

# Resourcing the work of the Central Council

The Central Council faces issues about how its future work will be resourced. Some internal discussion has considered alternative ways forward. This document explains the background, describes a possible approach and seeks views of affiliated societies before deciding on a course of action.

The Central Council is a federation of ringing societies. Its purpose is to serve the ringing community by doing things that are better done centrally, and by providing co-ordination, leadership and support for things that are better done locally. It needs resources to do its work, not just financial resources but also human resources, ie expertise and effort.

## Finance

### Council income and expenditure

The Council's income comes mainly from two sources: the fees paid by affiliated societies and interest on accumulated capital. Other sources of income are either intermittent and unpredictable (eg donations) or are largely offset by corresponding expenditure (eg courses and publications).

Twenty five years ago the bulk of the Council's income came from investments, with affiliation fees providing less than 10%. Since then interest rates have reduced – dramatically so since 2008. Investments now provide a small part of the Council's income. The Council has increased affiliation fees progressively in an attempt to compensate for this. They now provide the major share of the Council's income but even with the increased fees, overall income has fallen and has failed to cover expenditure for most of the past decade, in contrast to previous regular annual surpluses.

The deficits of recent years have been absorbed by eating into capital reserves built up in former years but they will not last for ever so affiliation fees will probably need to rise even further to balance the books.

The Council has two major recurring sets of costs: the cost of the annual Council meeting and the costs incurred by the 15 committees that conduct most of the Council's work throughout the year. Other costs are often set against corresponding income (eg courses and publications) or only occur occasionally (eg grants or one-off purchases).

There are some administrative costs but they are relatively small since the Council currently employs no paid staff. Were this to change, costs would increase significantly.

For more information on how Council finances have changed over the years, see [Appendix 1](#)

### Affiliation fees

Affiliation fees have so far been charged per representative and for many years it was intended that they should only cover the Council's administrative costs, of which the main part since 1971<sup>1</sup> has been the cost of the Council meeting. It was assumed that all of the Council's on-going work would be funded by interest on investments, which as noted above was substantial in the 1980s and 1990s.

That neat relationship no longer holds because of reduced investment yields, but while it did hold there was some logic

<sup>1</sup> Previously the host society bore the cost.

in linking the affiliation fee to the number of representatives, ie to the number of participants in the meeting.

A society's eligibility for representatives is based on its membership, but is not directly proportional to the number of members. If it were, then for the smallest society to have one representative the largest would need to have twelve<sup>2</sup>. Using the same formula to calculate affiliation fees means that the cost is not evenly spread – small societies pay much more per member than large ones. This was less of an issue when the fee was tiny, but becomes more of an issue as the fees rise. Currently the smallest society pays £1.07 per member while the largest society pays 7p per member. Further increases over time will make this inequity worse.

For more detail on the calculation of numbers of representatives and affiliation fees, see [Appendix 2](#).

### An alternative approach

The Council is considering a more equitable way to share the cost of its work across the ringing community. Ideally each ringer would pay a tiny sum towards the work from which all ringers benefit, but that isn't currently practical. There is no single register of ringers and no mechanism for them to pay directly. The only realistic mechanism is for affiliated societies to pay on behalf of their members. Making the affiliation fee proportional to society membership isn't exactly equivalent to each ringer paying the same, because some ringers belong to more than one society, but it is pretty close – far closer than the current approach where members of some societies pay vastly more than others.

The fee per member would be quite small. 16p per member would generate the same total income as £30 per representative. For many societies (those with fewer than 750 members) 16p per member would give a reduced affiliation fee but for a few large societies it would mean an increase.

16p per member per year is not a large sum, especially in the context of a typical society membership subscription<sup>3</sup>, but for societies currently paying less than 16p per member (those with more than 750 members) the total fee per society would increase. For the largest society (~2600 members) the fee would rise from £180 (7p per member) to over £400. For the two next largest (~1800 members) it would increase from £150 (8p per member) to around £300. For societies with between 750 and 1700 members there would be correspondingly smaller increases.

