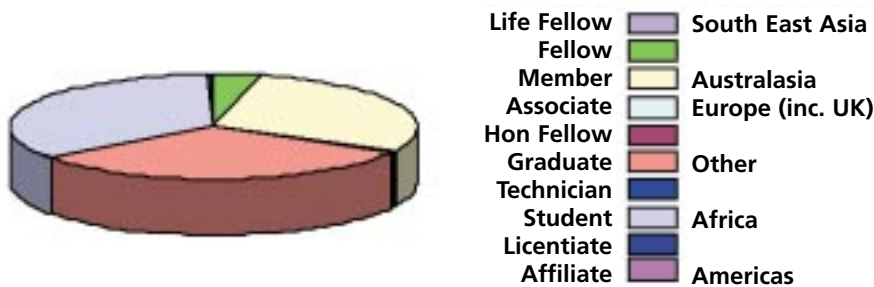
Since that time, the Institution of Fire Engineers [IFE] has grown and expanded to a point where it now represents the views of professionals within the fire sector around the world – professionals who share the Founders aim, and who share a common purpose and values as a way of building communities that are safer from fire, regardless of where those communities are located.



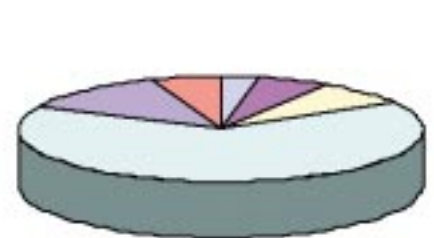
— The first Presidents of the Institution —

STANDING (L to R) Fred Cade (Bristol 1928); A.R. Corlett (Manchester 1929); Arthur Pordage (Edinburgh 1925-26); Geo. A. Oakes (Liverpool 1927).  
SEATED - Henry Neal (Leicester 1919 - 1924 -1930)

### International Membership by Title or Grade



### International Membership by Region



**Total Membership Worldwide - 10,987**

The passage of time has brought with it the inevitable requirement to change; indeed, if the IFE is to remain meaningful and survive, it must change. New membership numbers are at best stable at worst slowly slipping away; operating costs continue to grow; member requirements are not being satisfied and our objectives have become clouded when examined in the full light of global pressures on professions of all types.

**COUNCIL BELIEVES THAT THE ADOPTION OF A  
NO CHANGE STRATEGY IS NOT AN OPTION**



## CONSULTATION FOR CHANGE

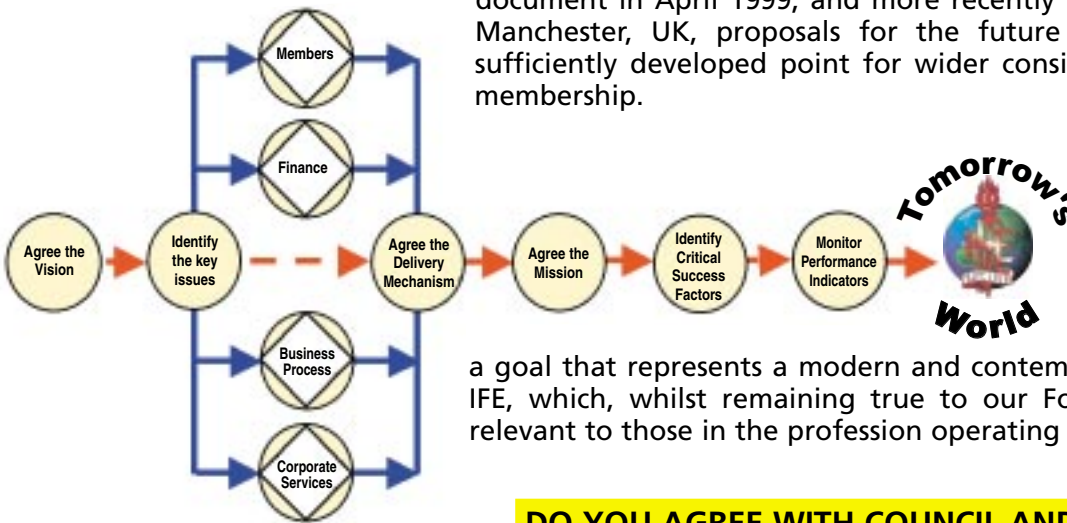
We are therefore embarking on widespread consultation with you, OUR MEMBER, about OUR FUTURE. We have highlighted what we feel are the important questions and summarised them in a consultation reply form. We invite you to complete the form and return it to IFE Headquarters so that we may learn of your views. If the form is not how you would wish to reply then please send your views in whatever way is best for you. We would appreciate your comments by **30th SEPTEMBER 2001.**



## ESTABLISHING A DIRECTION

The elected International Council of the Institution of Fire Engineers [Council] therefore believes the time is now right to determine our future.

Already the subject of considerable work by the Council, starting with the 2000 PLUS document in April 1999, and more recently at a special meeting in Manchester, UK, proposals for the future have now reached a sufficiently developed point for wider consideration by the whole membership.



