



A RENEWED CBI

**For our members, our
stakeholders and our people**



Contents

Introduction	Page 3
Executive summary	Page 6
Section 1: Our people and culture	Page 12
Section 2: Governance review	Page 17
Section 3: Political engagement	Page 20
Section 4: A sharper, more focused CBI	Page 23
Section 5: Our new target operating model	Page 26
Scorecard for change	Page 27

Introduction

Foreword by Brian McBride, CBI President



What has brought us to this moment?

For almost 60 years, the CBI has been the recognised voice of business in the UK, representing the common interests of businesses across all sectors of industry and all regions and nations of the country. In that time, we have also continuously curated and shared best practice from and across industry, as a further service to our members.

The irony contained in the latter point is not lost on me. Whilst striving to represent and support our members to the highest standards, we simultaneously underestimated the daily effort required to maintain

a great culture and the operational excellence of a growing CBI. The consequences of that failure, you already know. We share a deep sense of responsibility to put things right, so that we can continue to support you through the vital representation that the CBI provides. This prospectus will tell you how the CBI has changed and is continuing to change, in order to do that.

So, what have we done in response?

Firstly, we asked Fox Williams, the independent and highly respected law firm, to investigate the specific allegations made as well as any broader learnings for the CBI. They have made 34 recommendations to the CBI Board, which we have accepted in full. The majority will be implemented by the time of our EGM, and we will continue to share our progress with you.

Secondly, I have instigated a comprehensive review of the CBI's governance, starting with the Board and its directors, the executive leadership and our mandate. Again, full details are set out in this prospectus. Some of the work is already complete and I have asked Ffion Hague, an expert in board evaluation and governance reviews, to continue this task, which will conclude within two months. It will include a refresh of the Board and the leadership team.

The governance changes we are announcing today include:

- Accelerated changes in Board membership.
- More frequent Board meetings.
- An enhanced and additional committee structure, including a new People and Culture Committee.
- An external expert Culture Advisory Committee chaired by Jill Ader and supported, amongst others, by Elizabeth Broderick, founder of Champions of Change Coalition.

- A new Chair of Audit and Risk Committee, Victoria Cochrane, former Global Managing Partner, Risk Management at EY.
- Annual re-election of the Board at the AGM.

Also, I will immediately start the search for my successor, which will take some time, and I expect to begin the transition no earlier than January 2024.

Thirdly, and equally important given what we have learned, we are undertaking a major review of the CBI's culture. Changing culture is, of course, a huge task that takes time. Significant changes are already underway, and we are committed for the long haul. We are sharing what we have already done over the past five weeks, and the next steps on this journey in both this prospectus and at the EGM – with the help of Elizabeth Wallace, our new interim Chief People Officer.

The CBI team has completed a vast amount of work in these past few weeks, in the most difficult of circumstances, to undertake a substantial listening exercise with you, our members. You have given us very powerful feedback about the unique role the CBI has to play in representing the interests of small, medium and large businesses, in every sector of the economy, throughout the UK.

Whilst we are all chastened by the events of the past 12 weeks, the feedback you have shared gives me, and our colleagues, real confidence that the CBI has played, and can continue to play, a very important and effective role at the vital tangent of business and politics, particularly as a General Election nears. We have made very significant and fundamental changes and are determined to restore your confidence, and that of our many stakeholders, in the CBI.

With your support today, I am confident we can do so.

The image shows two handwritten signatures in black ink. The signature on the left is 'Brian McBride' and the signature on the right is 'M. Jones'.

Brian McBride
President, CBI

Foreword by Rain Newton-Smith, CBI Director General



I came back to lead the CBI because I believe in the talent of our people, and because I have seen first-hand how powerful a collective business voice, across regions, nations and sectors, can be in driving change across our society.

The last few weeks have been very challenging for our people, for our organisation and for me, personally. For the CBI, this has been a painful period and a time of deep reflection. We are determined to learn the lessons needed and emerge from this as a stronger organisation, one that is able to share what we've learnt with our wider society and regain the right to be a trusted voice.

Guided by our people, we are transforming the CBI's culture, and the attention we give it. We are learning from global experts on ethics, corporate governance and tackling sexual harassment. This has helped us to identify what went wrong, and continue to learn how we can and will do better. And although this work has confirmed the CBI does not have a toxic culture, we know there is much we can do to improve.

On our purpose, this is our chance to reimagine and refocus our organisation on where we can add value to our members and our society, and how we work in partnership with others. I have spoken to many of you, and I am committed to leading change – reflecting what we have heard from our members and outside of our organisation.

Our prospectus brings together the actions we've taken and continue to progress, to ensure a truly inclusive culture, to strengthen our values, governance and purpose, to operate with greater impact, and enable you to hold us to account.

This includes a six-month roadmap of our plans post EGM with key milestones, Key Performance Indicators (KPIs) and accountability with members. We are putting this before you to get your support at our EGM on 6 June 2023.

These are our commitments to you. We are taking nothing for granted.

Our society faces serious challenges, from a cost-of-living crisis to climate change and biodiversity loss, and the urgent need to create sustainable growth across regions and nations of the UK, as well as on the global stage. We need a strong voice of business, backed by a depth of economic analysis and insights from across the whole economy and country, to tackle these challenges together, in partnership with others.

I believe the CBI is uniquely placed to do this, but we need your support to help deliver fairer, more sustainable growth for the benefit of all.

