

MEMBER SUBSCRIPTION FEES

AGM – 11 DECEMBER 2024



PURPOSE

This paper provides the Membership with background to the calculation of member subscription fees and makes a proposal for the amount to be raised for the season 2025-26 (FY25), and details of the proposed revision to the subscription fee calculus to be introduced in FY26 following the work of a collaboration between the Membership and BUCS executive.

ACTION REQUIRED

AGM are asked to consider the following ordinary resolutions:

1. Ordinary resolution to approve the application of an increase of CPIH as of 20 November 2024 to subscription fees for FY25.
 2. Ordinary resolution to approve the revised annual subscription fee calculus for introduction in FY26
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1. Background

Paragraph 30.1 of the BUCS Articles of Association states:

'Each Member or Associate shall pay an annual subscription as determined by a majority of the members at each AGM. Such determination may provide for differential rates of annual subscription.'

The current methodology used to calculate subscriptions fees was inherited from the predecessor organisation (BUSA) 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 Advisory Group in 2014 and in 2022.

At the 2023 AGM, a member-led review of the subscription fee calculation methodology was confirmed. This group, chaired by the interim chair of the Senior Managers' Executive (Fiona Dick, DeMontfort University) has worked with the BUCS executive to review the current methodology and bring its recommendations to this AGM, having provided members with updates on progress through relevant forums throughout 2024.

1.1. Inflationary increase

At the AGM in July 2012, Members agreed that the annual amount raised by BUCS from subscription fees would rise each year by the inflation rate in January of the year in which they are to be changed, unless otherwise agreed by AGM. The Retail Price Index (RPI) inflation rate has historically been used as this value.

As part of the review, the BUCS Executive proposed to the BUCS board that the inflationary increase going forward will be adjusted as follows:

- The rate will be the CPIH (Consumer Price Index including owner occupier housing costs) rather than RPI, as CPIH is the formally recognised National Statistic as published by the Office for National Statistics (ONS, as context, at the time of writing, CPIH stands at 2.6%, RPI at 2.7%)
- The rate in any proposal will be the rate published by the ONS at the date of the AGM, meaning that members will know the rate at the point of the meeting at which it is decided

NB: the proposed changes to the Articles of Association state that any increase above the identified rate of inflation would require a member vote by simple majority to be applied.

1.2. Calculation of individual Member amounts

The current arrangement is that the total amount to be raised from subscription fees is divided between all member institutions according to a detailed formula; it is this detailed formula that fell into the scope of the member-led working group.

The existing formula considers the following data from two years previous:

- The number of students at member institutions (as measured by HESA-JISC)
- The number of individual and team entries that member institutions made into BUCS competitions.

A weighting of 3:1 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.

This methodology was designed to reflect the benefits that each member gains from its involvement in BUCS.

2. 2024 data

The tables below show data that was used in 2024.

Table 1 – Calculation of per student, per individual entry and per team entry amounts

Total to be raised in 2024	£1,426,743
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To be raised from per student element	25%	£356,686
To be raised from per entry element	75%	£1,070,057

To be raised from per student element	£356,686
Total student body in BUCS members	2,641,075
Per student element	£0.13505

Per individual event element	£11.64
Per team entry element	£116.37

2.1. Example institution

The table below provides an example for a member who, in 2022-23 had 28,335 students, entered 136 individual entries and 38 teams in BUCS competitions.

Table 2 – Calculation for an example institution

Student body			Individual entries			Team Entries		
2022-23	Per capita	Amount	2022-23	Per capita	Amount	2022-23	Per capita	Amount
28,335	£0.14	£3,827	136	£11.64	£1,583	38	£116.37	£4,422
Total fee		£9,832						

2.2. Distribution of fees by institution

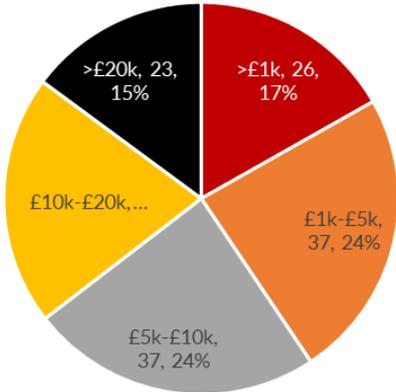
The table and chart below show the distribution of subscription fee values by institution in 2024.