Whatever is decided, we do need a clear and positive direction set within identifiable milestones. Six have been identified leading to

a goal that represents a modern and contemporary purpose for the IFE, which, whilst remaining true to our Founders aims, is highly relevant to those in the profession operating in today's society.

**DO YOU AGREE WITH COUNCIL AND ITS APPROACH?**



## VISION

Council has critically examined where the IFE needs to be in 3-5 years time. It has taken the view that articulating this in a described vision would be helpful to all members in setting out future strategy and work. Four important aspects of internal activity underpin this strategy: a clear membership perspective; a defined financial plan; a business process that ensures the important and essential decisions are reached quickly; and the corporate services to deliver the outcomes desired. Against this working framework, which is expanded in the next sections, Council defined the current vision thus:-

*“Our vision is to establish an international platform that:*

- ◆ *Is inclusive of all fire professionals*
- ◆ *Sets and maintains professional standards*
- ◆ *Provides personal value and opportunity to members*
- ◆ *Facilitates a global learning network*
- ◆ *Has technical, regulatory and social influence*
- ◆ *Is recognised as an independent voice for the profession*

*and through all of this, work towards a society safe from fire”*

**DO YOU AGREE WITH COUNCIL THAT THIS IS THE VISION?**



## MEMBERS PERSPECTIVE

How well we meet member's expectations within the IFE's aims is the very cornerstone of our future. Are we giving value for money? Do we assist members to secure employment? What support do we offer during their career? How valuable are the titles and letters awarded at the various grades? Are we well thought of in terms of reliability, professional argument and responsiveness? How do we enable members to contribute?

In looking to put some detail into the framework of the Members' Perspective, Council determined to:

- Identify the key issues of the membership perspective
- Suggest the required delivery mechanisms
- Propose actions for developing the delivery mechanisms (the Mission)
- Identify critical success factors
- Identify performance indicators that must be monitored.

This approach acknowledges that the member is the central reason we have an Institution that seeks to protect all our communities from the ravages of fire. Earlier work identified three aspects of the member's professional status as being

- Access to technical understanding and information and influencing technical understanding
- A framework for developing, measuring, maintaining and demonstrating standards of professional competency
- A method by which members can remain aware of developments in fire engineering and the Institution.

The Vision statement contains six principles, each with a member focus. Additionally, work by a Council Focus Group indicated the areas for action that needed to be pursued. Other information available is the feedback received from the Branches Forum held in Manchester, UK in 2001. This information is, however, based on the perspective of the informed and committed member and it is clear that the IFE, if it is to grow, must also seek the perspective of other groups in society. At the very least, the IFE must set out to obtain the perspective of three other groups, they are:-

- The inactive member to determine the reasons for their inactivity
- The non member professionals who do not see the value of membership, or have not been motivated to join
- Those in positions of influence in the fire community that have the potential to encourage or discourage membership of the IFE.

The outputs from all these groups need to be incorporated into a Vision Matrix similar to that shown shown in Annexe A. Here the elements of the Membership perspective, potential delivery mechanisms, critical success factors and performance indicators are described in some detail. This work, very much a draft for consultation on the relative priorities of each of the actions, will guide and shape our future priorities. Two aspects, however, come out of the analysis.

1. The first is the absence of any firm measure of the influence of the IFE in the view of key stakeholders in fire engineering. Views on Council can be subjective, potentially biased by our enthusiasm for the organisation and ad-hoc. This suggests we should consider some structured interviews that gather views from around the world and this could, for example, be a requirement of the International President. Similarly, the views of non-members involved in fire engineering should be sought on a structured basis.
2. The second issue is the importance of setting and then promoting the global professional standards associated with membership. This must be done in a way that provides quality assurance and preferably, external validation of the process (e.g. ISO, IIP etc).

**DO YOU AGREE WITH THE DIRECTION COUNCIL HAS SUGGESTED FOR MEMBERSHIP ACTIONS?**

**DO YOU HAVE ANY SPECIFIC COMMENTS ON THE DETAIL IN ANNEXE A?**



## FINANCIAL PLANNING

The income of the IFE is overwhelmingly subscription based, obtained from the membership for examination and membership services. It is a situation that is far from secure primarily because Non UK Branch costs exceed income and some services, like examinations, are administered at a financial loss.

Where ideas for alternative income generation have been tried, they are difficult to establish without entering into competition with local Branches fund raising activities. The notable exception is the UK Annual 'FIRE' Conference, which has shown a consistent surplus for many years.

This graph demonstrates the need to establish a policy whereby surpluses are budgeted year on year at a reasonable level. During the 12 years the surplus/deficit level compared to turnover has fluctuated between +16% and -4%. The overall average percentage was 5%.

In order to provide for future vibrant growth and the well being of the IFE, 10% of turnover is considered a desirable level for surpluses year on year.

The current financial situation also dictates that, due to the current Non UK Branch funding policy, that for every non-UK member that joins the IFE, the IFE suffers an ongoing financial loss over cost to deliver member services. Given the importance of members and subscriptions, logic dictates that we cannot continue to run a viable business in that way. A form of equity has to be reached in order that the IFE operates to its fullest commercial (and financial) potential. Annexe 'B' contains a proposal that addresses this issue.