Rain Newton-Smith
Director General, CBI

Executive summary

We face critical challenges in our society. Inflation is stubbornly high, growth is very weak and a cost-of-living crisis is squeezing households. Firms are struggling to find the people they need to grow their business. Climate change and biodiversity loss are threats not just to the planet but to the way we do business. All these challenges require collective, coordinated action from business and policymakers – from policy frameworks to investment. With a General Election ahead of us, they need a strong, collective business voice across sectors, regions and nations.

The CBI at its best can be that voice – delivering on our member mandate through our networks, expertise, influence and reach. And most importantly our people.

Whilst our staff are driven and motivated by delivering for you, along the way we have prioritised the delivery of the CBI's external purpose over nurturing our internal culture. We can and we will do better. We are determined to restore the CBI to good health and, in doing so, renew your trust and confidence in us.

This prospectus lays out the most immediate work we have done to achieve this, alongside our plans for the future CBI. This includes a high-level overview of the CBI's future operating model and the focus of our work ahead – so you can be as informed as possible ahead of your vote and the EGM on 6 June.

A dashboard of our progress implementing the Fox Williams recommendations (30 May 2023)

- 19** Fox Williams recommendations have already been implemented. These relate to Risk Management, and Board and ExCo management-information reporting, and complaints handling.
- 8** Fox Williams recommendations are in progress and due to be completed by the EGM. These focus on policies and practices covering training, performance management and development.
- 7** Fox Williams recommendations are in progress, to be completed after the EGM. These link to the ongoing Culture Review, considerations relating to restructuring and building confidence in updated policies and processes.

Our approach to **People and culture** will be at the heart of building a better CBI. Crucial to this, is our work to step back and evaluate our culture with the support of Principia, who are independent experts in building ethical organisations. They have confirmed the CBI does not have a toxic culture, but there is much we can do to improve.

We are swiftly taking steps to address the issues Principia have identified, alongside developing a roadmap to deliver longer-term cultural renewal. We are ensuring that best practice tools, assistance, and the training we give our people is always fit for purpose, and that our performance in these areas is better monitored and more visible to our members.

In addition, the actions we are taking to make sure we are protecting our people and transforming our people practices and culture have already begun – to ensure best practice now and embed in the long term.

Where the Fox Williams report found that our systems of people management, and of harm prevention and eradication, were insufficient, we are implementing its recommendations in full. We will continue to update you on our progress.

We are also taking swift, concrete action to reinforce a no-tolerance approach to sexual harassment and bullying. Wherever an allegation of misconduct is made, it will continue to be taken seriously and properly investigated. If an investigation finds misconduct, this will also be met with more immediate and decisive disciplinary action. And all Board, Executive Team and colleagues will now receive regular mandatory training, covering areas such as bullying and harassment prevention, employee-relations best practice, mental health awareness and employment law.

We have created a permanent, independent and confidential whistleblowing channel outside of the CBI, and engaged an HR consultancy that will independently examine any further complaints of misconduct made by colleagues as we reform our internal processes.

Our interim Chief People Officer, Elizabeth Wallace – who is part of our Executive Team and reports directly into the Board – is now also in place.

As part of our transformation, the CBI makes the following commitments:

- ✓ **We will build a leadership team reflecting the organisation's co-created values.**
- ✓ **We will embed all Fox Williams and Principia recommendations.**
- ✓ **We will establish an external expert Culture Advisory Committee to steer and challenge cultural renewal.**

We have taken immediate actions on **Governance** to ensure greater transparency and accountability.

These include commissioning a comprehensive, externally led examination of CBI governance structures and processes – the findings of which are expected to be shared with the CBI Board by the end of July 2023.

The review will build on improvements already made to the CBI Board, its sub committee and key operational groups, as well as an internal review of the CBI's Royal Charter, and an audit of CBI compliance with the UK Governance Code.

To support this work, the CBI Governance team spoke to peer-organisations of the CBI and competitors who successfully completed similar overhauls of their governance in recent years.

As part of our transformation, the CBI makes the following commitments:

- ✓ The CBI's newly appointed interim Chief People Officer will report back to a new People and Culture sub committee of the CBI Board, that will focus on these issues at the CBI.
- ✓ We will appoint a new Chair of our Audit Committee (now renamed the Audit and Risk Committee), Victoria Cochrane, former Global Managing Partner, Risk Management at EY.
- ✓ We will transform the CBI's risk management process to better track, manage and mitigate risk to the organisation.
- ✓ We will carry out a robust, external governance review led by Ffion Hague, an industry leader in corporate governance and board effectiveness.
- ✓ We will refresh the CBI Board, ensuring fresh talent and diverse perspectives, with at least four new Non-Executives joining the Board to replace current members.
- ✓ All CBI Board members will stand for re-election by members at each Annual General Meeting (AGM).
- ✓ CBI President, Brian McBride will immediately start the search for his successor as he oversees the changes being implemented, with an expected handover beginning no earlier than January 2024.

We know that **Political engagement** is vital to fulfilling our influencing function. If we have the support of a broad cross-section of the business community, we are confident that political stakeholders will want to hear from us and that we can engage with politicians, advisers, and officials across Westminster, and in every region and nation.

The CBI's track record demonstrates that political leaders and policymakers want to hear from us, because they can rely on us to give them the vital, whole economy, cross-UK perspective.

