



Institute of Brewing & Distilling

MINUTES OF THE MEETING OF COUNCIL, HELD AT 44A CURLEW STREET, LONDON
ON THURSDAY 24TH MAY 2016

PRESENT:

Charlie Bamforth (President), Alan Barclay (Past President), Nigel Sadler (UK Southern Section), Jane Kershaw (UK Midland Section), Derek Prentice (IBBS), Mark Kinsman (UK Scottish Section), Rob Greenaway (Asia Pacific Section & agreed proxy for Stephen Exinger); Rob McCaig (International Section by phone & agreed proxy for Michaela Miedl); David Smith (UK Great Northern Section). The meeting was quorate.

IN ATTENDANCE:

Jerry Avis (Chief Executive Officer), David Quain (BoE Chairman), Steve Curtis (IBD Technical & Publications Manager), Paula Hillman (FC); Jayne Hewitt (UK Great Northern Section)

APOLOGIES:

Apologies received from Katherine Smart (Deputy President), Michaela Miedl (International Section), Paul Wickham (Irish Section), Kate Jones (Africa Section), Leonard Specterman (Treasurer); Rebecca Byrne (Irish Section); Inge Russell (JIB)

Reports had been received from Alastair Kennedy and Inge Russell

WELCOME

The President welcomed Councillors & attendees to the meeting.

1 NOTES FROM THE LAST MEETING AND MATTERS ARISING

1.1 Notes from the last meeting were accepted as a true and accurate record and were signed by the President; the President informed the Council that notes rather than minutes had been produced from the last meeting because the previous meeting had been inquorate. Matters requiring a vote at the previous meeting were required to be voted on at the current meeting.

1.2 Matters arising from the notes that are not dealt with elsewhere in these minutes

(3.1) Following a previous request from Flo Vialan for a meeting of section treasurers, Paula Hillman was to deliver a workshop at Curlew Street on 28th June.

2 MEMBERSHIP MATTERS (Appendix 1 & 2)

2.1 New members and general overview.

The membership matters report was presented by Jerry Avis and is appended to these minutes. The Chair put new membership to the vote of the Council which was unanimously agreed.

2.2 Nominations to Fellow

Two nominations for Fellowship had been proposed by the Awards Committee:

Alan Dunn – UK Great Northern Section

John Hancock – Midland Section

The Chair put the proposal of the Awards Committee to the vote of the Council which was unanimously agreed.

2.3 Obituaries

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

Sean Beausang	Irish Section
Alan McFiggans	Midland Section
George Stark	Scottish Section
Michael Basil Ludlow	Southern Section
Ronald E Hack	Southern Section
Anthony Pullen	Southern Section

3 FINANCE AND GOVERNANCE

3.1 Quarter 1 2016 Management Accounts

Paula Hillman, presented a summary of the Q1 YTD management accounts: IBD shows an overall surplus of c. £832k which is expected to result in a year end surplus of c. £100k at year end (NB 80%-90% of the IBD income is phased to be taken in the first quarter with costs incurred throughout the remainder of the year). Total turnover to date is c£1.5m which is 75% of the full year's projected income. The majority is attributed to membership (29%), examinations (44%) and training (21%).

Statement of Financial Activities - key points

- The total income to date is already 80% of the budgeted income figure
- Subscriptions have reached 86% of the budgeted figure
- Exam income is 84% of the budgeted figure
- The advertising revenue from Wiley is lower than expected
- Income from training courses is currently in excess of budget by 31% which is an improvement over the past few years.
- Investment and other income are higher than budget due to income from the YSS conference and recovered VAT.
- Staff costs are lower than budget as the budget included a new technical position which has not yet been filled
- Overhead costs are lower than budget mainly due to the VAT recovery in the first quarter and the computer development costs have been capitalised

3.2 2016 Budget update

A draft 2016 IBD budget will be reviewed with Jerry Avis and presented to the Trustees.

This will seek to agree investment plans for e-learning, further exam development and process efficiencies in the IBD finance function.

An indicative budget for 2016 has been provided for the Beer Academy to show the Profit and Loss account at break even with management fee to IBD of £25k.

