



**INSTITUTE OF BREWING & DISTILLING
COUNCIL MEETING
Held at Diageo, 5 Lochside Way, Edinburgh Park, EH12 9DT
Thursday 14th March 2019**

Minutes

Present: Tim Cooper (President, Chair), Douglas Murray (Deputy President & Scottish Section), Katherine Smart (Immediate Past President), Nigel Fitch (Honorary Treasurer), Liam Brown (Midland Section), Mike Benson (Great Northern Section), Stewart Tricker, (Southern Section), Michaela Miedl, (International Section), Megan Sheehy (Asia Pacific Section, part by telephone).

In attendance: Jerry Avis (CEO & Company Secretary), Angus Steven (Chair BoE), Stephen Wilkinson (European Secretary)

Observers: None

Apologies

Apiwe Nxusani-Mawela (Africa Section), Derek Prentice (IBBS), Gearoid Cahill (Irish Section); Steve Curtis (IBD HQ).

Quorum: The meeting was declared quorate.

Introduction

The Deputy President, Douglas Murray, welcomed the Council to the Head Offices of Diageo and the President, Tim Cooper, noted his thanks both to DM for organising and to Diageo for their hospitality.

1. Minutes of Last Meeting

- 1.1 The minutes of the were accepted as a true and accurate record and were signed by the President (proposed Mike Benson, seconded Tim Cooper)
- 1.2 Matters Arising not in Agenda: JWA reported that discussions had started with reference to progressing a legal framework with the AP section.

2. Membership

- 2.1 There were no questions on the pre-circulated paper on Membership.
- 2.2 Approval of new members – The Chair put the elections of new members to the vote which were unanimously agreed (proposed Katherine Smart, Seconded by Mike Benson)
- 2.3 Obituaries

The names of recent late members were noted by the President and Council held a short period of reflection:

Michael Dawes	Midland Section
Michael Potter	Midland Section
John Harvey	Asia Pacific Section

2.4 Election of new Fellows

The Chair put the elections of new Fellows to the vote which were unanimously agreed (proposed Douglas Murray, Seconded by Michaela Miedl)

Mark Goldsmith	Asia Pacific
Tina Panoutsos	Asia Pacific
Ian Roberts	Asia Pacific
Jeff Stewart	Asia Pacific
Tobin Eppard	International

3. Finance and Governance

3.1 Nigel Fitch gave a brief overview of the current financial status.

NF reported that there had been significant improvement in control of the IBD's finances. We now have a meaningful Departmental Budget approved in November; regular management accounts reviews and meetings of the Finance Sub-committee of the Board of Trustees. The management accounts review covers progress by department against budget, balance sheet, and cash flow. The Trustees sub-Committee reviews this meeting and raises any concerns going forward. The Sub-c also reviews Investments, especially against the reserves policy and controls the Risk register.

2018 Audit

Following the pre audit meeting in November 2018, we now are about to start this years full cycle.

The first review with the auditors is planned for 30th April. We hope given the progress made over the last year there will not be too many points to pursue. The move to the new accounts package from 1/1/19 and CRM (Customer Relationship Management) system, when implemented, should cover all past comments.

2018 Trustee Report and Financial Statements

The report is now well under way, thanks to the efforts of Ken Fairbrother (Secretary to the Board). Thanks also to the Sections for their prompt responses to his request.

The first draft of the Financial Statements has been received. There will be 2 more before the final version is received by the Trustees in June for their approval or actions for clarification. As before, there will be electronic copies for the Section Chairman, Secretaries and Treasurers after the approval.

The first draft of the Financial Statements which will change following some delving and audit comments, indicates a consolidated (IBD and IBD Trading) loss of £310k plus investment loss of £98k. This needs to be taken in context of the approved budget loss of £345k.

Income is up by £120k to £2,339k. Membership has contributed £605k, whilst Education (Exams and Training) rose by £35k to £1,547k. Membership costs are at £214k, and Education at £1,511k.

The Investment for the IBD's long awaited Digital Transformation has started and obviously there will be a time delay for this to be seen on the bottom line. So for 2018, the first use of the war chest, from the sale of Clarges Street, has been used to invest and has covered the reported loss.