Effectively you are asked to subscribe on the basis of one or two new options designed to establish equity within the subscription system. Fees will then enable a more effective financial position to emerge, which does not penalise any particular group of members.



**DO YOU AGREE WITH COUNCIL FOR A REVISION OF SUBSCRIPTION POLICY TO ACHIEVE GREATER EQUITY AND MEET THE FISCAL REQUIREMENTS OF THE INSTITUTION?**



## INCOME GENERATION AND "OUTSOURCING"

None of this means this is a failing Institution. The IFE is well placed to use its assets for future growth. Apart from the issue of membership subscriptions, it is essential that alternative sources of income generation be established. There are a number of areas to be explored. It would seem that the most promising would be in the area of training courses and seminars within the ambit of Continuing Professional Development, not only for members, but also for outside organisations. It has been suggested by Council that we should "outsource" more activities like setting examinations and publishing with other professional organisations

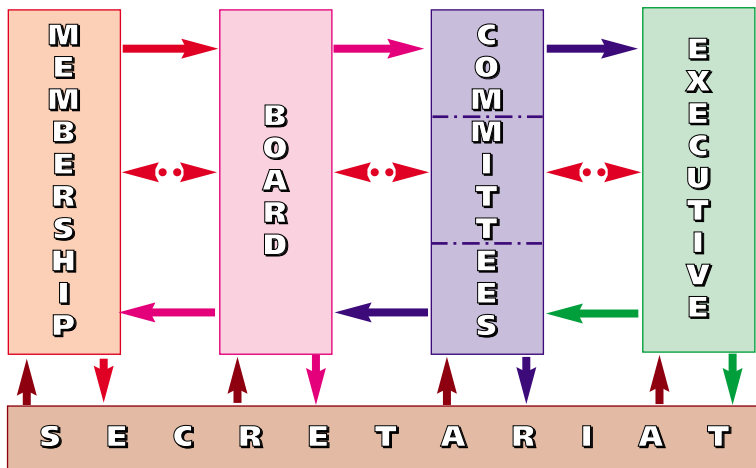
The concept of International Fire Engineering Conferences, held by individual Branches or at international level, have been discussed throughout the organisation as a possible method for increased income generation. These conferences would have the added advantage of providing feedback from international Branches whilst giving the IFE a greater impact and profile on the worldwide fire community.

**DO YOU AGREE WITH COUNCIL THAT WE SHOULD RESTRICT OUR IN-HOUSE ACTIVITIES TO CORE BUSINESS, "OUTSOURCING" NON-CRITICAL FUNCTIONS?**



## BUSINESS PROCESS

Business Process is closely linked to the Corporate Services. Council has taken the approach of identifying the decision process that would be the most effective and efficient in achieving the desired policy. Council believes any new arrangement must include the principles of a representative Board of Directors, three primary Committees, and a small Executive Committee with an autonomous and accountable Chief Executive Officer.



The diagram alongside represents the loosely identified "two-way street" model that would enable this. This model represents a membership-based organisation that is driving a vision for the membership with direction of day-to-day activities appropriately led by the elected Board of Directors and professional officers of the IFE.

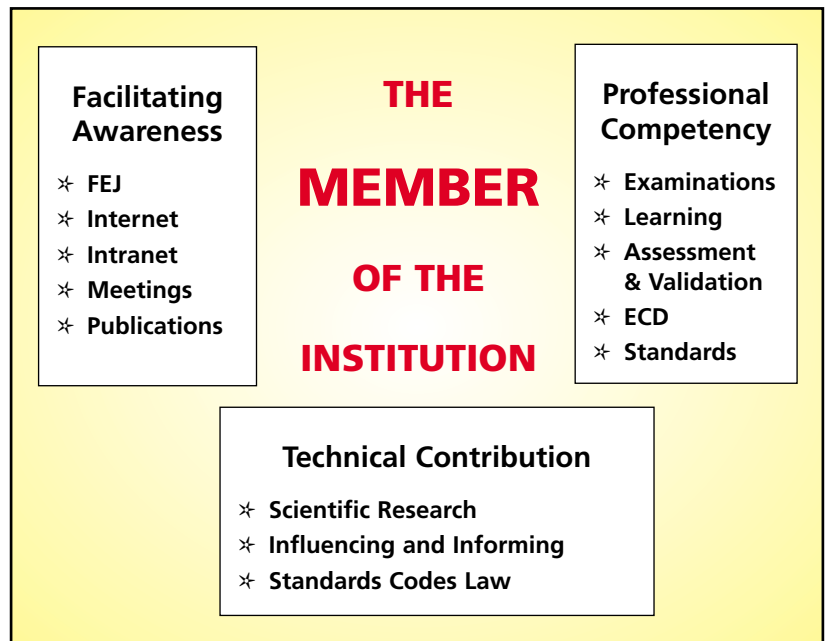
**DO YOU AGREE WITH COUNCIL THAT THIS IS THE RIGHT MODEL?**



## MEMBERSHIP

Council has identified three fundamental components that contribute to a member's international professional standing. These are:

- Facilitating awareness through the communication of ideas, knowledge, information and contribution of members.
- Assisting the member exert influence through technical contribution
- Establishing the routes and standards by which the member's professional competency through personal development becomes recognised in the world fire community and beyond.