As part of our transformation, the CBI makes the following commitments:

- ✓ We will showcase the role of business in solving the big problems that will define our future economy by engaging with members in the production of a Business Manifesto for the General Election, by the end of 2023.
- ✓ We will continue to publish a six-monthly impact and influence statement, evidencing to you our value and what we have delivered on your behalf.
- ✓ We will demonstrate the CBI's political convening power by engaging with Ministers and officials at all levels, both in public and private, across regions and nations, to help shape economic debates.

Finally, we've heard that you want **A sharper, more focused CBI.**

To do this, we have listened to our members, colleagues and stakeholders, reflecting on your input and views from our comprehensive listening exercise.

Over the last few weeks, we conducted one of the CBI's largest-ever listening exercises, to ensure that our work is informed by you.

Over April and May, the CBI's Director General and President convened over **1,000** business leaders from member companies.



400-plus

one-to-one conversations with our members since 2 May.



269

member responses to the CBI's Purpose and Culture Survey.

1,000

invitations to eight listening sessions, covering every English region, the nations and our Trade Associations network.



Four

concentrated meetings with senior business leaders and critical friends to challenge and inform project work.



You've told us that the CBI excels in many areas like policy influencing, our government and economic intelligence and our role as a bridge between government and industry.

But the CBI needs to be clearer about what we do, why we do it, and the impact and value our work generates. You also want us to strengthen the voices of our SME members alongside those in the regions and nations, whilst better utilising our expert Trade Association network.

So, shaped directly by your feedback, the CBI will redouble efforts to push forward with our refined purpose, to be the collective voice of business, driving sustainable growth.

To make this happen we need a clear focus on our purpose, mission and principles. This includes maximising those attributes and activities that business has told us make the CBI market leading.

On principles, we listened to your positive feedback about CBI attributes and the areas we need to strengthen, by committing to:

- Be more transparent about the CBI's decision-making.
- Be more democratic in defining our positions.
- Be more evidence-led in our work.

On our purpose, you said that the CBI must deliver on long-term sustainable growth in the economy. This will serve as our guiding mission.

To do this, you were clear that business needs to be equipped for the future of work and skills; that the UK needs to be a leading internationally, competitive location for business; and that climate change, Environmental, Social and Governance (ESG) Standards and innovation were priority issues.

As part of our transformation, the CBI makes the following commitments:

- ✓ We will be disciplined in focusing on 'whole economy' issues and avoid duplication, for example, through collaborating more deeply with Trade Associations partners.
- ✓ We will consult with you around a refreshed work programme, with sustainable economic growth as a guiding theme, and the future of work, UK competitiveness, and energy and climate change featuring prominently.
- ✓ We will ensure stronger voices for the regions and nations, SMEs and our Trade Associations in shaping CBI work.

Our **Scorecard for change**, on pages 27 to 28, lays out how we will deliver our change programme in the months ahead, and the ways in which you will be able to hold us to account. If you believe in what the CBI does and our renewed purpose, we need your support.

The CBI's future – and our ability to tackle the issues that matter to your business – is subject to your decision.

The resolution for your vote is:

Do the changes we have made – and the commitments we have set out – to reform our governance, culture, and purpose give you the confidence you need to support the CBI?

Section 1: Our people and culture

At its heart, the CBI is the people within our organisation. Over this recent period, we have taken a step back and re-evaluated what it means to work at the CBI and our wider culture. Whilst the CBI does not have a toxic culture, we have been inattentive over time to developing a strong and inclusive internal culture. We are committed, and have already started taking action, to build a better and more inclusive culture that commands the full confidence of you, our members, and our people. And over time we aspire to create a workplace culture that is recognised as one of the best in the business community.

This is the most important job we have, and the CBI has formed a dedicated internal team – supported by independent experts – to drive the changes we need.

What we are doing:

Over the past three months, we have taken urgent action to:

1. **Support and keep our people safe and well. This includes implementing the recommendations of the Fox Williams report related to our people and culture.**
2. **Conduct a root-and-branch review, to begin our cultural renewal with independent expertise.**

To support and ensure the safety of our people, the CBI Board commissioned law firm, **Fox Williams** to conduct an independent investigation. Fox Williams provided 34 recommendations for improvements to governance, risk management and people policies and practice for the CBI, which the CBI has fully accepted. We will have put in place 27 of these recommendations by the EGM, and we will continue to update you on our progress in the future.

To conduct the CBI's root-and-branch **Culture Review**, we engaged Principia, who are independent experts in building ethical organisations. It was important to us to provide this independent space for employees to feel comfortable providing honest feedback. Over the last four weeks, employees have been highly engaged in this process – with Principia speaking directly to over 110 colleagues, a nearly 90% response rate to their Ethical Culture Index survey, as well as interviews with members of the Executive Committee (ExCo) and the Board.

Summary of findings from Principia

Through this process, Principia have determined that the CBI has an outward-facing culture that exhibits significant strengths – a strong external identity and purpose that staff understand and find motivational. However, the CBI has under-attended to developing a strong, values-based organisational culture and has under-prioritised people management skills.

Whilst Principia do not find that blanket descriptions such as ‘toxic’ or ‘misogynistic’ are accurate or useful descriptions of CBI culture, attitudes towards culture are inconsistent, with a lack of awareness of different experiences and limited self-reflection. This results in an under-developed and inconsistent organisational environment, with unclear expectations for behaviours and ways of holding people to account. Many staff do not feel confident speaking up when they experience or observe misconduct, with a lack of clarity around processes, concerns around challenging people in positions of authority or speaking in contrast to the CBI’s strong external identity.