2019 Budget

The Budget approved by the Trustees is to further invest in the Development of Training and the Examination system. This shows a budget deficit for 2019 of £701k. Cashflow is being closely monitored to ensure that the "Reserves" will not be touched. Expenditure timing will be adjusted if necessary

Reserves and Investment

We have recognised a loss on Investments on £97k (6.2%). Offset against this is dividend interest, etc. which is reinvested. So therefore the real investment loss reported is £58k (3.7%). This is in line with our peer group benchmarks. To put this into context the FTSE 100 loss was 12.48%. End of 2018 value in total (IBD, JJ Morison, Scottish Section) was £1,493k. At 7/3/19 the total value had recovered to £1,560k - £10k better than the start of 2018.

Risk Register

This is regularly updated by the Trustees, and controlled by the Finance Sub-committee, with input from all interested parties. The top 3 risks are noted in the Trustees Report: Reduction in membership, GDPR compliance, & Loss of key staff.

- 3.2 Impact of membership & diploma split
JWA reported that, although figures for membership were yet to be finalised, the membership and diploma figures were broadly as expected. Brewing diploma applications were down on last year but not outside of the year on year variation of the last 10 years and distilling applications are up on last year. Memberships will be lapsed at the end of April and we anticipate knowing the full picture by the next meeting.
- 3.3 Governance – Trustee & Officer succession
The President confirmed that the nomination committee's preferred candidate for Deputy President Elect was Ian Roberts (previous Chair of the Asia Pacific section). The President spoke on IR's applicability for the role and had confirmation of IR's company's support for a 2 year term if elected. Council was asked to ratify the nomination; proposed by Douglas Murray, seconded by Michaela Miedl and unanimously passed by Council.

KAS asked that section committees should call for further nominations as the next deputy would come up for nomination in 12 months' time (early 2020) as TC was serving one year.

JWA was asked to formalise this request and to circulate criteria – ACTION JWA

4. IBBS

Nigel Fitch (IBBS Chair) took council through the key points as follows:

The latest meeting of the IBBS Committee of Management in December noted the Portfolio to be at £2.54 million, 2.6% down on the same time last year. To the end of Q3 grants had totalled £38.3k, compared to £18.9k at the end of Q3 in 2017.

The December meeting approved the opening of discussions with the solicitors to turn the IBBS into a Charitable Trust. The IBBS Trustees had identified the need, though the IBBS was cash rich, to meet the challenge of the falling number of hardship cases and difficulty in succession planning for the Committee. The Wine & Spirits Education Trust's Benevolent charity would be a good future fit, subject to certain issues being resolved. The "half-way house" would allow a move in that direction without committing the IBBS money.

5. Examinations, Training & Publications activities.

5.1 Angus Steven took the Council through the examination report previously circulated.

Headlines as follow

- Examination candidate numbers 2018/19
 - The deadline for the May/June exams had passed and most figures were in. Overall the numbers are slightly down.
- Examination Board development
 - A number of new examiners had now been on-boarded for the coming year, AS did note that it was difficult attracting new examiners of the right calibre and effort was now required in succession planning
- Examination Development
 - Revised Syllabi are largely in place with significant efforts being made to align the syllabi with new learning material. AS asked for confirmation of agreement from Council for an exemption from taking module 3 for candidates that already held a diploma in one subject and were applying for a second (e.g. that a diploma brewer would need only take modules 1 and 2 of the distilling diploma to complete the qualification). This would only apply to the candidates who have taken the new common module 3. This was agreed by the Council.
 - GCB/GCM – questions are being updated to ensure that all of the syllabi are covered and that the question bank is refreshed.
- On Line Marking
 - AS confirmed that online marking had been successful although a number of problems had been identified. The marking development company (Calibrand) had been charged with making further

developments to improve the system and these were now being trialled in advance of the next examinations.

- JWA asked for agreement from Council to update the name of the “Fundamentals” exams to “Foundation” exams as the name is closer to peoples’ understanding of the exam hierarchy used in many educational institutions and qualification types. Agreement was unanimous.

5.2 Examination and training activity

As above, AS reported that, to date, exam registrations were down on last year but within the variation seen over the past 10 years. For 2019 the number of Dip Brew registrations was down on 2018 whilst Dip Distil has increased. JWA commented that overall examination revenue is less than 2018 as forecast. Applications for training have increased and in the first quarter are already nearing the annual budget.