**DO YOU AGREE WITH COUNCIL THAT THESE ARE THE THREE FUNDAMENTAL COMPONENTS THAT CONTRIBUTE TO A MEMBER'S PROFESSIONAL STANDING?**



## STANDING COMMITTEES

Based upon these principles three new standing Committees would be established. They would be:

- **Communications;** incorporating the Editorial Board with the added perspective of general communications using the Internet
- **Professional Standards;** incorporating Education and Examinations together with overall standards to ensure parity of esteem, and
- **Technical;** incorporating technical advice, representation, guidance and standards.

The Executive Committee, in line with the policies and procedures laid down by the new Board of Directors and Annual General Meeting, will set the terms of reference for these three standing Committees.

## **DO YOU AGREE WITH COUNCIL THAT THESE ARE THE ONLY STANDING COMMITTEES NEEDED?**



### **APPLICATIONS FOR MEMBERSHIP - PROCESS**

A vitally important aspect of future work is that presently undertaken by the Membership & Branches Committee. Under the new model, the three projected standing Committees will largely fulfil the requirements of the two important activities of membership support and branches support. This support will be in conjunction with more proactive and autonomous Branches. A critical outstanding area to be addressed would be that of membership application. The application for membership review process will be mainly devolved to Branches with mechanisms in place, through the Secretariat, to ensure consistency, accuracy and accountability in line with policy, standards and procedures as agreed by the new model Board of Directors.

## **DO YOU AGREE WITH COUNCIL TO THIS APPROACH TO PROCESSING MEMBERSHIP APPLICATIONS?**



### **BRANCHES**

The current Branch structure will need to be reviewed to reflect the overall projected changes to the organisation, especially proportional representation. Council suggests that all UK Branches be re-formed into groups, but continue to operate in an autonomous fashion. These UK Groups will retain their ethos and identity through the proposed system but would collaborate in a formally amalgamated over-arching organisation, The United Kingdom Branch. Operating in this way enables further local autonomy and growth, all within the unifying structure of an international network and series of shared ideals.

## **DO YOU AGREE WITH COUNCIL THAT A "UNITED KINGDOM" BRANCH BE ESTABLISHED?**



### **A NEW BOARD OF DIRECTORS**

A new Board of Directors elected against a background of proportional representation will eventually reflect the overall international membership of the IFE so as to ensure equitable democratic representation.

- The Board will comprise a number of non-executive Directors (the number to be decided) plus members of a smaller Executive Committee.
- All Directors, with the exception of the Chairman of the Board of the ECD, will be elected to the Board by the international corporate membership. The methodology would change to reflect regional requirements and proportional representation.
- The Board would carry the ultimate responsibility for deciding the policy, standards and procedures of the Institution.
- The Executive Committee will regularly brief the Board.

The schedule of matters reserved for the Board's decision also includes finance, significant capital expenditure or disposals of assets, and all investments, acquisitions or disposals, which are not in line with strategies previously adopted by the Board.

## **DO YOU AGREE WITH COUNCIL THAT THE INSTITUTION BE MANAGED BY A BOARD OF DIRECTORS ESTABLISHED UNDER THE FOREGOING PROVISIONS?**



## EXECUTIVE COMMITTEE

The Board will appoint the Executive Committee. It will comprise:

- A Chairman
- The International President
- The International President Elect
- The Immediate Past President
- Chairmen of the three standing Committees
- The Chief Executive Officer

The Chief Executive Officer will be a full member of the Executive Committee.

The CEO is wholly responsible for the management of the Secretariat and the implementation of directives by the Executive Committee.

The Executive Committee is responsible for the management of the business. The Executive Committee provides the annual budget and business plan to the Board for its approval. Actual results against budget will be reported at each scheduled meeting of the Board.

**DO YOU AGREE WITH COUNCIL THAT AN 'INNER' EXECUTIVE COMMITTEE BE FORMED?**



## UNITED KINGDOM ENGINEERING COUNCIL REQUIREMENTS

The IFE provides a pathway to registration with the UK Engineering Council for all members in the grades of:

- Chartered Engineers
- Incorporated Engineers
- Engineering Technicians

The IFE has within the constitution established a Division in order to satisfy the criteria laid down by the United Kingdom Engineering Council to be a Nominated Body licensed to appoint members to the Engineering Council Register. This Nominated Body status of the IFE greatly enhances the position of fire engineering as a recognised and accepted **distinct** engineering discipline and brings added value to membership of IFE due to our presence in the greater engineering community.

The current Chairman of the IFE Engineering Council Division has to be appointed to the existing and any future Board of Directors, under the terms of agreement with the UK Engineering Council. Failure to do so would revoke the Nominated Body status therefore any new management structure would need to incorporate this requirement.