Explanations and Causes

Principia’s assessment identified three areas of cultural strength and five weaknesses that underpin both the positive aspects of CBI culture, and its challenges.

Cultural strengths are:

- **Clear purpose:** Staff value and are inspired by the CBI’s strong, well-developed outward-looking identity and sense of what it is trying to achieve in the world. It is a major factor in why people work for the CBI.
- **Collegial work environment:** The work environment is experienced by many staff as open, vibrant and collegial. At its best, the CBI is a place where people feel able to talk to and work with anyone in an exciting and fast-paced environment.
- **Pockets of good practice:** Despite the lack of consistent and well-established processes, there are often examples of very good practice, and strong individual teams which could be leveraged by the organisation.

Cultural weaknesses are:

- **Values and behaviours gap:** The CBI lacks a shared internal cultural 'glue' or foundation of clear values and conduct to guide expectations of behaviours.
- **Lack of cohesive, consistent organisational leadership capabilities:** Leaders, and the Board, have focused on external goals, with limited oversight of the organisation or attending to risks.
- **Under-developed skills for people and team management:** Abilities and behaviours needed to manage people and teams effectively and inclusively have been under-valued and under-developed.
- **Inattention to people and culture function:** People and culture/HR has not been prioritised as a core strategic function with sufficient oversight from leaders and the Board.
- **Under-developed and inconsistent infrastructure:** There is a lack of clear or consistent structures and processes for decision making. Activities are driven by the priorities of the Director General, with deep organisational siloes.

Principia's Recommendations

Principia's recommendations for change at the CBI focus around five main streams of work – four of which aim at the renewal of the organisational culture, and one at remediation of outstanding issues and actions. Principia identified that there are clear cultural strengths that can be built on to start addressing these gaps immediately, which will lay the foundations for rebuilding trust and achieving sustained change over time.

Renewal

1. Develop a strong values foundation, codified into clear conduct expectations and behavioural norms.

The CBI will be known for how it does what it does, as much as for what it delivers. People will be clear on what matters most for its culture.

2. Build a leadership team that models and reinforces values and expectations, both as a group and as individuals.

Leadership will model CBI values and reinforce cultural norms for group dynamics and interpersonal interactions.

3. Design a new organisation model, with clear and consistent roles, responsibilities, norms and decision-making processes, with the prioritisation of a strategic people and culture function.

People will experience a consistent cultural environment within and across teams, supported by a strategic People and Culture function, and understand their own accountability for contributing.

4. Strengthen organisational governance and oversight of people, conduct and culture.

There will be strong ongoing oversight of, and reflection on, accountability for people and culture goals and potential risks.

Remediation

5. Address outstanding reporting issues and lay the foundation for a strong future 'speak up' environment.

Staff will understand and trust a clear process for remediating past gaps in reporting processes and will be clear on the strengthened mechanisms moving forward.

Principia’s findings have highlighted to us two aspects of the CBI’s culture existing alongside each other: whilst overall staff at the CBI are very motivated, we have let them down in our prioritisation of people management issues and our organisational leadership.

Whilst we understand cultural renewal will take time, we have already been taking swift action and will be adopting all of Principia’s recommendations, to deliver real and positive change. Further details of how we will be accountable on our cultural transformation journey and how we have already acted are set out below. We will also ensure that we are kept true to this path by establishing a new, external expert Culture Advisory Committee, chaired by Jill Ader and supported, amongst others, by Elizabeth Broderick, founder of Champions of Change Coalition, and by strengthening our internal listening channels with staff.

We will be sharing our journey with members along the way in the hope that, as we strive to create a workplace culture which is recognised as one of the best, we will be able to inspire wider learning within our member organisations and the wider business community.

CBI Cultural Transformation: Enacting real and positive change

<i>We have listened</i>	<i>We have acted</i>	<i>We are taking accountability</i>
<p>We’ve deliberately listened and reflected on input from across our organisation and members.</p>	<p>We’re taking clear steps to address shortfalls with both short-term and long-term goals.</p>	<p>We’ll set a positive example of owning difficult issues and ensuring permanent positive change.</p>
<ul style="list-style-type: none"> Fox Williams (FW) review Principia Culture Survey and focus group deep listening sessions. Member listening sessions. Internal HR group sessions for both managers and all staff. Individual staff feedback sessions. 	<ul style="list-style-type: none"> New DG and CPO appointments. People and Culture Board sub committee. Compulsory Board/ ExCo cultural training and firmwide diversity training Implementation of FW and Principia recommendations Overhaul of people. processes and policies in particular grievances and their handling. 	<ul style="list-style-type: none"> Appointed an Executive Search firm to refresh the Board. Build a leadership team that reflects the newly co-created values. Establish an external expert Culture Advisory Committee to steer and challenge cultural renewal. Embedding of FW and Principia recommendations.

Striving to be the best voice for business, inside and out

Section 2: Governance review

Overview and context

Following the release of the Fox Williams report, CBI President, Brian McBride initiated an immediate examination of the CBI's governance, as part of the wider comprehensive evaluation of the CBI's culture, structures and processes.