5.3 Beer and Cider Academy

BACA course registrations are progressing well overall although there has been a switch between the number on the path to Beer Sommelier and foundation courses with the later increasing at the expense of the former. Course structure is currently under review. Cider course registration continues to be popular.

5.4 Publications - Headlines

5.4.1 Journal of the Institute of Brewing

- Over the period 91 submissions were made with 22 accepted, 42 rejected and the remainder in process. Of the accepted papers four are from China and two each from Ghana, UK and the US.
- Papers submitted/accepted over the last three years are 2016 – 173/94 (70% accepted), 2017 – 176/64 (36%) and in 2018 - 145/69 (48%).
- The Production Editor, Publishing Manager and Editorial Assistant for JIB have all changed.
- JIB is moving to an HTML-based Online Proofing System at the end of March. This should improve the proof editing process which currently involves marking up pdf’s for manual editing by the proof reader.
- Signing up to Orcid (<https://orcid.org/about/what-is-orcid/mission>) will now be ‘required’ for all submitting authors.

5.4.2 Brewer and Distiller International

- A number of distribution issues being investigated:
 - December issue delayed due to late printing, insertion of ‘flyers’, airline capacity
 - Delays reported from some international section members for January issue, due to postal strikes and inclement weather. February edition back on track.

- Investigation ongoing for delivery into China / Hong Kong.
- New design / print format from January 2019 edition; feedback has been mostly positive.
- Average page count 2018 was 55pp, vs 57pp in 2017 and 56pp 2016.
- Some new writers recruited, with output seen from February edition onwards.
- Media plans agreed for upcoming AP Convention Perth (March 2020) and WDSC Edinburgh (May 2020).

6. Awards Committee

Key points from the last committee meeting (Dec 2018):

- ESA - agreed that Exceptional Service Award to be focused on voluntary works rather than paid service.
- Restricted Funds
Awaiting feedback from UK and SC charities regarding the consolidation of various funds into the Curlew Fund.
- JS Ford
For the highest distinction for Diploma of Brewing. Currently for brewing only and for those who have taken all three modules in the one year. Suggested that this award could be open to those who sit the three modules over three consecutive years, and to have a minimum B grade for each module.
A review of current awards in all sections to identify gaps is now being undertaken,

7. Sections

- 7.1 **International**
Proposal for Horace Brown event and 2019 Masterclass
- 7.2 **Asia Pacific Section**
Report attached
- 7.3 **Africa Section**
Report attached
- 7.4 UK & Ireland Sections

Chairs took the Council through the current activities of sections.

Key comments surrounding the balance of social events and educational events e.g. Midland technical events are better attended than social and Southern tends to be the reverse. Even in the UK the travelling distance is a barrier for evening meetings – one of the reasons for the Southern section opting for fewer but longer events.

8. Digital transformation and GDPR

8.1 CRM & Web

- Go-live was anticipated to be early November however with delays in the web design initiative, rather than pushing to go-live with a risky sub-optimal solution, the date was moved out to March. The key factors in determining this revised timing were;
- the membership renewals process as the bulk of activity is during January and February
- the exams registration processes for Diploma and Masters' which completed on 1st March '19.

- Project progress was then as expected until the first formal review of the web build when the CRM supplier shared that they were quite a bit behind plan.

- An in-depth review has now been undertaken with the CRM supplier senior team with regards to this latest delay including reaffirmation of ways of working regarding project management from now until go-live which includes;
 - Refactored, detailed go-live plan and dedicated supplier Program Manager re-allocated to project governance processes
 - Web build and testing cut into smaller sprints (phases) in order to track progress on a shorter interval basis
 - Live system demos will be shared with the program board fortnightly (commencing 8th March), so progress is evidenced, and feedback given on a more frequent basis

- Whilst the CRM supplier could be ready to go live in April, taking forthcoming critical IBD business processes into consideration (exam centre set up, financial audit and diploma/masters examinations) and in order to mitigate any business risk, the proposed revised go-live day will now likely be in early summer, with actual date to be confirmed after completion of first sprint.
- This subsequent delay does however allow the IBD Customer Experience team more time to train and upskill in the new CRM system so additional training and awareness schedules for this have been put in place to enable this.

8.2 GDPR

Sections chairs approved of the dialogue held so far with Francesca Williams who is leading the work on GDPR.

