THE BRITISH COFFEE ASSOCIATION

Board Meeting Minutes
Wednesday 4th November 2020
Via Video Call

Present at meeting:

Paul Rooke	BCA Executive Director
Tracy Brown	BCA Secretariat
Thomas Blackwall	Finlays (BCA Chair)
Andy Kerr	OCR Commodities (Vice Chair)
James Paling	Commodity Centre
Esme Knight	Costa (Comms Chair)
Jason Cross	CWT Commodities
Austin Sugarman	FFI
Tasmina Hoque	JDE
Chris Coates	Taylors of Harrogate
SHED:	Sebastian Stokes

1. Apologies for Absence

Nick Boxall	Complete Coffee (Technical Chair)
Richard Price	Menshen
Julie Gallacher	Nespresso

2. Competition Law Compliance

It was proposed that the video call would run under the revised FDF competition law compliance rules previously distributed.

3. Minutes of the Last AGM & Board Meeting

No comments received – minutes approved.
Proposed - AndK

4. Matters Arising from Previous Meeting Minutes

No matters arising.

5. Executive Director Update & Review *(Presentation attached separately)*

TBlack hoped that everyone is safe and well as we enter lockdown 2.0. Things remain a challenge for people within the coffee industry and hospitality sectors and thanked to those on the call for taking the time out for this meeting today.

TBlack noted that are we move forward we will work on giving more value for Members time.

- **Covid-19**

PR noted that this has been fairly all encompassing in the time that he has been with the BCA and looks like this may continue for the next few months.

We have had linkage into the FDF weekly roundtable calls since March, these have focussed on Covid.

We also have the twice weekly Defra calls, which have a been a good way of understanding the issues within the food and drink industry. Defra have mechanisms in place to help support the industry to a much higher level in Government.

As part of the FDF roundtable we have been involved with and input into a couple of industry papers, firstly the Recovery Strategy Document, we also co-authored the paper on the Squeezed Middle. We may look to put out some further press information on sections from the Squeezed Middle paper.

We have tried not to over burden members with information by trying to pick out the most salient points. We have also fed issues through into government, notably into Defra and Beis, including those on transport and logistics.

Several press/radio enquiries have been received, looking at the coffee supply chain, with a focus back to origin and the feeding of that supply situation.

- **UK/EU FTA**

Information flow has been key and looking at what issues an agreement might resolve, such as tariffs.

Recent activity has focussed on NI, and those on the Joint Committee appointed to look at the NI Protocol are not making much headway, partly because the wider negotiations are still ongoing. There are also still some issues outstanding on labelling and movement requirements into NI and from NI into GB.

Other outstanding points of concern remain the issue of processing reliefs and their use, and the position of continuity agreements – with Mexico and Vietnam still to be agreed.

PR noted that for businesses the concern is information they need is still missing, and we are keen that the Government does then not put the blame back onto business for any problems that arise.

PR stated that he is very happy to have a 1 to 1 conversation with Members if they do have any specific issues.

TH asked if there had been a grace period extended on labelling until 2022 for UK products. PR noted that the UK government has agreed to allow existing labelling of products to extend for a period of 21 months for goods coming into the UK from EU, but currently the EU has not reciprocated. This also does not apply to NI.

- **ECF**

PR noted that our relationship continues to strengthen with the ECF at a European level and expectations are that this will continue into 2021 onwards.

PR now sits on the ECF Executive Committee as well as the ECF Technical & Regulatory Committee, with the support or own Technical & Regulatory Committee.

From an ECF Sustainability Committee point of view our Co-Chairs Krisztina Szalai and Victoria Moorhouse currently sit on this.

Seb Stokes currently sits on the ECF Communications Committee, work being undertaken in this group includes the updating of the ECF website, which looks much improved.

- **FDF**

PR noted that they are the convenor of the Food and Drink Roundtable with 40+ Associations who meet weekly, covering both Covid and Brexit issues.

- **International Contacts**

As part of the BCA Strategy worked on earlier in the year to build on and expand our profile internationally, there had been engagement and participation with many Associations and

Organisations and this had included participation on the panel at events held by SCTA, Colombian Coffee Federation and World Coffee Alliance.

- **BCA Internal**

Articles of Association

PR noted that the Articles of the Association are being refined and in conjunction with this we are putting in a constitution for each of the Committees. This will be shared with the Committees for their comments, and to be finalised at the AGM.

Action: BCA

Financial Management,

From a BCA financial management perspective, these are currently being managed by the FDF, but this has thrown up some issues especially during the Covid pandemic and lack of visibility.