Some societies don't charge an annual subscription (ie all their members are life members) and so cannot offset the cost of the affiliation fee against an annual subscription.

However, all such societies have fewer than 750 members, so they would all pay less than they do now if the proposed scheme were adopted. For a fuller analysis see [Appendix 3](#)

It has been suggested that the Council might make its work 'self funding' by increasing the price of publications, etc and by charging for services that are currently free. In practice this would be counter productive. (See [Appendix 1](#))

<sup>2</sup> The current maximum is six.

<sup>3</sup> Or average subscription for a society that offers some members a reduced rate, see [Appendix 3](#)

## Human resources

The Council's work depends even more heavily on expertise and effort than it does on finance, and this is a resource almost entirely provided by Council members of whom 90% are Representative Members (198 out of 219). The remaining 10% are Life Members (4), Additional Members (10) and Ex-officio Members (7).

The Council directly elects 'Additional Members' because they have specific skills and/or experience to help with its work. All of them serve on a committee or hold an office.

All officers, stewards and the chairmen of The Ringing World and the Ringing Foundation are automatically Ex-officio members (if not already Life or Representative members).

Representative Members are elected by the affiliated societies that they represent, using whatever criteria the society chooses. Just over half of current Representative Members (107 out of 198) contribute to the work of the Council by serving on a committee or by being an officer. It isn't known why the other half do not contribute directly to the Council's work. Some may not have the requisite skills, time or inclination. Some may see their main role as being an influencer (though not many take part in Council debates) or as providing a link between the Council and their society's members (though the widespread ignorance of the Council among ringers at large suggests that they have more to do in that respect).

In recent years posts on some committees have remained unfilled. Active encouragement by the current president has reduced this somewhat in the last year, but there has often been no competition for places on some committees, making it easy to be elected regardless of track record or interest.

The officers conduct the Council's business, with no assistance from paid staff. This is unusual when compared with similar organisations that use paid staff to support the officers and other volunteer workers. This may be something that the Council needs to consider in future years for a number of reasons.

Having no support staff makes key jobs quite 'big', so it is harder to find candidates willing to take them on. Because of increasing workload the jobs of Secretary and Treasurer, which had always been combined, were split in 1996, and an additional post of Assistant Secretary was created in 2001.

As pressure on ringers of working age increases it may become increasingly difficult to find suitable candidates to take on jobs without any support, possibly to the point that being retired becomes a de facto requirement. That would be undesirable given the need to make ringing more attractive to younger people.

## Request for feedback

Please discuss this document with your fellow society officers and feed back your views. In particular, we would value your answers and comments on the following:

### A – The work of the Council

As stated at the beginning, the Council's role is to provide services to the ringing community, so please use this opportunity to comment on any aspect that you feel could be improved.

- 1 Are there any aspects of the Council's work that you feel should have more emphasis?
- 2 Are there any additional areas of work that you feel the Council should be doing but is not? (If so, say what they are.)

### B – The affiliation fee

This document has explained the reason for considering a change in the affiliation fee. Please comment.

- 1 Do you agree that sharing the cost of the Council's work more evenly across the ringing community is a worthwhile aim?
- 2 Is the proposal to link society affiliation fees to their membership a practical way to achieve this? (If you think there are better ways, please explain.)
- 3 If you are a large society that currently pays less than 16p per member, do you consider an increase to 16p is acceptable? (If not, please explain why.)

### C – Human resources

Which of the following activities does your society consider more important when deciding who to elect as your Council representative(s):

- 1 His or her ability to contribute to Council policy and decision making by taking part in debates
- 2 His or her ability to contribute to the Council's work by serving on a committee
- 3 His or her ability to publicise the Council's services to your members so that they may benefit more from them
- 4 Any other

Responses to these questions would be appreciated before 1st March, so they can provide input to the discussion at the Administrative Committee to help determine the way ahead.

Thank you in anticipation for your contribution, and apologies for the relatively short timescale.

