



AFFILIATION FEES SUMMARY

4 NOVEMBER 2022

This document provides a summary of the history and current situation regarding BUCS Affiliation fees, context on how the Affiliation Fees Working Group has come into existence, and it discusses the way forward for reviewing fees.

1. Background

The current methodology used to calculate affiliations fees was inherited from the predecessor organisation (BUSAs) in 2008 and approved by the inaugural BUCS AGM in June 2008. It was renewed at the AGM in July 2012 and discussed again at an Advisory Group meeting in September 2014.

It was agreed at the March 2022 meeting of Advisory Group to conduct a further review, and that a working group be convened to do this. At the time, no volunteers were identified from the membership, so a proposal for 2023 affiliation fees was drawn up by the executive, which was agreed by the Advisory Group meeting of June 2022. This agreement is detailed in Section 2.

1.1. The current methodology for affiliation fees

There are three parts to the current calculation that is used to divide the amount that BUCS needs to raise through affiliations fees between members. These are the following:

- The number of students at member institutions from two years before.
- The number of team entries that member institutions made into BUCS competitions the year before.
- The number of individual entries that member institutions made into BUCS events the year before.

A weighting of 3:1 is applied to the total entries (teams and individuals) compared to student numbers, and a weighting of 10:1 is applied to individual entries compared to team entries. This generates values to be applied to each member's calculation.

More information is shown in Appendix A and at www.bucs.org.uk/affiliations/calculations-2021-22.html

1.2. Inflationary increase

Members at AGM in July 2012 voted that the total annual amount raised by BUCS from affiliation fees would rise by the inflation rate announced in the preceding January, unless otherwise agreed by AGM. The RPI inflation rate has historically been used as this value.

1.3. Impact of the COVID-19 pandemic

Due to the impact of the pandemic, the method outlined in Section 1.1 was amended for 2021, when an average of the previous three complete seasons was used instead, weighted towards the most recent years. This was agreed by Advisory Group on March 2021.

A further amendment was agreed for 2022 fees, when the RPI inflation rise was simply applied to values derived in 2021. This was agreed by Advisory Group in March 2022.

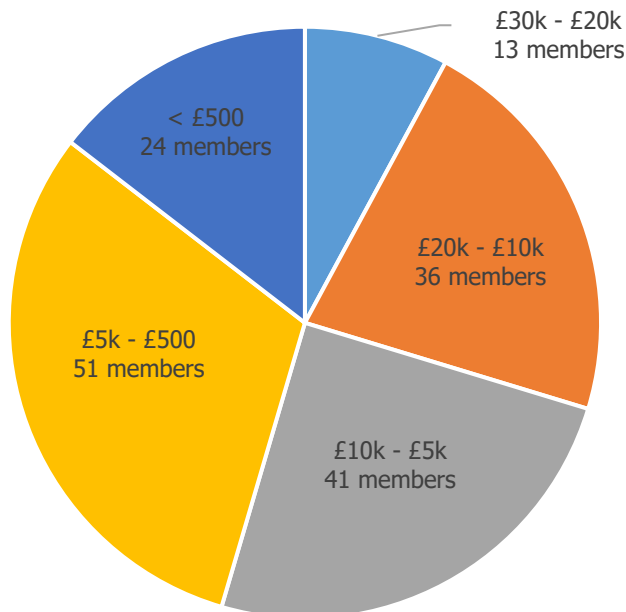
Both these amendments were decided as temporary measures to guide the organisation through the pandemic and the subsequent return to activity delivery.

More information is available at www.bucs.org.uk/affiliations/affiliations-2022.html.

1.4. 2022

In 2022, the affiliation income was £1.25m, as part of a turnover of £5.59m. The chart below shows a summary of the amounts charged to members.

Fig 1 – Summary of amounts charged to members for Affiliation Fees in 2022



2. Agreement for 2023

2.1. Methodology

It was agreed by Advisory Group in June 2022 to revert to the pre-pandemic methodology for calculating fees, and maintain the current methodology that links the amount charged to members to the number of students at each institution and the number of entries into BUCS competitions and events.

2.2. Timing

Currently, members are notified of their affiliation amount in July of each year. This is due to two main reasons:

- As the current year's data of student participation numbers within BUCS competitions and events is used, it is not possible to have a complete data until the last event of the season is concluded in June each year.
- As members have until 10 July to confirm whether they will continue to affiliate, it is not possible for BUCS to know how many members to divide the affiliation amount by before that date.

Therefore, it was agreed by Advisory Group in June 2022 to:

- a) Utilise student participation numbers from two years before, in line with the data for student body. For example, for the August 2023 calculation, the student BUCS participation data will be taken from team and individual entries from 2021-22.
- b) Amend the Articles/T&Cs to require members to state any intention to withdraw from BUCS by 31 January each year.

Adopting these two amendments will mean it will be possible for BUCS to confirmed amounts due from members by 31 March each year for the following August.

2.3. Decision process

Advisory Group agreed these amendments, which will be presented to AGM on 13 December 2022.

3. Working Group

Since the June meeting of Advisory Group, four members volunteered to discuss the matter further, and it was agreed to reach out again to the membership again to seek a broad representation to discuss the matter. This has led to the formation of a group consisting of representatives of the following institutions:

- Aberystwyth University
- Brunel University London
- De Montfort University
- Edinburgh Napier University
- Liverpool John Moores University
- Middlesex University
- Royal Veterinary College
- University College London
- University of Bath
- University of Central Lancashire
- University of Edinburgh
- University of Gloucestershire
- University of South Wales
- University of Sunderland
- University of Wales Trinity St David: Carmarthen
- University of the West of England

3.1. Purpose of the Group

The Group will consider two elements:

- A. A short-term review of the existing RPI inflationary increase due to be applied to the 2023 affiliation fees, with any recommendations being made to the membership at the 2022 AGM for application to 2023 fees.
- B. A review of the current model, with any recommendations being made to the membership at the 2023 AGM for application to 2024 fees.

