

THE INCORPORATED BREWERS' BENEVOLENT SOCIETY - A PERSONAL VIEW

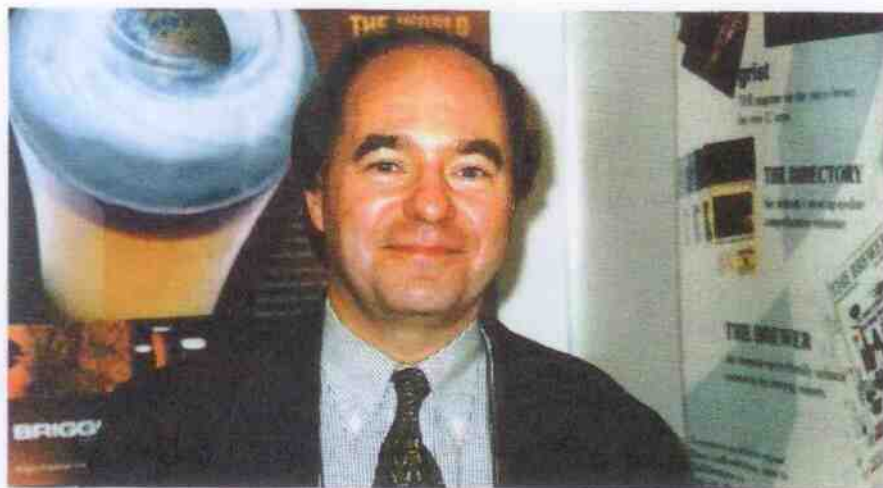
By Nigel S. Fitch, Vice Chairman, IBBS

A first exposure

To most brewers the Incorporated Brewers Benevolent Society (IBBS) is an accepted part of the toast at International Brewer's Guild dinners, or nowadays, more likely at joint dinners with the complementary Institute of Brewing section. Members of the IBG receive the quarterly minutes of the IBBS Committee of Management, and will note it has a paragraph in the IBG Council minutes. It shares the AGM notice and publication of accounts with the IBG. And yet, it maintains its independence as a charity, looking after the needs of those in the whole of the brewing profession (or what is left of it) within these shores and nowadays beyond.

A potted version of its history - founded by a President of the IOB and initially funded by brewing companies and a Guild levy - is to be found in the IBG Directory.

In spite of my level of ignorance, I was approached in 1992 to stand for the Committee of Management and, at the AGM, was duly elected. The selection procedure remains a mystery, but I think Bill Carling, and, most importantly, Chris Hyde (our Chairman) were involved and no black balls were cast by others consulted! I only had the minor detail of gaining clearance with my company (Guinness) and convince them that my



taking on charitable work would enhance their interests.

First visits

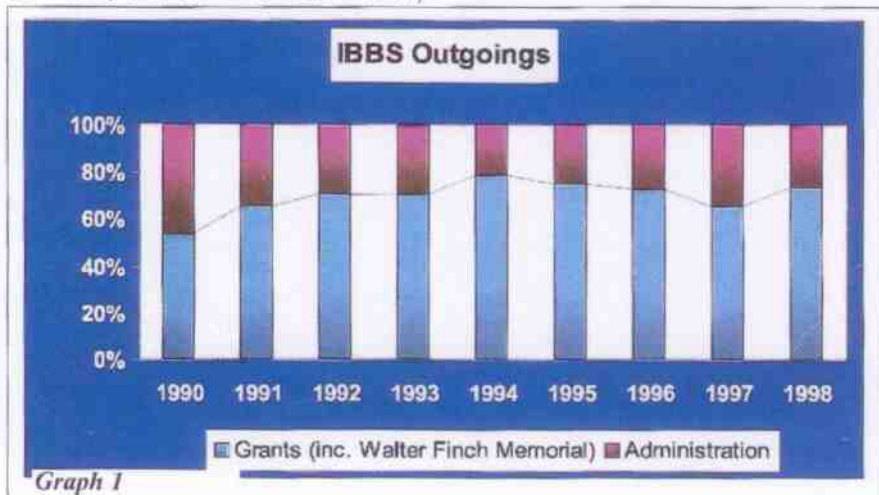
I was to take over the cases looked after by the late Paul Grant. The first thing that was emphasised to me that whatever we did was confidential. Charity is a sensitive area, and few in receipt of some benefit like to feel that they cannot stand on his or her own. Paul was looking after two cases and both were receiving financial help. I was led through the intricacies of the IBBS Guidelines to ensure those in need could receive help at an appropriate level. There was a helpful proforma to establish income and outgoings and this quickly demonstrated where help was needed.

I was surprised that, even where help was being given by the authorities (local or central), a shortfall may exist in maintaining people in the home that they had lived in for a significant time. Extra help with a small garden, respite for a relative shouldering the major part of care, the provision of an emergency call system and a contribution towards a holiday in a specialist home were all examples of the help I was first exposed to when looking at needs.