## Appendix 1 – Evolution of Council finances

Council finances have changed dramatically over the last quarter century. This overview focuses on key aspects needed to understand the long term trends, notably on recurrent sources of income and expenditure.

### Council income

Funding is provided from a number of sources. The two recurring sources are affiliation fees (which are set by the Council) and the return on investments (which are determined by external factors). [Figure 1](#) shows how these two sources of income have changed over the last 25 years. There are other sources of income but most are less predictable and the larger ones (eg from Road Shows or Publication sales) are generally associated with corresponding expenditure, so they have been omitted from this graph.

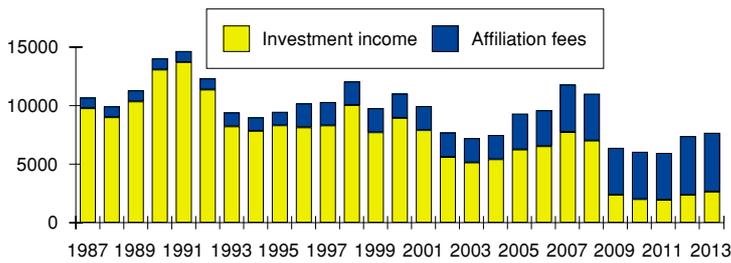


Figure 1: Council income from investments & affiliation fees

Historically almost all of the Council's income came from investments with affiliation fees providing no more than 10%, but interest rates progressively reduced this source of income – dramatically so since 2008. Over the same period affiliation fees were progressively increased in an attempt to compensate for falling investment income and they now provide the major share of Council income. [Figure 2](#) Shows the changing proportion of 'normal income'<sup>4</sup> from these two sources.

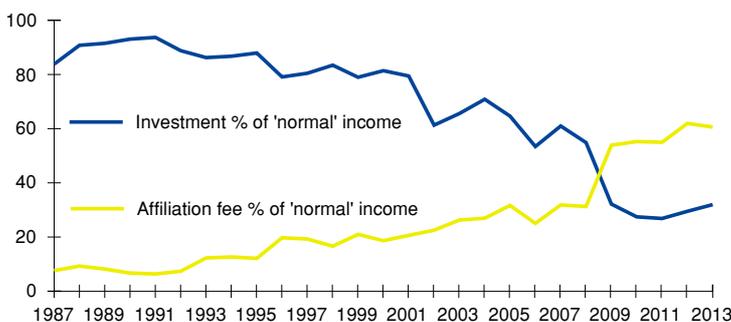


Figure 2: Changing proportion of income sources

Even with the increased fees, overall income has fallen, and whereas there used to be a regular annual surplus, which helped to build up the capital reserve, income has failed to cover expenditure in most years for the past decade.

The Council has other income in funds for publications, education courses, bell restoration and the Library, all of which operate separately from the General Fund and aim to balance over the long term. The Publications Fund often generates a surplus (~10% of turnover in recent years) and transfers from it have been made in the past to prop up the General Fund.

<sup>4</sup> Income excluding major one-off items.

Increasing the cost of publications could in theory generate more income, but this would need to be significant and would no doubt reduce sales. Likewise charging more for Roadshow tickets might generate more income, but could be self defeating if it deterred people from attending.

The Council provides many free services (eg complaints helpline, learn to ring enquiries, library enquiries, tower and bells advice, restoration advice, PR advice). Charging for them would almost certainly be counter-productive. It could also be unethical since the people who provide the services do so at no cost to the Council.

Overall, it is unlikely that the work of the Central Council could generate enough direct income to become 'self funding'. Attempting to do so would undermine the Council's objective to serve all ringers and would shift the burden onto a small minority.

### Council expenditure

The Council's main work is conducted by its 15 committees, which incur expenses in connection with their work and their meetings. Committee costs, together with the annual meeting cost and other 'overheads' like insurance constitute the Council's regular expenditure. Other expense can be significant but varies from year to year, much of it being one-off. Examples include RoadShow expenditure<sup>5</sup>.