TB did some research on alternative local accountancy providers, we have settled on Bronsens, who many of you will know as our Auditor, this has resulted in a 40% saving on costs, as well as flexibility and visibility with Bronsens who are using a more up to date software package.

CC asked who took the decision to move the financial management, who ratified this? PR noted that this did go for approval to the Chair, Vice Chair and as well as to the Executive Committee. PR explained that we wanted further visibility on the BCA financial aspects which we have struggled to find with the FDF.

New Membership Areas

This is progressing with the Chair and Vice Chair and hopefully this will be expanded out shortly, linking back to the BCA Strategy.

Communications and Presentations

Members may have seen that we have been working on improving this, hopefully giving more clarity on what is sent out to Members, we are not quite sure we have it quite right yet and we are happy to take feedback on this.

We are also looking to continue with our priorities booklet that we produce each year, alongside achievements that have been made during the year.

Office Location

PR noted that are keeping under review if we should look at relocating the office. The currently conclusion, we have been unable to find anywhere that offers the financial value of the current location, but we continue to work on this. It was confirmed this would be kept under review with any proposals being put to the Executive Committee.

TH asked if remote working had been considered, PR noted that his role was home based with 2 days per month at the office. A few Members noted the previous discussions around office location and the previous 2014 Board decision that a physical office presence was required. It was noted there remained a requirement for arbitration purposes.

It was confirmed that the current office lease had only a 3-month notice period and options would remain under review going forward.

6. Chairman's Strategy Review, 2020-2021 *(Presentation attached separately)*

TBlack noted that we have had several milestones in 2020.

Firstly, in January we held a Strategy Day which gave us a map to work towards and anything we do within the Association has to be aligned with this.

We also had the appointment of our Executive Director, Paul Rooke, who joined us just as lockdown started.

Covid-19 has disrupted everything, with some major challenges to our Strategy, but also some opportunities. It has made us adapt quickly to working with our Members remotely from our physical meetings and into the 21st century.

Member engagement remains low, and has been and remains a challenge, as you know everything we do as an Association we do for our membership. We tend to have the same Members who attend the meetings, even though we are conscious that the membership is a lot wider.

We are looking at strategies and roadmaps for each Committee, which should support the overall Strategy of the Association. These strategies should be created by the membership with the support of Paul and Tracy.

TBlack noted that the day to day activity continues to run well, Comms and the Press Office, and having Paul onboard has driven further engagement with external organisations.

Some streamlining and cost cutting in the Association has taken place, and we continue to drive and create value for money with everything that we do.

TBlack referred to the Strategy Document that he hoped that Members where familiar with, and our 3 objectives. Given everything that has gone on this year it was felt that this did not need to be changed this year, but as we move forward, we continue to review with feedback from the Members.

TBlack ran through each of those 3 objectives/strategies.

Strategy 1 – Increase Value for Money
Completed 2020

- Sustainability Webinar – co-chaired by Kriztina Szalai and Victoria Moorhouse, which was well attended, many from outside the BCA membership.
- Co-authoring the Squeezed Middle Report.
- Revitalising our Member communications, with PR having reached out to virtually all our Members to establish what they want from membership of the Association.

Not Accomplished 2020

- We were looking to diversify our income stream with educational programmes and webinars, but obviously due to Covid pandemic it has not been possible to run our events and education programmes in 2020.

2021 Focus

- As we move into 2021 the BCA From Tree to Cup seminar was due to run in April 2021, but we have postponed to later in the year, date TBC.
- Discussions have taken place with the SCTA and Next Gen into running a Contracts and Arbitration module as a webinar.
- How we review and manage archived material, especially technical information, using the virtual platforms that we have, and even having access to information on a pay per view basis.

Strategy 2 – Increase Market Share
Completed 2020

- 2020 has allowed the BCA to participate and engage with other organisations webinars and conferences, such as those with the SCTA and World Coffee Alliance.
- PR undertook media training.
- We had a plan for new member recruitment this year, this was obviously put on hold which has allowed to segment and target potential new members, but this is now starting to gather more momentum

Not Accomplished 2020

- We have yet not been able to establish our New Member Committee, with the focus during the pandemic not fully on recruitment which has been intentional, but we will refocus over the next couple of months.

2021 Focus

- We have a 2021 Events Schedule (Covid Permitting)
- Key target recruitment drive, with a January joining incentive and a referral programme.