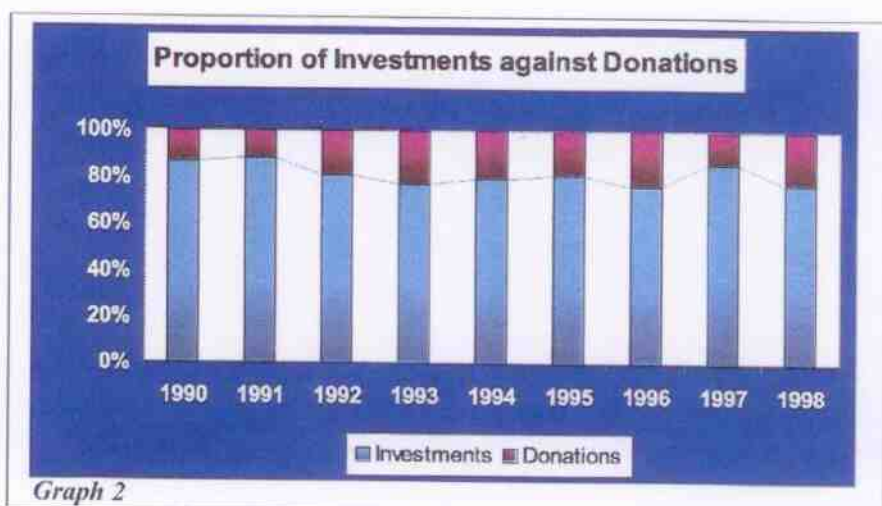
The Committee of Management meeting

I was lucky to be shadowing Paul Grant, as "going in to bat" on my own could have been a daunting task. One of the Committee of Management's great strengths is its continuity. At every quarterly meeting each visit is recounted, the financial status noted, and the visitor's recommendation made. The Committee members then question the visitor as to real need - is the IBBS contribution too much or too little? I was encouraged at the knowledge of each case demonstrated by the Committee Members. It seemed like old friends discussing each others' circumstances and, in many instances, this was the case.

It is only at that stage that a grant may be made. Those looking at the minutes



Graph 1



Graph 2

(previously censored for confidentiality) will note a number of cases called "dormant". "Dormant" does not mean inactive. Contact will have been made by the visitor and the needs of the applicant assessed. In "dormant" cases no immediate financial need has been established but, there is often a very real necessity to maintain contact and reassurance that the safety net exists should circumstances change in the future. The potential recipient needs a listening ear and to know that the society will always be there.

The Society now?

I am often asked "how does the Society view the future?". Not only do we have increasing calls on our resources, but also the Guild (our companion and parent) is looking to its own future. Our existence has been interwoven with that of the Guild but has, since 1917, maintained its independence

from the Guild. The Society has a voice on the Guild Executive and Council as noted in its "Memorandum & Articles of Association". Our primary membership is drawn from the Guild but in the event of the Guild being wound up (for whatever reason) the Society has first call on the assets of the Guild. This was highlighted by Tony Duckworth's editorial in October's *Brewer*. If the Guild ceased to exist, then it would be difficult to see where further donations may come from, or where we could obtain sufficient advertisement of our needs. The so-called "poison pill" of taking over all the Guild's assets (Ely Place, the financial portfolio, etc.) does have a valid reason to it. The current members' future needs must be protected. On the other hand, an enhanced body could give the access to a larger donor pool and increase the ability to help a wider audience.

Continuity has always been an essential part of the Committee of

Management's operation. In its history, the IBBS has had few chairmen, all serving for a number of years. Unlike the Guild the committee members stay on, even, beyond their brewing careers. The role of Secretary has been pivotal in ensuring that the day to day administration of the Society is conducted without fuss but effectively. Julie Barker, the current Secretary, is a friend and excellent listener to a number of our cases. Julie has been the Secretary for all the years that I have served on the committee and is an excellent example of the importance of continuity to the IBBS operation.

I have tried to summarise the Society's current circumstances in the following graphs, which represent the four most commonly asked questions. My accompanying comments as to their interpretation are simplified, but possibly provocative. At the least, they will highlight the current status and future challenges for the Society. I welcome dialogue on my views.

Question 1

How much of the society's expenditure is spent on grant help and how much on administration?

In graph 1 we can see that in a typical year, where we give £40,000 in grants, only £10,000 is spent in the administration of the Society. Given that we need to maintain our communications with all involved, pay for professional advice on our investments or our status and rule-book, these numbers look reasonable.