[Figure 3](#) shows how the main costs have varied over the years.

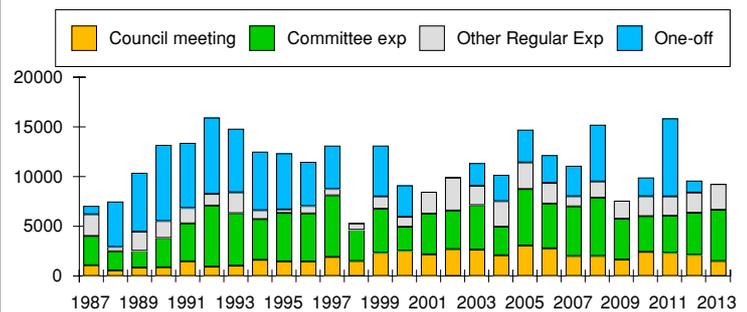


Figure 3: Broad split of Council costs

### The balance

As noted above the General Fund has shown an outflow of funds for much of the last decade, as shown in [Figure 4](#). The deficits have been absorbed by eating into capital reserves.

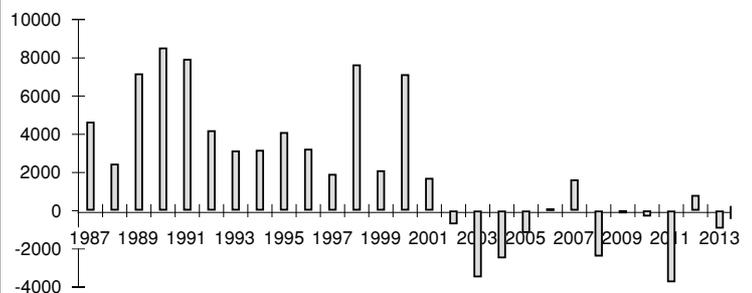


Figure 4: Annual surpluses and deficits

[Figure 5](#) (below) shows how the balance of the General Fund rose steadily during the surpluses of the 1990s and has since declined somewhat. The sharp reduction in 2010 was caused by a £10,000 grant to the Ringing Foundation.

<sup>5</sup> Or loss in some cases.

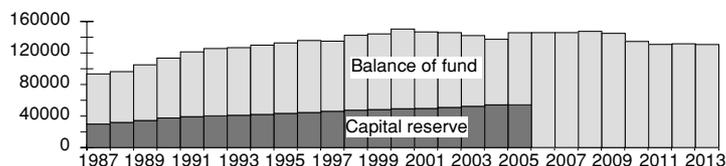


Figure 5: Balance of the General Fund<sup>6</sup>

Figure 6 compares income from affiliation fees with the cost of the Council meeting. It shows the broad equality that held until about 2005 but which no longer applies since the affiliation fee has become the major source of income.

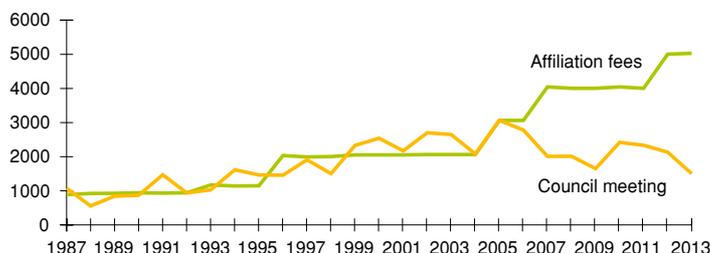


Figure 6: Affiliation fees v Council meeting costs

## Appendix 2 – Eligibility for representatives

With one exception<sup>7</sup>, affiliated societies are entitled to a number of Council representatives based on their size<sup>8</sup>, with a maximum of six<sup>9</sup>, see Figure 7.