**DO YOU AGREE WITH COUNCIL THAT THE FULL VALUE OF THE ENGINEERING COUNCIL DIVISION WOULD BE REALISED BY FURTHER INTEGRATION INTO THE IFE?**



## CORPORATE SERVICES

There are three recognised approaches to corporate organisation, these are:

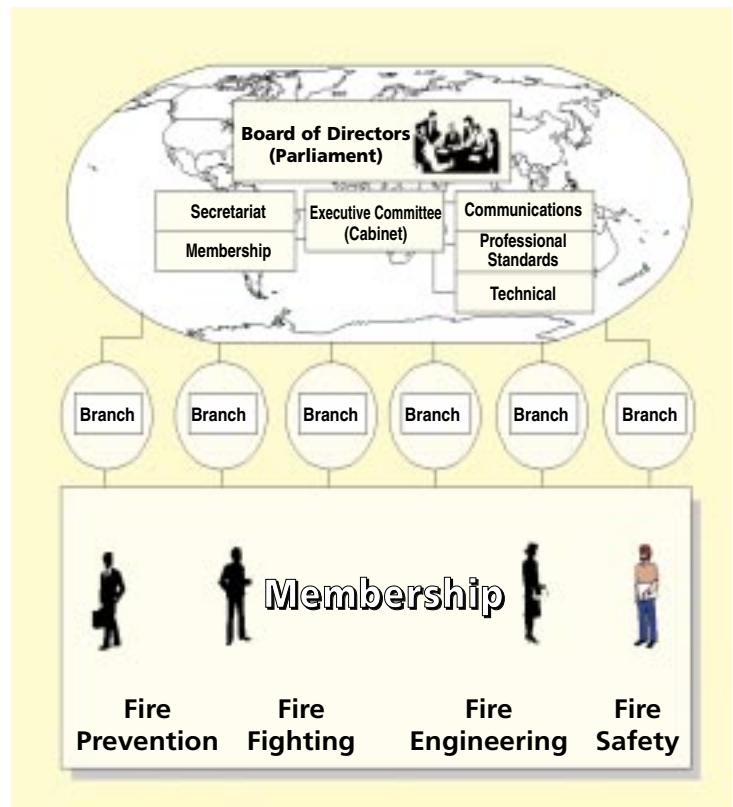
1. Functionally Centred - members are grouped according to their area of interest/expertise.
2. Geographically Centred - based on location.
3. Process Centred - focuses on the process in the organisation and is more generic with fewer boundaries. **This is the favoured approach.**

Such an organisation would be based on the parliamentary concept, with:

1. Electorate (Membership)
2. Constituencies (International Branches)
3. Local Representatives (Elected Branch Representation)
4. Parliament (Board of Directors)
5. Cabinet (Executive Committee)
6. Permanent Secretary (CEO)
7. Civil Service (Professional Secretariat & Officers)
8. Departments (Standing Committees)

This places with the members and their Branch a strong level of local determination. The Branch would remain largely autonomous yet integrated and empowered within the worldwide body and able to carry out the organisation's policies and procedures.

The importance of the Annual General Meeting would be highlighted, especially when considering and acting towards constitutional reform. This annual exchange would remain the legal medium for constitutional changes (Referenda), by special resolution. Currently any special resolution requires a majority of 75% of those voting. In the future non-constitutional decisions would be remitted to the Executive Committee and the Board of Directors.



**DO YOU AGREE WITH COUNCIL TO THIS CONSTITUTIONAL APPROACH TO MEETING MEMBER'S NEEDS?**



**PROVISION OF SERVICES**

Corporate services would be the principal responsibility of the CEO working in tandem with the Board and Executive. The provision of services in turn would be made available in discreet service packages. For example:

- as part of general services available to all members, such as compliance with standards, registration, technical advice and networking, etc
- or supplied to UK Branch members in line with usual Branch facilities
- or supplied on a separate cost basis, as exists now for Engineering Council Division members.

Operating in this way corporate services can supply the appropriate level of support to individual Branches and so tailor costs to improve performance and reduce financial expenditure.

**DO YOU AGREE WITH COUNCIL THAT THIS IS A SENSIBLE WAY TO GO IN THE PROVISION OF SERVICES?**



**KEY FACTORS**

The new decision process for the future of the IFE represents major change and as such needs to be professionally approached:

- Evolution will allow the whole change to be addressed in achievable and controllable 'bites'.
- Control is required to see the changes effectively and efficiently carried out
- The whole membership needs to be aware of the parameters and impact of the changes proposed
- Informed consideration by the wider audience is essential.