This examination includes commissioning a comprehensive external review of the CBI's governance structures and processes led by Ffion Hague, an industry leader in board evaluations, effectiveness and corporate governance. The results of the review are expected to be reported back to the CBI Board by end of July 2023.

Stakeholder engagement

Internally, our most immediate work considered member insight related to governance from the CBI's May 2023 listening sessions. In addition, the CBI Governance team conducted discussions with other UK trade and business associations regarding their governance practices and structures.

Immediate actions we are taking to improve the integrity of the CBI's governance

People and leadership

- The appointment in May 2023 of Elizabeth Wallace as the CBI's interim Chief People Officer, reporting directly to the Director General and reporting on people issues to the CBI Board.
- The CBI Executive Committee structure is evolving post EGM, with the creation of the Chief People Officer role already in place. We will ensure a focused and accountable leadership team that reflects the skills to deliver the cultural change we need.
- Refresh of the CBI Board as four Non-Executive Directors leave by September 2023. The two newest appointees, Jill Ader and Mark Logan, will stay on for continuity. Clare Barclay will remain on until her successor is found.
- Victoria Cochrane has been appointed to the CBI Board as a Non-Executive Director. From June 2023, she will chair the CBI Audit and Risk Committee. As a former Global Managing Partner, Risk Management at EY, Victoria has extensive experience in audit, legal, risk and compliance, and is a Non-Executive Director of Ninety One plc and Euroclear Bank SA/VN and chairs the Audit Committees of both companies.
- All CBI Board members, both Executive and Non-Executive, to be re-elected by members at the Annual General Meeting every year.
- The CBI President, Brian McBride, will immediately start the search for his successor while he oversees the changes being implemented at the CBI. The handover will begin no earlier than 1 January 2024.

Structures and processes

- Creation of a new People and Culture sub committee of the CBI Board that will focus on people matters at the CBI.
- A CBI Nominations Committee to be set up to recommend future appointments to the CBI Board.
- Establishment of an external expert Culture Advisory Committee chaired by Jill Ader and supported, amongst others, by Elizabeth Broderick, founder of Champions of Change Coalition.
- Management of risk across the whole CBI, and on an on-going basis, will be the formal responsibility of the Chief Financial Officer (CFO). Rather than as annual exercise, the Chief Financial Officer will report back on risk routinely to the revamped and re-scoped Audit and Risk Committee as a key sub committee of the CBI Board. Risk management at the CBI is also to be transformed with more focus on logging, managing, escalating and mitigating risks within the CBI, and building a culture that has risk management at its core.

CBI external governance

- **The CBI Council:** A new CBI will require an evolved external governance structure to match our renewed purpose and member offer. It will also require improvements to our processes around member appointments to key bodies and our efforts on consultation and policy mandating. This will be a focus post EGM, to ensure our external governance structures are fit for purpose.
- **The CBI Royal Charter:** Our immediate internal review revisited the CBI's Royal Charter, which acts as the CBI's Articles of Association, and recommended action to make it more transparent, accessible and relevant.
- **The CBI's Compliance with the UK Corporate Governance Code:** The CBI conducted a full audit of our governance practices and where they do and do not meet the provisions of the Corporate Governance Code. And the team are working to implement the recommendations highlighted, to improve compliance.
- **Environmental, Social and Governance (ESG) Standards:** By the end of 2023, in line with our policy advocacy, the CBI will have developed an ESG statement, setting out our goals, metrics and approach to reporting around environmental stewardship, social responsibility, and corporate governance.

Key 2023 milestones for building better governance practices at the CBI

- **Governance-related Fox Williams recommendations:** By the EGM, all recommendations relating to governance will be completed, in progress or earmarked for examination under the commissioned external governance review.
- **External governance review:** By end of July 2023, the commissioned external governance review should report back its findings and recommendations to the CBI Board.
- **CBI Board refresh:** By September 2023, the CBI will have a refreshed Board, ensuring fresh talent and diverse perspectives at the top of the CBI.
- **Internal governance:** By Q4 2023, any staffing or structural changes to the CBI will have resulted in changes to the leadership team and internal governance structures.
- **CBI Council:** By Q4 2023, the CBI will have reshaped and reformed our Council and Committee structure to ensure they are fit for purpose and match the sector makeup of CBI members and our offer.
- **Royal Charter:** By the end of 2023, the CBI will have scoped a project to refresh our Royal Charter in 2024 – to make sure it is clear, modern and transparent.
- **Wider governance reforms:** Throughout 2023, the CBI's Head of Governance, President and Director General will work with the appointed external governance expert to implement changes that ensure the CBI's governance is robust, transparent and more than meets the integrity-level CBI members expect.

Section 3: Political engagement

The CBI's extensive engagement with political stakeholders and officials – across all political parties, in every UK region and nation, and internationally – is vital to shaping the policy and regulatory environment firms operate in. And we know from talking to you, our members, that it's highly prized.

In order to resume engagement at a senior level, we believe we need to pass three tests:



1. Acknowledge the mistakes the CBI has made and make the necessary, wide-ranging – and credible – changes to correct them.



2. Build confidence by outlining a long-term plan to reform the CBI's culture to ensure this never happens again.



3. Demonstrate the CBI has gained the **confidence and support of members** through fundamental reform of our culture and purpose.

Throughout the CBI's pause in policy and membership activity, we have updated political stakeholders on the internal work the CBI has been doing – including the changes we have already made. Whilst change can't happen overnight, we are building confidence in the steps being taken to transform our culture for the long term.