The ability to communicate with members by secretaries is still a cause for concern. JWA explained the need for a "single point of truth" to ensure that member preferences and presence on a data base is always current. HQ has put resource into the team looking after the CRM and would be more proactive in servicing member and section needs. HQ is looking at a number of solutions for giving secretaries visibility on members and will shortly have a resolution.

9. Learning development

A) General Headlines:

1. Online Learning

- Diploma Brewing Module 1 (DB1) Learning Material was launched to the public on the scheduled date (14th January 2019). This was the first of the 'new format'

courses which had been specifically written for self-directed, online learning using a selected group of industry experts as authors, and then peer reviewed by a group of about 25 experts from across the world. This new format assures that not only is the material accurate and industry relevant, but also that the volume of material presented is consistent with the norms of awarding bodies and that the level of thinking skills required is both consistently applied and at the appropriate level.

- A brand new product called Tutor Guided Learning was launched in January 2019 to support the DB1 online product and effectively replaces the old 'DB1 Distance Learning' offering. This is an 18 week program designed to help candidates fully assimilate the information from the Learning Material and is presented using state of the art software which the IBD has configured to run from with the Learning Management System. Candidates work with tutors in small groups to cover the whole syllabus, revise old exam questions, and ask questions in a dedicated internet forum. With tutors in Hong Kong, Dublin, Cape Town and London there is a truly global reach for this course which was fully sold out.
- Work on the second online product (General Certificate in Distilling) is nearing completion and this will be launched on the target date to the general public in May, following the GCD examinations.
- In order to maintain momentum in delivery on the development of new courses, a larger team has been recruited and appointed and the following projects are being worked on concurrently:
 - i. Diploma Brewing 2 – due September 2019
 - ii. Diploma Brewing 3 – due September 2019
 - iii. General Certificate Brewing – a significant upgrade of the current online version – due September 2019
 - iv. Diploma Distilling 1 – due September 2019
 - v. General Certificate in Cider Making – due October / November 2019

This is now a complex operation and to aid delivery, as many procedures as possible have been standardized – for example, 25-30 content authors have had to be recruited and trained in the IBD way (using a Content Author Manual and online tutoring). At the same time, our capability to handle digital media (images, videos, animations) has improved significantly with the appointment of a dedicate resource.

2. Training Capability

- It is the IBD's ambition to use suitably qualified tutors. This has been well reinforced when seven tutors undertook an 8 week course to become Certified On-Line Facilitators ahead of the launch of the Tutor Guided Learning course. The course is run by one of the world's leading groups for online learning.
- With the delivery of learning material in a self-directed study format, classroom-based teaching courses are losing their 'unique selling point'. In April, the IBD will be piloting the replacement of the DB1 5 day training course with a 5 Day tutoring course, which will be highly interactive and use many of the modern techniques that are applied in the online tutoring course.

3. Corporate Engagement

- One global brewing group has standardized on the IBD online approach, and has just enrolled the first global cohort of GCD candidates, many of whom will go on to do the diploma exams. Apart from having a dedicated website for the GCD, the corporate will also be able to track the progress of their own learners.

- One global distilling group has worked with the IBD to customize their own website and will be standardizing on the GCD.

The benefits of a high-class product offering from the IBD in an online format are clear to many large organisations. An example of this recently was a request from a client for material to be made available in a language other than English. Using free tools on a web-browser, a very acceptable translation was accomplished in less than 24 hours. A cohesive and strategic approach to the many opportunities presented is currently being developed

10. 2019 – 2021 programme

JWA gave an overview of the draft aims for the period 2019-2021. In particular, membership would be the focus of activity through 2019 & 2020. The removal of the requirement for membership from Diploma examinations allows focus on each group independently of the other. A discussion took place around the member value proposition. The next Council meeting would workshop opportunities and future strategy for an improved proposition.

The forthcoming survey would be circulated for review and suggestions for additional questions.

11. Issues to take forward to trustees

None

12. DONM

Venue to be advised for Council

Wednesday 5th June 2019 – Council & Workshop

Curlew Street

Thursday 6th June 2019 – Trustees' Meeting

September - at Curlew Street

Wednesday 18th – Council

Wednesday 18th (late p.m.) – Joint Presentation Council/Trustees

Wednesday 18th (later at 5.30 p.m.) – AGM

Thursday 19th – Trustees' Meeting

November at Curlew Street

No Council Meeting

Friday 15th – Trustees' Meeting.