3.3 2017 Subscriptions and fees

A discussion was had over potential increases in exam fees and the membership subscription rate. The strong recommendation from the Council for the Board of Trustees to consider was to hold the exam fees at their current level for this period and to raise overall subscriptions in line with RPI. Exam fees had increased by 15% since 2013 and members taking exams had a view that it was now becoming quite expensive to go all of the way through the qualification process. On the other hand a modest increase to subscriptions will allow us to keep pace with RPI in the UK (where the majority of costs are incurred) but will need a demonstration of the value that is being added.

The suggested increase of 1.1% would give the following adjustments. It is suggested that the student and retired fees are kept the same with a small rise in standard and certificate membership, the latter being kept under £100.

Grade	Rise	Actual	Suggested	Increase
Standard	1.1%	£ 137.50	£ 138.00	£ 2.00
Certificate	1.1%	£ 99.08	£ 99.00	£ 1.00
Retired/Student	1.1%	£ 46.51	£ 46.00	£ -
MBAA	1.1%	£ 117.28	£ 118.00	£ 2.00

The overall view of Council was that the value of membership needs to be increased if subscription continues to rise, especially to overseas members where exchange rate fluctuations often result in big fluctuations in subscription fee in local currency.

3.4 Update on IT and Website

3.4.1 No further issues have been incurred on the new hosting arrangement

3.4.2 Website update: Design is nearing completion, on budget but around 4 weeks behind on the original programme. Beta testing will take place at the end of May with a soft launch currently scheduled for June. It was agreed that the design gave a more contemporary face to the Institute and functionality is improved with better navigation.

3.5 Trustees update including bye-laws and articles

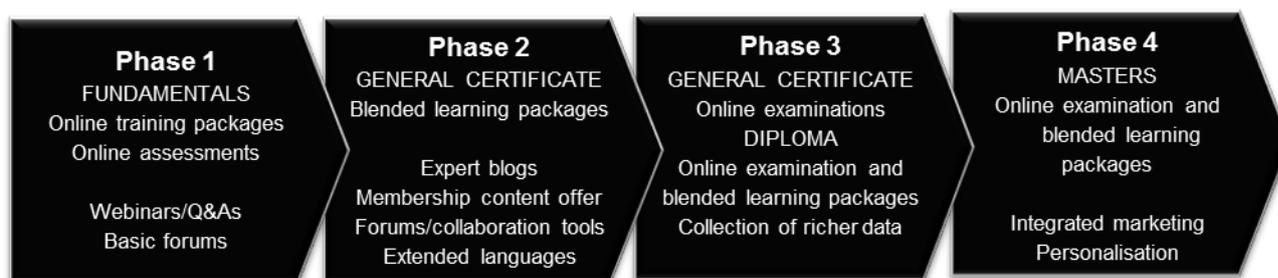
The President summarised that the review of articles and bye-laws by the Governance sub-committee was nearing completion and would be completed in time for circulation to sections for comment, before presentation at the next AGM.

3.6 Development Plan Update

Jerry Avis gave an update on the development plan including the challenges arising from a market polarisation in the brewing sector with consolidation amongst larger companies at one end and the growth of a multitude of craft breweries at the other. He highlighted the changing demographics of the Institute and the impact of this, benchmarked against the mean growth rate for similar institutions. Over 10 years a revenue growth of c. 2% year on year would require of membership growth of c. 2,000 the majority of which would be likely to be from the millennial generation who had significantly different behaviours and aspirations to previous generations. To prevent continued attrition of the membership it was important that all members derived benefit according to their need and segmentation of members by career stage would be one way of approaching this.

The response to the two challenges of market polarisation and changing demographics would need to include customisation of the IBD offer, opportunities to further supplement and diversify revenue streams. Any potential extension and diversification of revenue generating activities would need to be within the charitable objectives of the IBD and would either be of direct benefit to the membership or to enable future cost rises to be offset by alternative income streams.

The extension of training through investment in e-learning was one way of achieving further scale at the bottom end of the qualification ladder (fundamentals and general certificate) and a report on the strategic delivery of this was in preparation with a road map over ten years that encompassed all qualifications:



Such a programme needed to be responsive to all sectors of the industry and it was envisaged that progress would be managed using Agile (scrum) methodology rather than fulfilling a full product specification. It is recognised that both platform and content will need to change rapidly in response to technology and industry demand so the development of a minimum viable product and rapid feedback will be the preferred development path.