The CBI, therefore, has one final bar to clear for senior level stakeholders to engage, receiving your support at the EGM.

Every political stakeholder we speak to re-iterates the value of having a single business voice, that speaks for UK firms of all sizes and sectors, across regions and nations. But now they're waiting. Waiting to see if you back us to continue to be that voice - so they can return to senior-level engagement with the CBI.

It matters more than ever for the UK economy

We're entering a critical period for UK politics and the economy more widely. With both a General Election on the horizon and English Metro Mayoral elections looming in 2024, political parties have already started developing their manifestos. Whilst having a new First Minister in Scotland, the need to get Stormont up and running, and an upcoming leadership election for a new First Minister in Wales will all impact businesses across the nations.

General Election 2024 will be unlike any we've seen in a decade. The 'snap' General Elections of 2017 and 2019 reduced preparation time for all parties, squeezing the influencing window that organisations like the CBI had to feed in insight and evidence.

As such, the CBI is focused on using the longer lead-in time we have now to collaborate constructively with politicians and officials to champion member interests. Your backing at the EGM will mean we can continue our work to:

1. Influence General Election Manifestos

A critical element of our work in the coming months will be informing and influencing party manifestos – the foundational documents for any incoming government. From meetings with senior politicians to private roundtables with manifesto authors, this work will include creating measures with you, our members, that all parties could adopt to ease business pressures and boost UK competitiveness.

In line with their individual processes for policy development, the influencing window is different for each party. Our work, however, with the Labour Party – in helping shape their National Policy Forum consultation – had already begun, and this engagement will only grow in scope over the coming months.

2. Develop the CBI Business Manifesto

In partnership with you, the CBI will produce our own Business Manifesto, outlining the steps the next UK government can take to drive sustainable, inclusive growth. The release of the manifesto is planned for later in the year, but the work has started and will continue at pace.

As we develop and agree our policy ideas with you, we will share them privately with politicians and those responsible for delivering manifestos. This forms a core part of our wider six-month programme of political engagement and influencing.

3. Influence the priorities of the next English Metro Mayors

We will not just focus our influencing on Westminster. With English devolution deals deepening, members know the importance of mayors for business. Not only for their direct powers – from local transport to skills – but also their convening power and important role in attracting investment to their regions. With nine directly elected mayors facing the ballot box in 2024, the CBI will help inform their policy agendas by holding hustings for you to attend, and consulting with you on the development of local business manifestos.

4. Shape policy across the nations

In Scotland, we will continue to share member insight and evidence with Humza Yousaf and his new Cabinet to shape the policies needed to grow the Scottish economy and influence the next Scottish Budget. In Northern Ireland, the lack of a devolved government continues to result in policy paralysis for businesses. So, we will continue to work for the return of an inclusive government and support local civil servants to deliver within the current challenging financial situation. Finally, in Wales, with Mark Drakeford standing down by the end of 2024, the Labour party will be holding a leadership contest to elect a new First Minister. We will work with members to create a Welsh Business Manifesto and hold hustings with candidates to ensure the business voice is heard during the contest.

5. Provide a collective, national voice of business

The lead-up to elections are periods of heightened national scrutiny. Political opponents, the media, civil society, and voters will all be debating the ideas politicians are advocating, what is and isn't credible, and how the UK's present and future will be impacted. In previous elections and referenda, the CBI helped you to cut through the noise and ensured the collective voice of business was heard.

Our strong presence at annual Party Conferences, the proven impact of our policy ideas and campaigning alongside our rolling programme of high-profile events, demonstrates we have the means to raise your voice and shape the national debate.

Through our efforts to pass the tests set by our members, colleagues and political stakeholders, we believe we can play that leading role for you again.

Section 4: A sharper, more focused CBI

As part of our major listening exercise, we asked businesses what they valued most about the purpose, mission and activities of the CBI.

There was challenge. You told us to prioritise more, to amplify the voice of SMEs, as well as firms across the regions and nations, and to maximise the impact of our Trade Association network. But predominantly, you told us that our purpose was *not* an area where you sought radical change.

Around 70% of respondents in our Purpose and Culture survey cited the CBI's ability to 'speak for all business, across the whole economy on the issues of national importance' as 'absolutely critical'. You also told us that you value our ability to bring together sectors and multiple parts of government, both local and national, including the major economic regulators.

Policy influence and insight, and government and economic intelligence, were 'absolutely critical' for most businesses we spoke to.

And when asked about the most important national issues on which the CBI should focus, 'achieving sustainable growth in the economy' dominated as a guiding principle.

The CBI's future purpose, mission and principles

You would like us to be clearer about the why, how, and what in our work, to better explain the policy and operational decisions we make. So, drawing on your feedback and that of CBI colleagues, political stakeholders and sister federations, we have been working to define the CBI's future purpose, mission and principles.



The CBI's Purpose:

To be the collective voice of business, driving sustainable growth.



The CBI's Mission:

We speak for businesses of all sizes and sectors across the whole economy on issues of national importance. We are a bridge between industry and government, providing policy influence, insights and economic analysis to drive positive change. Our work focuses on ensuring sustainable growth for the benefit of society.