**DO YOU AGREE WITH COUNCIL THAT THESE ARE THE NEXT STEPS?**



**WHAT HAPPENS NEXT?**

- Replies are invited from the membership of the IFE by 30th September 2001.
- A summary of views received will be prepared and posted on the IFE website.
- A detailed report will be passed to the International Council for their further consideration.
- The International Council will prepare a detailed strategy with an action plan. This action plan will be placed before an extraordinary general meeting (EGM) of the IFE as soon as possible. **Since the action plan will contain constitutional changes, this EGM will be called so that members are fully involved in implementing these important changes.**

Vision	Membership Perspectives	Delivery Mechanism	Critical Success Factors	Performance Indicators
<p><b>Is inclusive of all fire professionals</b></p>	<p>The Institution will ensure that all those who practice within the broad church of fire engineering can identify the Institution as the professional body to belong to.</p> <p>Members will believe that their membership is valued and that they can join in with the Institution's activities without unnecessary barriers</p>	<p>Marketing campaigns to promote the Institution as "the only broad church" professional body in fire engineering. Marketing to be broadly based, not reliant only on traditional areas of membership.</p> <p>Promote the independent validation process of membership applications, examinations and the framework of Engineering Council. Seek external "validation" of our processes, by CIPD or similar.</p>	<ul style="list-style-type: none"> <li>Marketing materials that are widely available and used.</li> <li>Professional marketing staff with the support to promote the Institution at events</li> <li>Budget</li> <li>Finalise the work on standards</li> <li>Achieve validation of the membership assessment process</li> </ul>	<ul style="list-style-type: none"> <li>Membership numbers</li> <li>Breadth of membership disciplines</li> <li>Attitude surveys of fire engineers</li> <li>Validation</li> </ul>
<p><b>Sets and maintains professional standards</b></p>	<p>Those with influence within the fire community will recognise that the Institution represents the independent professional view of the fire community</p> <p>The Institution will set out standards of membership that indicate their level of professional development.</p> <p>The Institution will indicate the means by which the professional will maintain their professional standards.</p> <p>The Institution will set out codes of conduct of professional behaviour against which members may be judged.</p>	<p>This will follow from the above, but a campaign of communication to key fire engineering stakeholders must be put in place</p> <p>The membership grades already provide the framework for the "standards" These standards require further development and communicating to the fire engineering employers, as well as our own members.</p> <p>Expand the CPD concept into the lifelong learning approach incorporating initial professional development and all aspects of personal development</p> <p>Confirm and promote the Code of professional conduct used by the ECD. The code must be promoted to members, employers and the public.</p>	<ul style="list-style-type: none"> <li>Communications campaign and network to promote the Institution</li> <li>The development and acceptance of the "standards"</li> <li>Development of IPD &amp; CPD processes.</li> <li>Improve awareness and take up of CPD</li> <li>Issue the Code of Conduct and promote among the membership</li> </ul>	<ul style="list-style-type: none"> <li>Attitude surveys of employers &amp; key stakeholders in fire engineering</li> <li>Attitude surveys of employers &amp; key stakeholders in fire engineering</li> <li>Membership surveys of take up</li> <li>Attitude survey of employers towards IFE CPD.</li> <li>Membership attitude to professional standards.</li> </ul>
<p><b>Provides personal value and opportunity to members</b></p>	<p>Membership of the Institution will confer value on individuals by promoting their professional standing in the fire community and providing opportunities to members that develop that professional standing, both locally and in the international community.</p>	<p>Build on the framework of membership standards, and promote them with fire engineering employers, as the independent means of demonstrating professionalism. Reinforce the international standing of the membership grades by illustrating the way in which qualifications are matched around the world.</p>	<ul style="list-style-type: none"> <li>Finalise the work on standards</li> <li>Achieve validation of the membership assessment process</li> <li>Development of IPD &amp; CPD processes.</li> <li>Improve awareness and take up of CPD</li> </ul>	<ul style="list-style-type: none"> <li>Attitude surveys of employers &amp; key stakeholders in fire engineering</li> </ul>