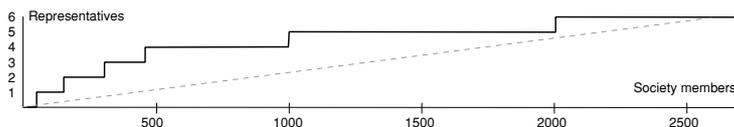


Figure 7: Eligibility for representatives versus size

Eligibility for representatives is not directly proportional to membership in two ways. It is banded (because you can't have a fraction of a representative) and it is biased towards smaller societies. Figure 8 shows what would happen if the bias were removed. To give the same total number of representatives<sup>10</sup> the largest society would have 12 representatives, half of representatives would come from just 17 societies (a quarter of the total), and a third would come from just 8 societies (an eighth of the total).

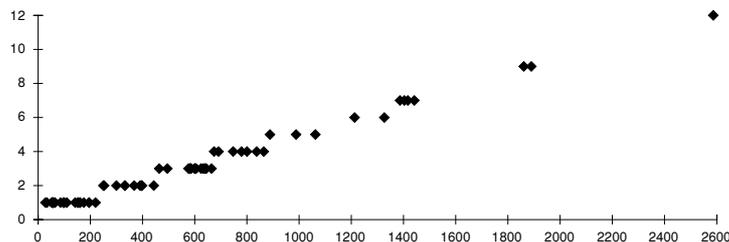


Figure 8: The effect of making eligibility for representatives proportional to membership

<sup>6</sup> Until 2005 a capital reserve was shown separately but this is now included in the overall balance.

<sup>7</sup> The Veronese Association has nearly 2000 members (1700 in 2011) most of which have no involvement with English-style ringing. The society has always had two representatives, which is equivalent to assuming an effective membership of between 75 and 300. This analysis assumes the higher figure, ie 300.

<sup>8</sup> For societies that have no annual subscription this number is significantly less than total membership (see Council rules).

<sup>9</sup> Prior to 1996 the maximum was 4.

<sup>10</sup> One representative per 200 members or part thereof.

## Appendix 3 – Basis of affiliation fees

### The current basis

Affiliation fees are calculated on the basis of a society's eligibility for Council representatives (which depends indirectly on its membership as explained in Appendix 2).

A fixed sum (£30 in 2014) is charged per Council representative. The result is shown in Figure 9 where each of the 66 plots represents an individual society<sup>11</sup>.

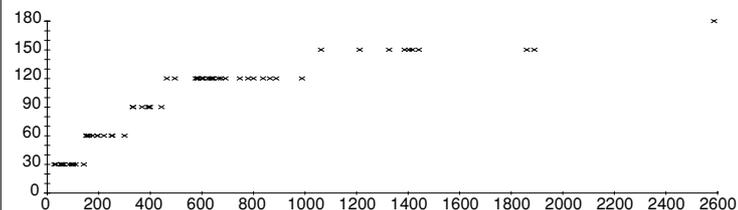


Figure 9: Society affiliation fee v society size (£30 per representative)

The banding in the number of representatives means that societies paying the same affiliation fee can vary in size by nearly 2:1. The size bias in the formula for representatives also means that smaller societies pay much more than larger societies relative to their size.

This is shown more clearly in Figure 10, which plots the cost per head of the affiliation fee for societies of different size. The ratio between the highest and lowest cost per member is 15:1 (£1.07p to 7p).

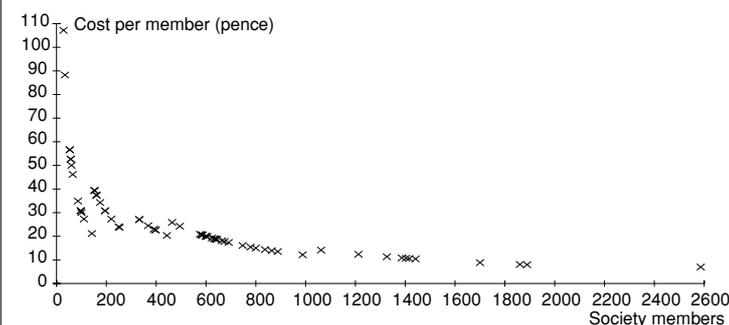


Figure 10: Cost per member (at £30 per representative)

### Affiliation fees proportional to membership

The disparity could be removed if instead of using the same formula to calculate affiliation fees as that used to calculate Council representatives, the affiliation fee were based directly on membership. Figure 11 shows affiliation fees calculated on this basis, using a value of just under 16p per member<sup>12</sup>, which is revenue-neutral (ie it generates the same total revenue as charging £30 per representative).