How we work

To maximise our impact, we have established three principles to guide how the CBI will work with members. We will:

1. Be **transparent** in our decision-making, including the campaigns we choose to focus on, areas we submit policy consultation responses to, or issues we speak out on.
2. Be **democratic** in defining our positions, through how we gather member insights, feedback and consult. We will ensure all members have opportunities to have their voice heard and know the impact that their engagement has had.
3. Be **evidence-led** in our work, ensuring our advocacy is rigorous, factual and plays to our analytical strengths. Where there are nuances across the business community, we will surface these, working closely with our Trade Association network to ensure different perspectives are understood and communicated.

The headline issues we will focus on

Over 90% of respondents to our Purpose and Culture survey said ensuring sustainable growth in the economy was the priority. It was the most-selected option across every nation, for both SMEs and large firms, and across the main sectors of the economy. This priority was again echoed in one-to-ones with colleagues, stakeholders, and businesses.

From the survey and across many conversations with businesses, the most critical economic and national issues identified were:

- The future of work and skills.
- The UK as a leading, internationally competitive location for business.
- Climate, ESG and energy.

Immediately following the EGM, the CBI will begin work on shaping a detailed workplan focused on these and other priority issues identified. We will bring this back to members to help shape, critique and approve through our councils and committees.

We live in a world where new challenges often arise. You told us you value the CBI's agility in a crisis, so we will maintain our capacity for fast-reactive work on the economic, political and societal challenges that lie in wait.

What comes next?

To remain true to our purpose and mission, we will:

1. Embed our updated mission of 'achieving sustainable growth' into all the CBI's work, activity, and impact.
2. Ensure our policy influence, insight and economic intelligence, and our best practice sharing between businesses reflect this new emphasis.

To ensure we demonstrate transparency, democracy, and are evidence-led, we will:

1. Establish a net promoter scoring system to benchmark member satisfaction and demonstrate progress against commitments.
2. Deliver a new bi-annual member survey to identify near and mid-term priorities, with the results available to members.
3. Conduct three individual reviews into how we strengthen the voices of (i) regions and nations, (ii) SMEs and (iii) the CBI's expert Trade Associations network.
4. Explore a new evaluation process to measure CBI impact and member value for money.

To deliver the CBI's headline issues, we will:

1. Explore focused workstreams on priority issues, inviting broader business feedback, and mobilising resource to satisfy our long-term objective for sustainable growth.
2. Signify the importance of these issues and our overarching purpose through organisational activity, and our annual workplan with KPIs.
3. Prioritise policy influence, including providing government insight, policy insight and economic intelligence, as well as a place for businesses to share best practice.
4. Over time, deliver a thoughtful, highly engaging events programme that harnesses the full diversity of our membership and reflects a modern and inclusive business organisation. To underpin this, we will:
 - Re-double our efforts to achieve diversity of event speakers and attendees, building on the targets we already have.
 - Ensure a wider range of member voices is heard at all our events.
 - Take greater account of cultural considerations.
 - Enact earlier finish times for evening events.

Section 5: Our new target operating model

What we will do

Driven by member demand, the future CBI will be a more focused organisation, playing to our strengths on the 'whole economy'.

A common theme that has come through from our extensive listening exercise is a call for the CBI to focus on our core issues to deliver maximum value for money for all our members – small, medium, and large.

The level of support that you, our members, give us at the EGM will determine the exact size, structure and form of the future CBI. And the detail of the structure will rightly be subject to proper employee consultation, as happens in any company restructuring.

So, we are working on a range of scenarios. But we've heard your call to prioritise the issues that matter to every firm's competitiveness. We need to be disciplined and make tough choices about what we will, and will not, do in future.

You told us that we should avoid duplicating efforts. So, for example, where there are nuances across the business community, we will surface these, working closely with our Trade Association network to ensure different perspectives are understood and communicated.

Drawing on our Purpose and Culture Survey, listening sessions and one-to-ones, we propose to build the CBI around:

- 1. The issues:** We will target all CBI work to ensure sustainable growth as our guiding principle; including equipping business for the future of work; ensuring the UK is globally competitive; prioritising innovation, and tackling the climate crisis.
- 2. The activities:** We will direct our efforts towards influencing, providing government and economic intelligence and insights, and creating networks to share good practice.
- 3. The attributes:** We will strive to be the collective voice of business, providing unrivalled and costed policy insight, giving government a single point of contact with business, and to be your bridge to both government and other businesses.

This will be the new, more focused CBI. We'd like to have you on board. We are committed to working on your behalf.

The resolution for your vote is:

Do the changes we have made – and the commitments we have set out – to reform our governance, culture, and purpose give you the confidence you need to support the CBI?

Scorecard for change:

Our Scorecard for change lays out how we will deliver our change programme in the months ahead, and your opportunities to hold us to account.