Vision	Membership Perspectives	Delivery Mechanism	Critical Success Factors	Performance Indicators
<p><b>Facilitates a global learning network</b></p>	<p>The Institution will maintain and develop the network of membership, branches and groups throughout the world to provide for local learning opportunities</p> <p>The Institution will encourage the development of links between both geographical and professional groupings, and other organisations, to provide for global learning opportunities.</p> <p>The Institution will develop centralised learning facilities that are accessible locally.</p>	<p>Develop improved methods of supporting local branches in their efforts to develop programmes of CPD, by keeping directories of speakers, subjects, specialist knowledge. More use of communications to promote branch events to the whole membership.</p> <p>Increase the opportunities for inter branch communication and "exchange". Travelling schools, bursary's and identifying subjects of excellence in branches. Encourage branch "visiting"</p> <p>Using improving communication to give access to learning information. Examinations, validation of courses, information on the Web site, etc</p> <p>Membership should give "privileged access", either on reduced rates or exclusivity, over non members in fire engineering.</p>	<ul style="list-style-type: none"> <li>Improve staff support at HQ for CPD activities, both presenting events and supporting branches that present their own.</li> <li>Web listing of CPD events.</li> <li>CPD database</li> <li>Utilisation of IFE scholarship funding</li> <li>Seek grants and sponsorships for "students" or exchanges</li> <li>Development of the Web site</li> <li>Further development of existing education activities</li> <li>A system to admit only paid up IFE members to parts of the Web site.</li> <li>Regular use of two tier pricing structures</li> </ul>	<ul style="list-style-type: none"> <li>Membership uptake of CPD</li> <li>Number of exchanges between branches</li> <li>Increased membership at higher grades</li> <li>A regular audit of "potential cash benefit from membership"</li> </ul>
<p><b>Has technical, regulatory and social influence</b></p>	<p>Membership of the Institution will facilitate access to these global learning networks</p> <p>The Institution will offer independent professional advice to regulatory and technical bodies.</p> <p>The Institution will maintain registers of suitably qualified professionals who offer professional advice</p>	<p>Strengthen member involvement in professional representation by offering incentives to assist. Support those that do represent the Institution by providing access to facilities to ensure representation is professionally delivered. Promote the width of our present advisory role.</p> <p>Promote the professional register</p>	<ul style="list-style-type: none"> <li>Development of a professional affairs group</li> <li>Marketing activity</li> </ul>	<ul style="list-style-type: none"> <li>Number and status of "requests for advice"</li> <li>Awareness of key stake holders of availability.</li> </ul>
<p><b>Is recognised as an independent voice for the profession</b></p>	<p>The Institution will provide open and transparent mechanisms for developing independent professional views on fire engineering issues.</p> <p>Those representing the Institution will do so independent of political, economic or other lobby groups</p> <p>The Institution will comment publicly on fire engineering issues.</p>	<p>Set up a "professional affairs" group that develops and recommends fire engineering policy to the Institution. Access to the group could be by independent election. The group should publish proceedings and consider open access to meetings.</p> <p>Develop the existing guidance on representation and link to the Code of Conduct, to provide for sanction against those who misuse the opportunity</p> <p>With the output of the professional affairs group, the Institution would be equipped to comment publicly on appropriate occasions.</p>	<ul style="list-style-type: none"> <li>Development of a professional affairs group</li> <li>Agree the guidance and issue</li> <li>Provision of position statements</li> <li>Promoting availability with media.</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of "position statements" on issues</li> <li>Use of position by regulators &amp; others</li> <li>Attitude surveys of employers &amp; key stakeholders in fire engineering</li> <li>Use in the media of IFE spokespersons</li> </ul>

## Subscription Equity Finance Scheme

### Overview

The Institution is moving toward increasing the internationalism goals identified in the 2000 Plus document. As a part of that objective adequate and equitable financing methods must be identified to properly fund the core member services to the existing membership and provide adequate funds for the development and growth of new members and branches primarily outside the United Kingdom. Currently, subscriptions from United Kingdom members, account for 84% of total subscription revenue and 51% of total income from all sources, while approximately 64% of the membership of the IFE is UK based.

### Current Situation

The current member subscription situation is based on a policy, which has been in place for a number of years. IFE members in the United Kingdom submit 100% of the yearly subscription to Headquarters. While the membership outside the UK pays the equivalent UK subscription rate, 50% is retained by the Non-UK Branches. This policy was established in order to enhance the development of branches outside the United Kingdom and to help subsidize the growth of the Institution in developed and developing countries worldwide. Much of the UK Branches membership is probably not aware of this current policy and practice. While on the surface this policy may be startling, it must be recognized that a great deal of the work of the IFE has a distinct UK flavour which becomes readily obvious from the Committee agendas.

This policy however, has resulted in a situation which places the Institution in a precarious financial position which results in a higher cost to deliver membership services, primarily through costs associated with mailing the Journal, than is generated from subscription income from non-UK members of the Institution. A financial analysis was accomplished in 1991 by Mr. Winston Osborne, Auditor to the Institution, which clearly indicated that member services cost in excess of £20,000 more than income for Non-UK members. Headquarters has also carried out a similar analysis to reflect the situation in 2000. The current analysis shows that the situation previously identified still exists and has been exacerbated with the increases in cost and growth in membership numbers in branches outside the United Kingdom.

The current policy, if left in place and assuming continued growth of the IFE in Non-UK branches, will eventually result in the inability of the UK membership subscription funds to keep the Institution financially solvent. The Institution can no longer afford, either philosophically or financially, to deliver member services, to Non-UK members, at a net loss per member. A new finance scheme must be adopted by International Council that results in subscription equity both inside and outside the United Kingdom and allows for the adequate financing of member services to both existing and potential new members of the Institution.

### Finance Alternatives

A successful finance scheme will accomplish the following goals:

1. Service and cost equity for UK and Non-UK members in developed countries.

2. Economic equity for members, considering their worldwide geographic distribution and their financial ability to afford membership in the IFE.
3. Economic subsidies to existing and potential new members in developing countries.

In addition, it may be desirable to provide the following financial benefits to existing and new branches of the Institution to support membership services and future growth.

1. A fixed percentile retention (e.g., 10% of subscription revenue) to support the delivery of specific membership services in the branch.
2. A time based, fixed or variable percentage of subscription revenue would be retained by the new branch to support membership growth, particularly in the first few years after a branch is established.
3. Identification of options to retain additional subscription amounts per member in return for assuming the responsibility to deliver member services normally provided by the Institution headquarters, i.e., branch delivery of the Journal.

An activity based costing analysis for both UK and Non-UK member services will be necessary in order to price various options for branch subscription retention.