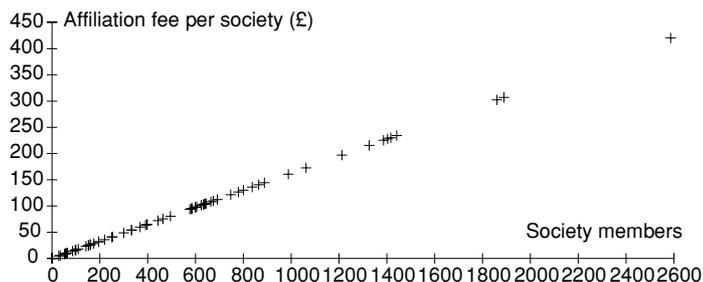


Figure 11: Society affiliation fee v size (16p per member)

<sup>11</sup> The membership statistics are for 2011.

<sup>12</sup> The exact figure using 2011 statistics is 15.88p per member.

## Comparison with the current arrangement

Any revenue-neutral change will – in political language – ‘create winners and losers’. This section discusses who will be affected and by how much. The graphs below compare the two alternative ways of calculating affiliation fees. [Figure 12](#) shows the comparison in terms of cost per member and [Figure 13](#) shows it in terms of the total paid by each society.

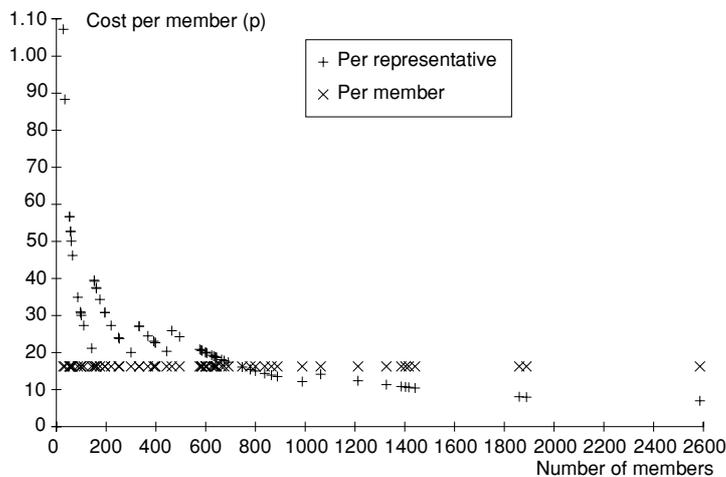


Figure 12: Comparison of cost per member for different societies

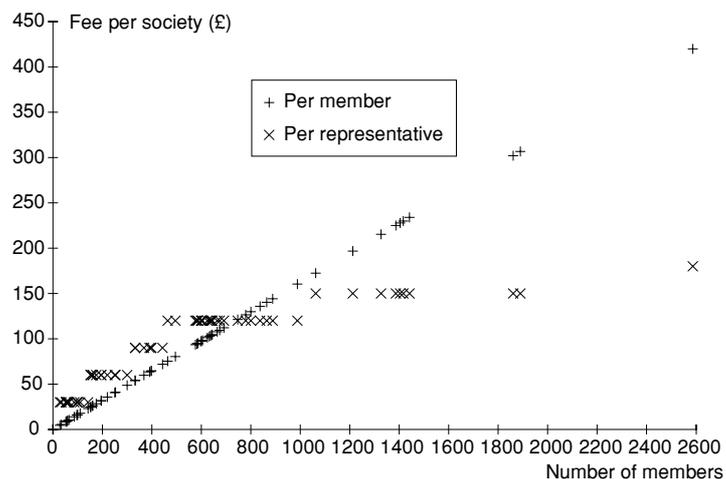


Figure 13: Comparison of affiliation fee for different societies

**Societies paying less** – Societies with fewer than about 750 members would pay less than they do now. They are the ones who pay significantly more per member under the current scheme.