Table 3 – Distribution of fee levels

Range	No. of members
Less than £1k	26 (17%)
£1-5k	37 (24%)
£5-10k	37 (27%)
£10-20k	32 (20%)
Above £20k	23 (15%)
Total	155

(Excluded Satellites, Umbrellas and Associate members)

Chart 1 – Distribution of fee levels



2.3. Timelines

It is proposed that the following timetable will apply for 2025.

- 11 December 2024 CPIH published inflation rate known by members, for application in 2025.
- 31 January 2025 Any member wishing to withdraw from BUCS must have submitted formal notification.
- 31 March 2025 BUCS informs each member of the charge to be applied for the 2025-26 season.
- 1 August 2025 BUCS issues invoices for payment.

3. Proposal for FY25 (2025/26 season/academic year)

Whilst recent years have season high levels of inflation in the economy, the 2024 AGM comes at a time of relative stability.

Costs incurred by BUCS have continued to rise with inflation and whilst the organisation projects a break-even budget this year, this will require strong commercial performance and budget discipline across all departments, against a back-drop of a slight budget deficit in FY24 and free reserves standing slightly higher than the minimum reserve according to BUCS policy.

It is recommended that the CPIH level of inflation as published by the ONS on the 20th November 2024 be applied as the increased rate to subscription fees in 2025. The rate published in October 2024 was 2.6%, which, if applied to 2024 fees would result in an average increase of £238 per member for their annual subscription fee. In making this proposal, the member-led working group and BUCS staff team are conscious of, and have considered the current financial pressures facing universities

Members are asked to support this proposal.

4. Member-led Review

The review group has been chaired by Fiona Dick Vice-chair of Senior Managers Executive and Head of Sport at De Montfort University with membership from the BUCS staff team through Will Roberts (CEO), Sam Bell-Minogue (Deputy CEO and Director of Delivery), Adrian van Schalkwyk (Business Services Manager), and Chris Rawlings (Governance Manager).

The following members made up the composition of the review group, representing a range of members across a range of metrics to ensure a breadth of perspectives informed discussions:

- Lucie Gwilt (Head of Student Opportunities, Aberystwyth University)
- Mark Burgess (Head of Sport, Kings College London)

- Mel Parker (Head of Sport and Recreation, Middlesex University)
- Lucy Brown (Student Activities Manager, Imperial College Union)
- Sophie Williams (CEO, Worcester Union)
- Rob Cox (Director of Finance and Commercial, Worcester Union)
- Steve Wilford (Director of Participation and Engagement, Cardiff Union)
- David Gordon (Deputy Director and Commercial, Glasgow University)
- Alex Perry (Assistant Director of Sport Performance, University of Nottingham)

4.1 Key considerations

The member-led review agreed a series of principles to guide their discussions, identifying the following key stakeholder concerns:

- BUCS Members
 - Transparency and fairness
 - Recognition that member want different things from BUCS
 - Action (sentiment that this matter has been a concern for many years but not addressed)
- BUCS Executive
 - Financial risk management
 - Ease of implementation / administration
 - Flexibility
 - Timing of any connected or resultant Articles change

The group undertook a significant analysis of the principles underpinning the subscription fee, identifying a broad range of risks and opportunities for members and for the BUCS institution, before applying these into a series of potential models.

It was recognised that the headline risk of any modelled proposal was the degree of change that would be experienced by an individual institution i.e. where the total sum remains the same, a change in the calculus will result in 'winners and losers', who would either be charged significantly more or less of a subscription fee. The group sought to ensure that the new calculus provided a 'correction' to its out-of-date predecessor without significantly disadvantaging any member.

4.2 Clarity on the purpose of the subscription fee

Members indicated that this was not well understood. The subscription fee pays for BUCS to run all of the services that are not part of the direct delivery of competitions (recognising individual charges for the attendance of conferences and awards), for example advocacy and public affairs, business services and overheads. The BUCS staff team work to secure commercial and public funding to further subsidise and increase our ability to service members in areas that cannot be afforded through the subscription fee alone.

Key principles emerging through this were that the subscription fee should represent the value of 'a seat at the table' as a voting member in BUCS democracy. As a result, it was agreed that some form of flat rate should be included in the new calculus.