### Determining Branch Subscription Rates

The current subscription rates for Year 2001-2002 (commencing 1 April 2001) are as follows:

Fellow	-	£90.24
Member	-	£58.68
Associate	-	£49.56
Graduate	-	£40.56
Technician	-	£36.00
UK Student	-	£27.00
Overseas Student	-	£18.12
Licentiate	-	£90.24
Affiliate Organization	-	£270.72
Affiliate Individual	-	£49.56

Subscription amounts are established in British pounds sterling and converted to local currency for Non-UK branches using the current exchange rate on April of each fiscal year. Subscription rates are adjusted periodically (yearly) to reflect inflationary increases in cost. This practice should be continued regardless of which rate-setting option is selected in the future.

### Engineering Council Division

Chartered Engineer	-	£49.56
Incorporated Engineer	-	£35.04
Engineering Technician	-	£35.04
Graduate Engineer	-	£35.04
Stage 1 Registrant	-	£35.04
Student	-	£9.96

Subscriptions by members of the ECD are in addition to those payable for their respective membership grade.

## Rate-setting Options

The simplest of options would be to use the normal Bank of England exchange rate, as applicable, at the first of April each year.

1. Membership rates would be set in local currency amounts equivalent to British pounds sterling. As such, representative rates for select countries are listed in Table 1 in local currency.

Country	Amount	Conversion Rate
UK	GBP 58.68	1.0
Belgium	BEF 3,815.80	.01537
Germany	DEM 185.01	.3171
Hong Kong	HKD 658.65	.0890
Iceland	ISK 8,587.95	.0068
Malaysia	MYR 320.83	.1828
Sweden	SEK 860.87	.0681
Trinidad & Tobago	TTD 512.99	.1140
USA	USD 84.45	.6948
Nigeria	NGN 10,113.16	.0058

**Table 1**

A more complex and somewhat more awkward option would be to use Gross Domestic Product (GDP) per capita for each country as a basis for setting annual subscription rates.

2. Membership rates would be determined in local currency amounts equivalent to British pounds sterling and adjusted proportionately to the gross domestic product (GDP) of each country. As such, representative member grade subscription rates for the same select countries are listed in Table 2.

Country	Amount	GDP Ratio to UK	Conversion Amount
UK	58.68 GBP	1.00	58.68 GBP
Belgium	3,815.80 BEF	1.0963	4,183.26 BEF
Germany	185.01 DEM	1.0412	192.63 DEM
Hong Kong	658.65 HKD	1.0852	714.77 HKD
Iceland	8,587.95 ISK	1.0779	9,256.95 ISK
Malaysia	MYR 320.83	0.4908	157.46 MYR
Sweden	860.87 SEK	0.9495	817.40 SEK
Trinidad & Tobago	512.99 TTD	0.390	200.07 TTD
USA	84.45 USD	1.555	131.32 USD
Nigeria	10,113.16 NGN	0.0445	450.04 NGN

**Table 2**

## Branch Retention of Subscription Fees

The current practice of Non-UK branches retaining 50% of the member subscription fees should be abandoned as inequitable and fiscally unsound. International Council may want to phase in any change in the current policy in order to minimize the financial impact on the non-UK branches.

It must be recognized, however, that money transfers and associated cost between Non-UK branches and IFE Headquarters can be difficult. This can be reduced through the establishment of a widely accepted credit card account at New Walk and each Non-UK branch.

Any future subscription retention by a Non-UK branch should be directly related to the transfer and assumption of member services such as local production of the Fire Engineers Journal, from the Institution's headquarters to the non-UK branch structure/officers. The percent retention set by International Council needs to reflect "absorbed services" excluding those which must be apportioned as IFE Headquarters overhead.

## Economic Support to New Branches

The International Council may desire to provide a newly organized Branch of the Institution the opportunity to retain a percentage of the subscription fees collected from members in order to finance the establishment of a branch administration capability and to encourage rapid membership growth during the initial years after a branch formation. Currently there is no incentive to fast-track membership growth in the early years as the branch retains 50% of the subscription fee forever.

If, for example, a five year – 50% subscription abatement policy was established, an incentive is created to maximize growth in the first five years in order to build the branch's financial viability. After five years the branch would follow the same policy and procedure of all other branches. Variations to this approach are also possible such as, 50% for the first five years, 25% for the second five years, and 0% thereafter, but the long-term worldwide subscription equity philosophy should guide any decision to provide financial incentives and subscription abatements to newly organized branches of the Institution.

## The Way Forward

International Council should, at the earliest possible opportunity, set a responsible fiscal subscription fee policy and select two or three options for review, input, and discussion by the worldwide membership of the Institution.

Once alternatives are identified a spreadsheet analysis will very quickly show the financial results which will be delivered. Alternatives should encompass the theme of economic equity as much as possible.

Non-UK members and branches should be expected to pay their fair share of the cost of delivery of member services, which typically are higher than for UK members of the Institution.

Subscription rates set for newly organized and prospective branches should be set in the formative years to maximize the branch growth potential and probability of success.

Membership in economically developing countries should be subsidized by the whole membership of developed countries (UK and Non-UK) for altruistic and philanthropic reasons to further the development of a fire engineering infrastructure in those branches in developing countries but International Council will need to establish a fixed percent minimum that does not create an unmanageable deficit for New Walk.