A strategic framework was currently under development to connect our charitable objective, vision and mission to a hierarchy of objectives with their KPIs. The aim is to achieve a balanced scorecard approach, key elements of which would support the following high level objectives:

- An executive management and operational structure that cost effectively fulfils our mission through a team of trained, motivated, staff.
- An industry driven scheme of professional qualifications
- An international network of active, engaged members & prospective members
- A globally accessible learning platform for career development & life-long learning
- A system of accreditation for third party trainers & organisations
- A communication platform that delivers timely relevant information

The framework is currently being broken down to individual deliverables which can be prioritised, programmed and delivered through HQ, the Sections and membership. Communication and comment will be part of the process to be agreed by the Board of Trustees at the next meeting (September 2016).

4 IBBS

A report is appended to the minutes

5 EXAMINATIONS, TRAINING and CPD

5.1 Update on Beer Academy

Jerry Avis updated the council on the Beer Academy activity. Delegates attending BA courses for 2015 stand at 1,084 vs 2014's total of 1,065 delegates with 637 booking in 2016 to date.

The 'Beer Steward' course had 692 people register to date including a one off sale of 500 licences with an overall price of c. £3. Few of these have been activated and the underlying performance is still poor. There are similar products available now which are free although targeted at a slightly different market e.g. Cask Marque for cask beer.

Overall the Beer Academy remains in a difficult position and is projected, at best, to break even in 2016. The proposition is still seen as a good one in fulfilling part of our charitable status under public education but cannot be continued to run at a loss. The business model and relevant contracts are currently under review by the Trustees.

5.2.1 IBD Qualification Development Plan

Limited progress to report since the last Council, with the exception being that good progress has been made on a General Certificate in Opaque Beer in conjunction with SABM, with projected release later this year for first examination in May 2017.

5.2.2 Final review of 2015 performance following appeals process

Jerry Avis reprised the report given by David Quain at the previous meeting following the previous examiners' report at the Council meeting held November 2015 in response to continuing concerns over the falling pass rate for module 3 and variable performance on module 2. Again, the President strongly expressed his continuing support for the exams process, that anomalies and adverse trends should be fully investigated through the correct channels of governance and that our examination process should be further reviewed by an independent group with the specialist knowledge and expertise to determine a better route forward.

There were a number of comments from round the table:

David Quain: examiners were now encouraged to review papers between distilling and brewing to give a fresh pair of eyes on each as exams were being set; the new diploma format would remove some of the issues by taking out the hybrid element in module three. Jane Kershaw thought that more support for candidates was required early on and that it would be useful to look at the age profile of exam candidates against pass rate with the contention being that younger candidates recently out of education would be

better able with respect to technique; Mark Kinsman also had the view that technique could be as much of an issue as knowledge; Derek Prentice commented that better training material was required across the subject.

The President reiterated that the Institute must look forward and that regrading in this instance would have been a retrograde step, unhelpful to the Institute in the longer term, setting a precedent and devaluing the qualification. He again recognised that it had become the subject of significant emotion but felt strongly that it should be the Council and the Trustees who needed to be fully involved in this contentious issue and to instigate systems and approaches to resolve underlying problems. In summarising he commented that candidates needed to be prepared, that the exams needed to be reasonable, that the Institute needed to address any issues of unnecessary complexity and that exams needed to be a fair and reasonable test of the individual's knowledge.

To move the issue forward the President asked for a formal vote from the Council for the proposition not to regrade the exam.

A vote was taken which was unanimous in support of the proposition.

5.3 Chair of Board of Examiners

Jerry Avis recommended that Angus Steven be appointed as Chair of the Board of Examiners.

Considerable time had been given to the development of a role profile and person specification (where there was none before). As this was considered to be a specialist role with the requirement for a substantial handover period with the current Chair, a number of individuals had been approached. The person being recommended to the Council is considered to have the right blend of attributes that most fully meets the specification.

The President proposed that the recommendation be put to the vote and there was unanimous support of the proposition. The appointment would be put to the Board of Trustees for approval.

6 TECHNICAL MATTERS (INFORMATION)

Steve Curtis reported that a large amount of effort has been made in making IBD technical material available on-line through the Learning Zone, and that this was now a considerable resource for examination candidates. All electronic versions (pdf) of BDI are now online, and there is a hope that a full catalogue pre-2005 will be made available by cut/scan of spare bound copies.