**Societies paying more** – Societies with more than 750 members would pay more than they do now, both in absolute terms and as the cost per member. The fee for the largest society (~2600 members)<sup>13</sup> would more than double from £180 to £411 and the cost per member would increase by 9p (from 7p to 16p).

Societies between this maximum and the break-even point of 750 members would have a correspondingly smaller increase. For example the two societies with ~1800 members<sup>14</sup> would see a rise from £150 to £300 (8p to 16p per member), and the cluster of societies with ~1400 members<sup>15</sup> would see a rise from £150 to around £220 (11p to 16p per member).

<sup>13</sup> Oxford Diocesan Guild

<sup>14</sup> Bath & Wells and Yorkshire Associations

<sup>15</sup> Gloucester & Bristol, Kent County Associations, Salisbury, Winchester & Portsmouth Diocesan Guilds

The 16p per member that all societies would pay is a small fraction of a typical annual membership subscription of several pounds per member, but there are some special cases that must be considered.

**Societies with variable subscriptions** – Some societies have a reduced subscription for members who are still at school and/or retired. Suppose seniors paid a half and juniors paid a quarter<sup>16</sup> and suppose the society has 10% young, 60% full, 30% retired<sup>17</sup> then the average subscription per member would be just over three quarters of the full subscription.

Most societies have a few distinguished or long serving members who no longer pay a subscription at all but they are too few to affect the figure. Even waiving the subscriptions for all long-serving members (say over 50 years) has a very small effect because it only affects around 2% of members<sup>18</sup>.

**Societies with no annual subscription** – Societies with only life members don't have an annual membership subscription from which to draw the affiliation fee, but since they all have fewer than 750 members<sup>19</sup> they would pay less if the fee were proportional to membership than they do now. The College Youths and the Cumberlands, each with under 600 members, would pay around 10% less than now. The biggest university societies, with just over 150 members<sup>20</sup> would pay less than half what they do now. Smaller societies would pay an even smaller fraction of what they currently do.

**Multiple memberships** – If a ringer is a member of more than one society then (s)he would pay more than once to the Council, through the affiliation fee of each society. In most such cases at least one of the societies will have fewer than 750 members – only 16 societies have more than 750 members<sup>21</sup> – so most ringers with multiple membership will pay less than they do now.

The number of ringers with multiple memberships is relatively low. 3% of ringers belong to ASCY or SRCY, 1.8% belong to a university society and 2.4% belong to a society whose area overlaps the main territorials. Some may have resident membership of adjacent societies, but they are likely to be extremely few.

As an example, a member of Gloucester & Bristol and Four Shires Guild who is a College Youth and went to Cambridge University currently pays £1.01 (11p+31p+21p+38p) but under the proportional scheme would pay 64p (4 x 16p).

Only in rare cases would anyone pay more, for example a resident in both Bath & Wells and Gloucester & Bristol and nothing else would pay 32p (16p + 16p) per year instead of the current 19p (11p + 8p).

<sup>16</sup> Example based on Gloucester & Bristol

<sup>17</sup> The approximate ratios for under 20, 20–60 and over 60 in the recent sample surveys by the CC Trends Committee

<sup>18</sup> Based on Oxford Diocesan Guild

<sup>19</sup> The number of Council representatives for a society is based not on total membership but on a lower figure (defined in Council rules) which would also be used to determine the affiliation fee.

<sup>20</sup> Bristol, Cambridge and Liverpool

<sup>21</sup> Bath & Wells, Chester, Essex, Gloucester & Bristol, Hereford, Kent, Lancashire, Norwich, Oxford DG, Peterborough, Salisbury, Suffolk, Sussex, Truro, Winchester & Portsmouth, Yorkshire.