Strategy 3 – Obtain and Demonstrate Relevance
Completed 2020

- Moving into the 21st century regarding internal management, including a review of the Articles of Association, but not yet finalised.
- Good relationships established with various organisations such as with the NCA, SCA, SCTA, ECF and Sintercafe.
- Common goals for the global coffee industry are starting to be established. BCA is becoming a key actor within this.
- Continuing to review the Committee structure, and meeting composition, progress is being made and we will continue to make change and encourage feedback from the Members.

Not Accomplished 2020

- Sign off on the Articles of Association, the AGM next year will provide us the opportunity to have these signed off.

2021 Focus

- We need to undertake a Member and Non-Member survey to understand what our Members and Non-members want from the Association.

<u>Communications Update</u>

TBlack noted that we have had a very successful and well-functioning press office, but as you are all likely aware SHED will be stepping down by the end of February 2021, and we thank Seb and the team at SHED for all they hard work over the last few years. This has given this opportunity to review our communications functions.

Initial proposals had been worked through involving the Chair, Vice Chair and Comms Cte Chair. This had recognised 2 distinct areas of work.

Firstly an 'always on' press office to continue relationship between the BCA and Media. It was felt the most beneficial route would be to take this inhouse, and to recruit a media relations officer.

Secondly the area of project work, focussing more on specific issues and developing positions and material to support adopted positions. This could be outsourced on a case by case basis to ensure appropriate expertise.

SS noted that EK and SS have developed a comms strategy which builds on the overarching Strategy, as already presented by TBlack.

SS ran through the 3 streams:-

1. Be Impactful
2. Be Relevant
3. Be The Authority

SS noted that if we look at how the above strategy translates into our currently operation and build on what TBlack has described, we look at restructuring our operations which could open up some really interesting positives and positive direction of travel for the BCA moving forward.

What is currently undertaking on a day to day basis at SHED is something we have called **Brilliant Basics** which has been the basic nuts and bolts and major spend on the current programme, including Media Monitoring, managing Twitter, LinkedIn and all other channels. Participating in Exec and Board meetings and being part of Comms Committee. This we would see as a full-time permanent Communications Manager role you will be looking at around £40-50k including employer contributions in terms of the budget. This is therefore a much more cost-effective way of running those Brilliant Basics, as the BCA are currently paying around £90k for this.

Secondly would be work around **Innovation & Impact** piece, which would be set piece projects, such as the Bean to Bin and Beyond white paper, the recent webinar (which will continue into a second and third webinars), as well as some public affairs work as previously done with Matthew Orman of Harcourt. With the current budget this would allow around £40k to do these set pieces. But a clear brief and a set of KPI's need to be produced to obtain maximum benefit/value from any project budget spend.

Opportunity from Change Management
There are some massive opportunities if we move to a model like this, and if we move quite quickly there will be a seamless continuity between SHED transitioning and a full-time person coming on board.

This should deliver for the BCA:-

- Seamless continuity
- Increased cost efficiency
- Increased accountability
- BCA team expansion and value add for members

TBlack would like to get agreement from those Board Members on the call to move forward on this.

TH noted that her only concerns about taking in a permanent member staff with the changing landscape and membership in 2021, is the best option to have someone in house or to again look to outsource this with a freelance or agency.

SS noted that a full time member of staff would be most cost effective as the work, if outsourced, will be based on an hourly basis that could really rack up costs, it is not cost effective to have an agency staff person doing this.

Andk noted that he is in agreement to have someone in-house rather than paying agency rates.

AS noted, that he agreed to this in principle, but taking on a full time person has its risks, is a decision required today or can a decision be given in a week after further consultation with colleagues in businesses.

TBlack noted that he felt that Members should feedback any concerns by **Monday 16th November 2020**.

Action: ALL

Governance

TBlack noted that following on from our discussions at the AGM, you will see that the structure has the addition of a Press Office with a dule reporting line into the Communications Committee and the Executive Director.

We continue to stream line the Association and trying to reduce the duplication of communications to the Members. We continue to debate how the Association should be structured; we believe that the Board that meets twice a year should be the opportunity for the Members of the Association to sign off on any decision making.

The Executive Committee will continue to allow the Committee Chairs to make decisions that align with the Strategy, that are then is signed off by the Board on a twice-yearly basis.

TBlack noted that he would like to have a discussion on the revised structure of the Association, to see if we obtain have approval to them implement this.

CC noted that from his perspective he was not clear on the remit of some of the Committees, its meetings, and should the Executive Committee not be part of the Board. TBlack noted that we will get to the point where those Committees will have a road map and a focus, and each of the Committee Chairs reports into the Board on their progress. PR noted that things should be much clearer as we move forward, CC added that we do just need clarity on the functions of each Committee and meetings as it still feels a bit clunky.