4.3 Models

The review group applied agreed principles to generate a range of potential models, which were then road tested through simulations. This allowed clarity on the extent of the impact on 'winners and losers' in each new formulation, and iterative improvements.

Updates on this modelling were provided to members through the BUCS Conference, Nations and Regions meetings, and Senior Managers Executive and Network meetings, including the 'worst case' implications in each model for those whose subscription fee would increase.

Based on member feedback, the working group had sought to eliminate the use of HESA sourced data on total student numbers. This feedback included concerns about the inclusion of students not able to take part in BUCS competitions. Discussion and debate took place regarding the role of institutions and BUCS in supporting all students to be active, and how to reference this through the subscription fee whilst recognising the breadth of models of institution that make up the membership. The BUCS executive liaised directly with HESA to better understand the data and it was confirmed that 'offshore' students and campuses are not part of the dataset used by BUCS.

Following considerable liaison and debate the final proposed model is as follows:

Component 1:

A scaled flat-fee for a seat at the table in BUCS membership democracy, with variable rates based on participants in BUCS competitions, according to BUCS Play.

- £250 for those institutions with <100 participants
- £750 for those institutions with 101-400 participants
- £1,500 for those institutions with 401-1000 participants
- £2,500 for those institutions with >1,000 participants

Component 2:

Student numbers (as recorded by HESA, noting that this does not include ‘offshore’ students) – capped at 10% of the total (the current formula has this at 25%)

Component 3:

The number of competitors according to BUCS play records (those students that competed, not all students registered on BUCS Play)

4.4 Implications of the proposed model

It was recognised early in work of the member led review group that due to the existing calculus being a legacy of the BUSA model, i.e. established pre-2008 any change to the methodology would result in some members benefiting from a reduced subscription and others having their costs increase. The Higher Education sector has changed significantly in that period, and BUCS must remain vigilant to further change which might necessitate further reviews of the subscription fee formula. Efforts were made to mitigate this and analyses of each model included such metrics.

At the October 2024 meeting of the Senior Managers’ Network, it was agreed that prior to the AGM the BUCS Exec would issue individual institution simulations of their 2026/27 subscription fee (noting that the introduction of the formula would be summer 2026, not 2025, to support member preparation and adjustment).

This simulation uses data from the sources that will be used i.e. HESA and BUCS Play but is indicative only and represents each institution’s 2024 payment through the proposed formula and draws a direct comparison from the status quo formula to the proposed. These individual simulations will be issued to all members by the BUCS Executive prior to the AGM.

The model proposed in section 4.3 provided the most balanced degree of change whilst meeting the criteria of the member-led review. In comparison to other models, the proposed model has (as indicated in Table 4 below):

- An even balance of ‘winners and losers’
- A small number of institutions with ‘severe’ (>£4k) and ‘significant’ (£2k-£4k) changes (+/-)

Table 4 – Distribution of change due to the new model, based on 2024 subscription fee data

£ change	Reduced subscription fee vs status quo					Increased subscription fee vs status quo				
	>£4k	£2k-£4k	£1k-£2k	£500-£1k	£0-£500	£0-£500	£500-£1k	£1k-£2k	£2k-£4k	>£4k
No. of embers	0	8	21	19	28	27	27	17	7	1
% of members	0%	5%	14%	12%	18%	17%	17%	11%	5%	1%
	49%					51%				

5. Proposal for FY26 (2026/27 season/academic year) and beyond methodology

The member-led review considered the views of a range of members, the purpose of the subscription fee, and the financial climate in Higher Education. Furthermore, it received from the BUCS Executive details simulations of the implications of a range of models. As a result of this mitigation steps were put in place to

reduce the negative implications of a new methodology whilst remaining true to the purpose of this task and finish group.

On this basis, it is recommended that from the 2026/27 season, BUCS adopts the following Subscription Fee methodology:

Component 1:

A scaled flat-fee for a seat at the table in BUCS membership democracy, with variable rates based on participants in BUCS competitions, according to BUCS Play.

- £250 for those institutions with <100 participants
- £750 for those institutions with 101-400 participants
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Component 2:

Student numbers (as recorded by HESA, noting that this does not include 'offshore' students) – capped at 10% of the total (the current formula has this at 25%)

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Members are asked to support this proposal.

BUCS Executive
November 2024