Our projects	Your expectations of us	Our 'statement of intent' for you	Our 1 Month Milestones	Our 3 Month Milestones	Our 6 Month Milestones	Your opportunities to engage	Examples of how you can hold us to account
Our people and culture	<ul style="list-style-type: none"> To leave no stone unturned when reviewing the policies, processes and training that shape the CBI's culture. To seek independent advice and expertise to ensure leading best practice. To deliver a continuous process of improvement over the long term. 	<ul style="list-style-type: none"> We will set out a clear roadmap for reforming our culture with clear recommendations and milestones. We will commit ourselves to a set of renewal values. 	<ul style="list-style-type: none"> Inaugural meeting of the external expert Culture Advisory Committee. Start roll out of refreshed best-practice management training. 	<ul style="list-style-type: none"> Develop new co-created values, with a focus on identifying ways of translating these values into behaviours and conduct expectations. Ensure a focused and accountable leadership team that reflects the skills to deliver the cultural change we need. 	<ul style="list-style-type: none"> Embed all Fox Williams and Principia recommendations. Audit of grievances sent to the Board for transparency and accountability. Re-implement more structured and regular performance reviews to ensure rigorous KPIs and development plans are in place for managers and leaders, including mandatory 360 appraisals twice a year. 	<ul style="list-style-type: none"> Member feedback sessions with members of our leadership team to discuss progress and challenge where necessary. 	<ul style="list-style-type: none"> Quarterly progress update on our cultural transformation. Annually publish summary of employee opinion survey. Annually publish proportion of staff completing mandatory E,D&I training modules.
Our governance	<ul style="list-style-type: none"> To refresh the CBI Board. To ensure any organisation-wide changes include our senior leadership structures. To revise the formal governance structures and procedures for securing the CBI's policy mandate. 	<ul style="list-style-type: none"> We will modernise our governance structures and procedures to ensure robustness, transparency in approach and outcomes, and deliver value for your membership. 	<ul style="list-style-type: none"> More comprehensive performance and people metrics, and reporting procedures. 	<ul style="list-style-type: none"> Board refresh. External Board assessment. External governance review. Renewed terms of reference for the Board and Audit Committee. Revised national Council and Committee structure. People and Culture sub committee established. 	<ul style="list-style-type: none"> Royal Charter update begins. 	<ul style="list-style-type: none"> Participate in Board re-election process at AGM. Shape the new member governance structure. 	<ul style="list-style-type: none"> Member survey demonstrates confidence in refreshed CBI Board and governance. Employee survey demonstrates confidence in CBI Board and CBI leadership team. Revised committee structure aligned with member offer.

Our projects	Your expectations of us	Our 'statement of intent' for you	Our 1 Month Milestones	Our 3 Month Milestones	Our 6 Month Milestones	Your opportunities to engage	Examples of how you can hold us to account
Our political engagement	<ul style="list-style-type: none"> To get back 'in the room' with senior politicians to influence key policy priorities impacting your business, across the regions and nations. To restore member confidence in our political advocacy in framing the national debates. 	<ul style="list-style-type: none"> We will be seen as a trusted source of evidence-led policy and economic insight, valued for our problem-solving ability, and seen as a national voice for business in the big debates about the future of the economy. 	<ul style="list-style-type: none"> Inputting and shaping technical government consultations at an official level – for example, on changes to taxation policy and employment law. 	<ul style="list-style-type: none"> Influencing the political moments that will determine firms' operating environment – for example, the Autumn fiscal event and the party manifesto processes. 	<ul style="list-style-type: none"> Showcasing the role of business in solving the big problems that will define the future of our economy – for example, through a Business Manifesto for the General Election. We will publish a six-monthly impact and influence statement, demonstrating to you our value and what we have delivered on your behalf. 	<ul style="list-style-type: none"> Direct member engagement on key policy consultations that affect you the most. Member breakout sessions ahead of the Autumn fiscal event. Business Manifesto steering groups. 	<ul style="list-style-type: none"> Examples of officials proactively seeking CBI input for consultations. Key policy priorities delivered at the Autumn fiscal event. Engagement with Ministers and officials at all levels, both in public and private, across the regions and nations, to help shape economic debates.
Our purpose	<ul style="list-style-type: none"> To be an organisation that speaks for the whole economy, and which provides political, economic, and policy influence and insight. <i>Not</i> being everything to everyone, by focusing on cross-economy work. To be choiceful about the 'economic and national issues' that you have identified are critical for the business environment. 	<ul style="list-style-type: none"> We will design a compelling new CBI purpose and core mission focused on delivering the cross-economy priorities for the UK, and nations. 	<ul style="list-style-type: none"> Communicate to members a refined mission statement, including clarity on: <ul style="list-style-type: none"> how we will organise the CBI in response. how members engage in its delivery and success. where we have progressed recommendations on mission and principles to date. 	<ul style="list-style-type: none"> Agree with members the workplan priorities and milestones for delivering the cross-economy mission and headline issues, for the coming six months. This includes: <ul style="list-style-type: none"> what set-piece activity members and stakeholders might expect to shape with us. where we have progressed all recommendations to date. 	<ul style="list-style-type: none"> Agree with members the workplan priorities for 2024, including: <ul style="list-style-type: none"> what set-piece activity will shape the year ahead across all CBI work. where we have seen impact on all recommendations to date. 	<ul style="list-style-type: none"> Shape the planned activity and deliverables for the remainder of 2023 and headline mission objectives in 2024. Partake in a new bi-annual member survey to identify near and mid-term priorities or national economic issues to inform workstreams. 	<ul style="list-style-type: none"> Feedback through net promoter score to highlight likelihood to recommend CBI. Demonstrable impact on representation across SMEs, business voices in the regions and nations, and Trade Associations within the CBI's work. A new evaluation process to measure CBI impact and member value for money.



May 2023

© Copyright CBI 2023

The content may not be copied, distributed, reported or dealt with in whole or in part without prior consent of the CBI.

Product code: 12827

[cbi.org.uk](https://www.cbi.org.uk)