TBlack noted that he will ensure that an update is given over the next couple of weeks as to the structure of the Committees and the meetings, so we are not just having meetings for meetings sake.

Action: TBlack/PR

7. FDF – Update on Association Membership Discussions

TBlack noted that our relationship of the FDF is changing, they are looking at refocussing at moving away from and Associate Membership category, the BCA are Associate Members of the FDF along with just a handful of other Associations. The FDF are keen to work with us to pull us into a full membership, we currently pay around £24,000 for Associate membership, £4-5k for room hire, and Financial Services of £12,000, which as mentioned previously will now be outsourced locally with a significant saving.

The upshot of this that Full Membership of the FDF will be around 4 times the cost.

There are 3 options to consider:-

1. Firstly, we pay them that amount.
2. The second stipulation would be that all BCA Members would also need to become full members of the FDF.
3. Or thirdly that the BCA looks to relinquish membership of the FDF.

At this moment in time none of these options look very attractive to us, especially based on our strategy of getting new Members.

What we really need to understand is how much value for money we are getting from the FDF on our current paid structure, and how much if we were full members of the FDF. For the next AGM/Board Meeting we will look to put together a study to understand value for money of FDF membership.

Action: TBlack/BCA

Clearly the BCA budget remains tight, and if we were to become full members of the FDF, then we would either have to increase our subscriptions or look at other ways of generating income, which in the current climate is not a good situation to be in.

TBlack noted that his current feeling is to kick the can as far down the road as long as possible to maintain FDF Associate Membership, at this time we are not being hugely pressurised to make this change to full membership.

TH asked from the FDF perspective is this change likely to be imminent, TBlack asked PR for his thoughts on this as the recent call with the FDF was held with himself. PR explained that the FDF Board have driven this, they have been made aware that FDF documentation had been forward onto Members of Associate Members, we are not aware of which Association this was from. PR noted that the FDF do not want to see the BCA disappear, and have not come up with a defined timeline, but would not be surprised if we do not get more pressure during 2021/2022.

CC noted that part of the role of the FDF was their unique position regarding Technical and Regulatory information, and how important the updates that we currently get from them are. We can obviously get part of that information from other sources, but we need to be aware of how pivotal this can be and how we can leverage and lobby with them.

TBlack noted that we do need to understand what other organisation are out there, and could we get the same level of information and services. The current situation with Brexit, there seems to be other organisations who can provide these services.

CC asked would ultimately be responsible to make this decision, would these proposals be formulated and then be brought to the Board to make a final decision. TBlack noted that we would after discussions with our relevant Committees such as our Technical & Regulatory Committee.

8. Articles of Association / Committee Constitution Update
Covered under the Executive Directors Update section.

9. Estate of the Late Dr Euan Paul
PR gave an update on the status of the Estate, thankfully we have now had a resolution to this situation and have now received the funds that were outstanding. PR noted that we had to make a quick decision to forego our claim for interest, which could have result in additional costs and further time wasted, but with the stipulation that payment was made within 7 days, which it was.

10. General Communications Update *(Presentation attached separately)*
Covered under the Chairman's Update section.

11. BCA Accounts

- **Management Accounts to 30/09/20**

TBlack noted that obviously we have not been able to run our events this year, and the accounts now reflect this.

TBlack noted that the emails have been sent out to all Full Members to confirm their turnover and tonnage for next years membership fees, and no indications so far as to cancellation of membership.

PR noted that you will notice in the accounts under Sundry Income the funds from Dr Paul's Estate, we have been given accountancy advice to have in that section to avoid any tax implications.

12. BCA 2021 Working Budget
TBlack noted that we have kept member income at the current level as in 2020.

We hope that in 2021 we can run our events to produce additional income for the Association.

We have a small surplus for next year on the working budget.

TH as the landscape remains uncertain, she would like to understand if there are any changes to Member income what would need to be refined in expenditure. TBlack noted that we could certainly look at scenario planning. TH noted, for example as we have discussed previously around office costs, comms and promotional programme to reflect the changing environment. TH added that businesses are having to make changes and trade associations need to make these adaptions as well to reflect this.

Action: TBlack/BCA

AS asked if the slides presented today could be circulated with the minutes, TBlack noted absolutely.

Action: TB

13. Date of the next Board Meeting 2021:
Tuesday 23rd March 2021 – BCA Board Meetings – 11.00a.m.-4.00p.m. – Via GoToMeeting / Teams

- Technical Meeting / AGM / Board Meeting