3.2. Next steps

The first meeting of the Group on 4 November will review the increase to be applied fees for 2023 and begin the process of reviewing the methodology applied to fee calculations from 2024 onwards.

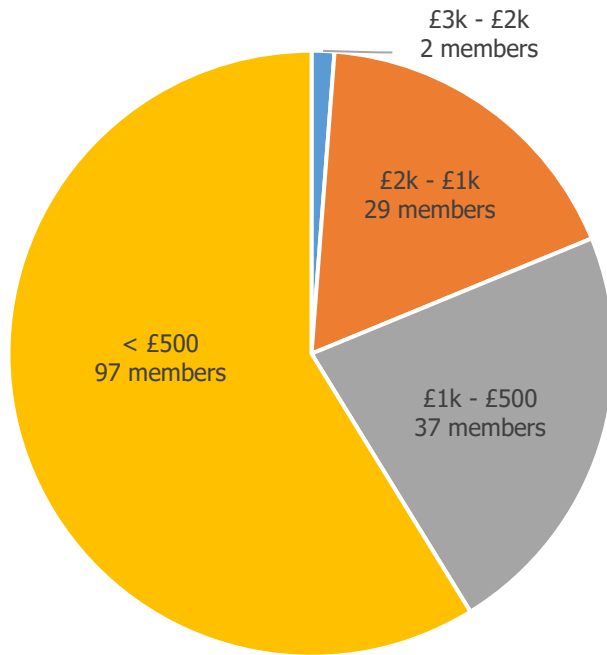
A. Review for 2023 fees

The current rate of RPI inflation (for September 2022) is 10.1%. Under the current agreement, if this is the rate in January 2023, this would be applied to the total amount raised and then divided according to the methodology outlined in Section 1.1.

However, it is recognised that an increase of 10.1% could have a negative impact on several institutions, especially if costs to BUCS are unlikely to have risen 10% across all expenditure. Therefore, it is proposed to reduce this percentage value. To do this, a rough 'BUCS Inflation' value of 7.2% has been calculated. This has been achieved by examining likely cost rises in different areas of the business. For example, a 5% increase has been applied to staff costs, but a 10% rise has been applied to the cost of running events, as this is what is being experienced so far this season.

For the purposes of an example, the chart below shows the impact of this increase on Affiliation fees if applied to 2022 values.

Fig 2 – Summary of increase to Affiliation Fees in 2023 if 7% increase is applied



Views of members of the Group will be sought during the meeting.

B. Begin reviewing the model for application to fees in 2024.

The Group will discuss the process for carrying out a thorough review of the calculation methodology during the first half of 2023, with the aim of making a recommendation to the meeting of Advisory Group on 13 June 2023. If necessary, and depending on feedback from that meeting, further work could be carried out by the Group before making a final recommendation to Advisory Group in October 2023, followed by a proposal to AGM in December 2023.

To facilitate this process, it is proposed to hold meetings of this Group on the following dates:

- 10am - 12pm Thu 19 Jan 2023
- 10am - 12pm Thu 2 Mar 2023
- 10am - 12pm Thu 6 Apr 2023
- 10am - 12pm Thu 18 May 2023
- 10am - 12pm Thu 29 Jun 2023

Again, views of members of the Group will be sought during the meeting and it is hoped that a member-led process can be agreed.

Duncan Jones
Chief Operating Officer
3 November 2022

Appendix A – Affiliation Fee Calculation Methodology

The affiliation fee charged to members varies from year to year. The current methodology for calculating the fee was agreed by the AGMs of 2008 and 2012, and by Advisory Group in 2014.

Unless otherwise decided by AGM, the total to be raised by BUCS from affiliation fees rises by inflation each year. In 2020, the amount to be raised was £1.16m. This amount was divided up amongst all member institutions according to a detailed formula. This formula considers two items:

- The number of students at member institutions two years previously.
- The number of student-athletes and teams that member institutions entered into BUCS competitions the year before.

A weighting of 3:1 (75%/25%) is applied to entries compared to student numbers, and a weighting of 10:1 is applied to individual entries compared to team entries. This generates values to be applied to each member's calculation, per student and per team and individual entry. This data for 2020 is shown below.

| | | | | |
|--|------|--------|-----|------------|
| Total to be raised | | | | £1,161,645 |
| To be raised from per student element | 25% | | | £290,411 |
| To be raised from per entry element | 75% | | | £871,233 |
| To be raised from per student element | | | | £290,411 |
| Total student body in BUCS members | | | | 2,243,084 |
| Per student element | | | | £0.1295 |
| Total individual entries | | 24,657 | 31% | £266,239 |
| Total team entries | | 5,603 | 69% | £604,995 |
| Ratio Team Entries vs Individual Entries | 1:10 | 56,030 | | £871,233 |
| Per individual event element | | | | £10.80 |
| Per team entry element | | | | £107.98 |

The amounts calculated per student and per entry are applied to relevant data from each institution.

An example is shown below for a member in 2020. This member had 40,654 students in 2018-19, and in 2019-20 entered 498 individual student-athletes in events and 74 teams.

| Student body | | |
|--------------|------------|--------|
| 2018-19 | Per capita | Amount |
| 40,654 | £0.1295 | £5,263 |

| Individual entries | | |
|--------------------|------------|--------|
| 2019-20 | Per capita | Amount |
| 498 | £10.80 | £5,377 |

| Team Entries | | |
|--------------|------------|--------|
| 2019-20 | Per capita | Amount |
| 74 | £107.98 | £7,990 |

Total fee 18,631