

Council funding – proposed way ahead

Based on the work and response so far, I propose the following two objectives:

- 1 To be able to present a well supported motion at the 2015 Council to change to a fairer basis for charging affiliation fees. This will require some further analysis and consultation. It should be done with an awareness of wider issues, but should not be unduly distracted by them.
- 2 To understand where there is significant scope for improvement to the scope of Council's work and/or its organisation, especially where there are significant shortfalls in the goodwill of member societies and ringers at large. The time scale will be longer, but it would be sensible within the first year to identify some easier reforms that could be achieved during the triennium, and a clear way ahead for any further reform needed.

Affiliation fee

Even just looking at finance, there are wider issues than just the merits of the affiliation fee formula. These must be considered to some degree to avoid the debate being sidetracked for example by arguments that though not about the equity of distribution could undermine any specific proposal. The following are suggested:

- The affiliation fee, and its calculation – This should be the core question. We need to understand, and have good answers for the impact on all societies, including any consideration of transition arrangements.
- Other sources of income – We need a good understanding of all current and likely sources of other income (eg publications surpluses), together with reasoned arguments about the pros or cons of any potential new sources (eg charging for services).
- Current Council expenditure – We need a sound understanding of the dynamics of current Council expenditure, a level deeper than the crude 'recurring' v 'one off' used in the initial analysis.
- Possible future expenditure – This can only be a partial view but should include for example the extent to which current expenditure is artificially low because of people not claiming reasonable expenses, the extent to which future expenses could go down because of (say) more electronic meetings, some plausible estimate of the risk of needing to hire paid support, any plausible long term commitments.

On that basis, I suggest we try to answer the issues below (using the numbering in the document, with letters added for clarity). These are mainly the objective ones, not those about perceptions of value and reasonableness.

A – Level of affiliation fee & how it is shared

- 1 – Will the council keep asking for more?
- 5 – See whether there is a sensible way to taper the increase (though giving adequate notice might be as good in terms of planning to absorb it).
- 6 – Wouldn't it be simpler to go straight to 20p / member ?

B – Purpose & management of Council expenditure

- 1 – Develop a rational basis for what we should and should not do with the capital buffer.
- 2 – We should attempt to quantify what might be practical in terms of charging for Council services. We should also factor in the profit that is already extracted from CC Publications (which I ignored as being a break-even service that had occasionally made fortuitous surpluses).
- 3 – It would help to have a clearer picture of what is in the bucket

that I conveniently labelled 'one off' expenditures.

4 – Would it be practical to fund the Council without collecting fees from territorial ringing societies?

6 – It would help to form a view about what costs might reduce (eg with greater use of electronic communication) but at the same time we should develop an estimate of the hidden costs that are currently not being charged (eg unclaimed expenses) which represent a risk of uncontrolled increase in costs,

10 & 11 – It would probably help to work through some 'what if's, so there are meaningful figures to call on if/when someone wishes to debate the principles and desirability.

C – Validity of assumptions, but we can ignore the others.

1 – We should do some plausible 'what if's on future investment income.

D – Relationships & perceptions

1 – It would help to develop an estimate of what cost could be incurred if some critical services could no longer be sourced entirely voluntarily. It would also be useful to develop quantitative comparisons with other appropriate organisations.

E – Council structure and function

7 – We should quantify the cost impact of a smaller Council.

F – Criticisms of the consultation

1 – Looking at the breakdown of committee costs is probably necessary to estimate the risk of hidden costs etc in B6.

Scope of Council work

I suggest that all of the other issues be considered separately, and that to consider them properly will require the identification of other groups.

JAH 18 May 2014