Question 2

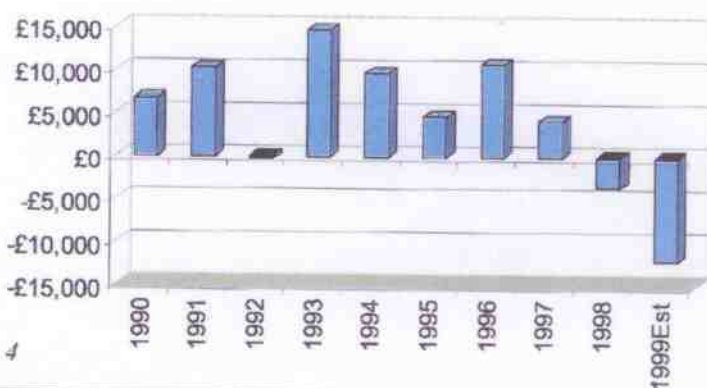
Where does the money come from?

The Society continues to rely on its investments (current market value >£1 million) more than on the donations, which used to be the bedrock of its funds (see graph 2). Looking back at the list of members and companies that gave every year for the benefit of those of their profession in need, it is hard not to feel very disappointed at the modern brewers' lack of generosity. Thirty-five years ago, I can count 665 individual donations in



Graph 3

Surplus/Deficit from Annual Accounts



Graph 4

just the first three months of that year. As far as I can judge, these 665 donations represent over 50% of the then Guild Membership. Where is that 50% now? We now count ourselves lucky if we see donations from even 10% of our membership nowadays.

Question 3

With such a large investment portfolio, why worry about donations?

Although the Portfolio has increased in size, the relative income has of late been decreasing (see graph 3). In part this is because a portion of the portfolio is restricted to "narrow range" investments (e.g. Government Gilt) and also that interest rates have dropped and with that dividends in the wider "Equity" range. It is essential that the portfolio increase at least at the same rate as inflation.

We have been in a low level inflation era for a while, and if the Government is to be believed this will remain the case. Investments will no longer give the return that had previously been anticipated. But the calls on the IBBS have not changed and the gap must be bridged. If our investment portfolio cannot provide, then the members are requested to look to their conscience. We need the members' help - and given that this article is appearing in *The Brewer*, the members' own magazine - IT IS YOUR DONATIONS THAT THE IBBS NEEDS.

Question 4

The Incorporated Brewers' Benevolent Society is rich, why does it need help?

In recent years, the increase in portfolio valuation has masked a real drop in value against inflation (see graph 4). This year it is estimated that the Society will have to dip into its reserves to the tune of some £12,000. This is not a short-term problem. With increasing requirements on our reserves and those reserves giving us less in terms of income, the IBBS needs to increase its portfolio at a greater rate. This has been further exacerbated by the Treasury decision to withdraw our ability to reclaim Tax Credits. For the year 1998, this would have seen a further loss of some £8000. Only a real increase in funds and donations represent the best way forward. I strongly believe only in this way can the future be better "ring fenced" and ensure that the IBBS can give to those technical brewers and their dependants in need, and make the difference.

Yes, the IBBS can continue to give help without any extra help, BUT it must run out of funds in a finite future.

Will you give?

The Incorporated Brewers' Benevolent Society has always needed its members' help. It stayed quiet during the apparent times of plenty, believing it difficult to convince Guild members that it needed to continue to show a healthier balance. It

has fought shy of open appeals when the portfolio was increasing and the final accounts showed a profit. This however, did not show the true underlying situation. Before I became a brewer, I trained as an economist (a fact I keep quiet!), and it is apparent that only good investment management and a vigilant committee of management has ensured the Trustees role has not been an excessively onerous one.

We all know the numbers of technical brewers is decreasing and the numbers leaving the Industry is increasing. Those eligible for our help, be it financial or in contact, are increasing. Will you give a little to ensure your future, your family's future and that of your companion brewers or their dependants?

There are many ways to give to the IBBS, and not just at dinner collections! The strongest need is for constant income that can be counted on for a period of time. One of the most efficient ways to provide this is via Covenant, whereby the Society can reclaim the tax. My own preferred option has been the Give As You Earn (GAYE), and this is available at most major companies. This is also a tax efficient method and, if your company is like mine, they will match all donations 1:1. In my own case a £10 monthly donation only costs me £6 (I admit to being a 40% tax payer), but the IBBS gains to the tune of £20! Please contact Julie Barker if you need further details or relevant forms on either method.

These last paragraphs have been an appeal for funds. Now I change the emphasis - Do you know of a member of the brewing profession in need? Whilst we have funds, we exist to help. Please let us know if there are cases that need investigation.

And finally, may I ask that if a regional gap exists for a member of the Committee of Management - would you consider standing? If you are asked, please consider such a suggestion very seriously. For my part, I never realised just how rewarding and necessary my role was until I joined the IBBS Committee.