7 PUBLICATIONS AND COMMUNICATIONS (INFORMATION)

7.1 JIB

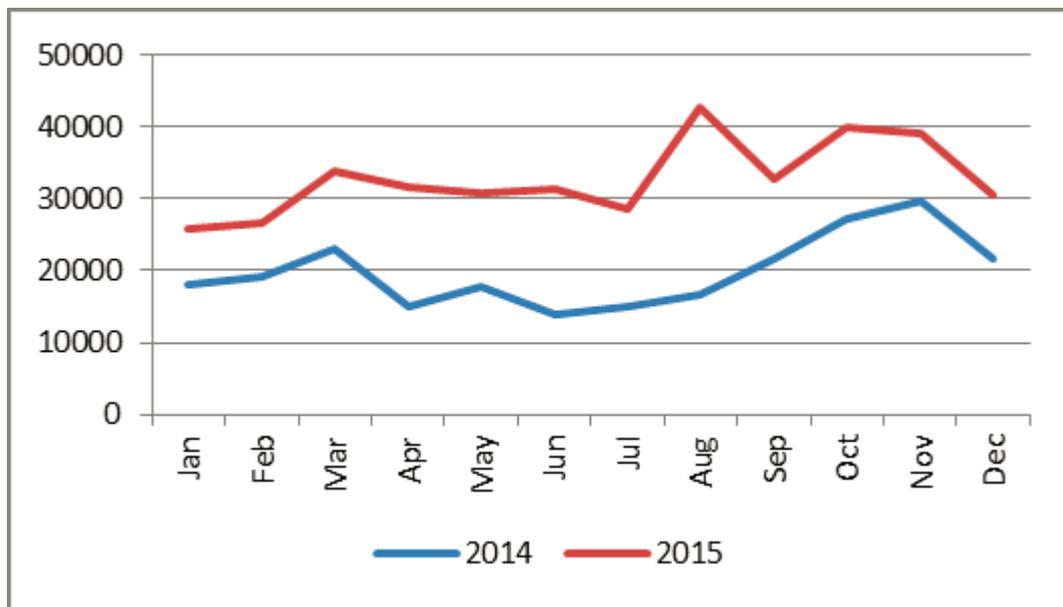
Inge Russell provided a report as follows;

The Journal continues to grow with a very healthy number of submissions.

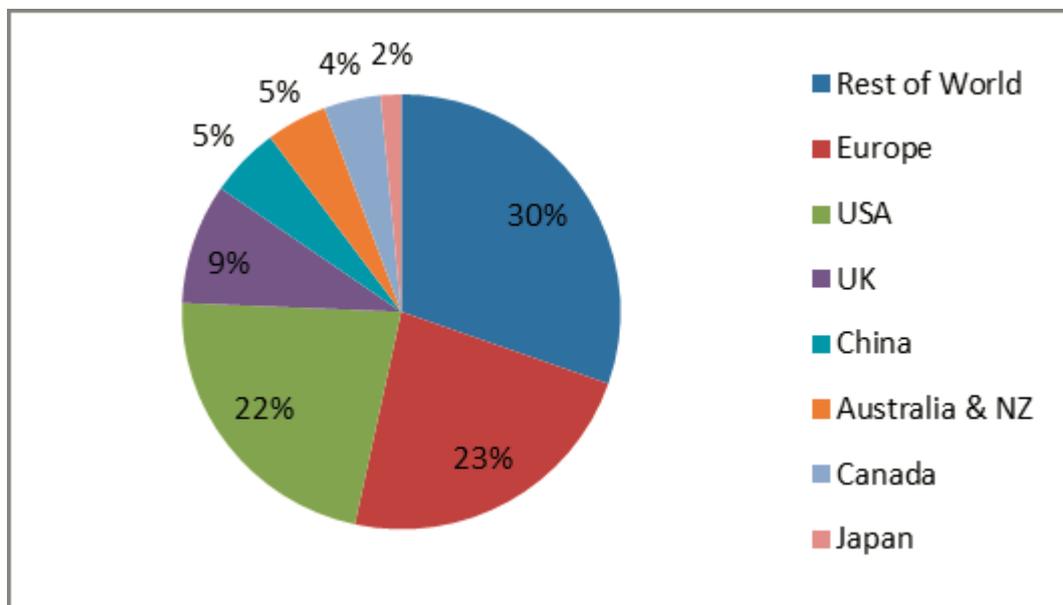
Volume 122 Issue 2 of 2016, containing 24 papers, has been posted on the website and the print copies will be mailed shortly.

In terms of papers in progress for issue 3 of 2016 and beyond – in the ‘Scholar One Review Submission System’ - there are currently 40 papers at various stages of review.

In addition, there are ten accepted papers for issue 3 that are waiting for final editing.



This chart shows the increase in the number of downloads to the journal from 2014-2015. The total includes usage on Wiley Online Library, EBSCO and other third-party databases.



This chart shows the global reach of the journal as reflected in its readership using full text downloads of the journal on Wiley Online Library.

In summary, all is well with the Journal and it continues to grow in terms of attracting a good mix of papers and being read online by a wide global brewing and distilling audience.

7.2 BDI

Steve Curtis reported that the BDI was continuing to do well although the new approach had both advocates and detractors in equal measure. Jerry Avis affirmed that many positive comments had been received over the past few months.

8 OVERSEAS SECTIONS

Asia Pacific: Rob Greenaway gave a review of the strategic direction of the AP Section, of the recent convention and an update on training.

With respect to the AP section, the focus would be on the growth of business in Australia and New Zealand whilst maintaining support at the appropriate levels for the rest of the section. As in other parts of the world, the craft sector is growing at pace and is seen as an opportunity for membership growth if addressed with the right offer.

The convention was judged to be another success although significant adjustments were made to ensure that the event made the surplus required by the section. The key issue was the high cost for delegates to stay at the hotel convention (£200 per night) so many of the delegates had to travel from other hotels into the city. The convention was cut back from 5 to 4 days which worked well but meant that exhibitors had less set up time that would have been ideal. The Monday session for craft brewers was a success with many registering in the last two weeks but causing issues with merchandise. Innovations included dual presentations and web casting. Overall there were 350 delegates with more attending the craft sessions. The next convention location is being finalised.

Rob gave an overview of training success to date. In 2015, courses had been held for all brewing diploma and packaging modules and GCB/GCP in Australia, New Zealand, Malaysia, Fiji, Vietnam and India. A similar range of courses and locations are taking place this year with potential additions of Myanmar and Singapore. A key issue is the availability of trainers, particularly at the diploma level.

Africa: Alastair Kennedy confirmed by email that the African Section is still to make final decisions on the conference following the ABI takeover of SABMiller. A reply on the invitation sent to Carlos Brito, ABI, CEO by the President is still awaited. Two craft brewing conferences are taking place in May and September 2016 in South Africa and the committee will be monitoring attendance at these as an input to the African Section designing part of the conference for craft brewers

9 CONVENTIONS & CONFERENCES (Information)

9.1 Asia Pacific Convention 2016 – Sydney, Australia

See above

9.2 Young Scientists Symposium April 2016 – Chico, California

The President reported that the YSS ran from 21st to 23rd April at the Sierra Nevada Brewery in Chico, California. 100 delegates from 18 countries and 26 sponsors supported a very full technical programme and the event produced sufficient surplus to contribute to the next YSS which will be in Trier in 2018. Thanks to all of the sponsors, especially Ken Grossman at Sierra Nevada Brewery for his extremely generous support.

9.3 Africa Convention, Cape Town, March 2017

See report form Alastair Kennedy above - the Africa section committee are currently reviewing options for size, content and location and recognise that this now has to be rapidly resolved.

9.4 WDSC 2017

Martin Kinsman reported that the conference will run from 29th May to 1st June at the Hilton hotel with Briggs as the main sponsor. All 2014 sponsors had been re-confirmed, press releases issued, flyers printed and distributed, advertisements placed, a live Twitter feed set up and an app designed. All is currently to plan.

10 ANY OTHER BUSINESS

The Southern Section Chair, Nigel Sadler, reported that it was his last meeting and that he would be followed in the Chair by Georgina Young. The President thanked him for his service to the Council during his tenure.

11 DATES OF NEXT MEETING

Monday 5th September - **Council Meeting and AGM**, venue Woodthorpe Hotel, Bury Old Road, Prestwich, Manchester, M25 OEG

Tuesday 6th September - **Board of Trustees** venue as above

Wednesday 16th November - **Board of Trustees**, London

Attachments

Appendix 1 & 2 Membership matters

Appendix 3 IBBS report