

Membership Fee & Levy Consultation – Membership

Membership & Levy – Current position & background

The Board is in the final stages of producing a Strategic Plan for orienteering which will bring to reality the 2025 Vision for the sport.

“Orienteering is recognised as the ‘go to’ outdoor sport where people challenge themselves physically and mentally”

The Strategic Plan prioritises:

- a) Growing competition by simplifying and strengthening the competitive infrastructure of the sport
- b) Increasing participation in orienteering
- c) Developing systemic and sustainable success at the World Orienteering Championships

Underpinning the vision and these priorities are:

- d) Raising the profile and public image of orienteering
- e) Developing and supporting the volunteers working within the sport
- f) Working with and supporting partners who wish to offer or use orienteering
- g) Providing leadership & good governance for the sport
- h) Developing financial sustainability

Of these 8 strategic themes the last two, providing leadership & good governance and developing financial sustainability are essential to the management processes of any governing body and are, in most instances, funded by the membership and participants. The remaining 6 themes are activities the Board believes will develop the sport as it stands and will ensure the longer term future for orienteering in the UK. These remaining strategic themes however can only be developed if additional funding becomes available.

The Board recognise that to deliver the vision and strategic plan resources and funding will be required. This funding will consist of:

- a) Sufficient funds generated from within the sport to support the required ‘core’ business including the necessary staffing resources required to deliver this core business.
- b) Sufficient programme funds to resource any initiatives that will be required to deliver on the ‘non-core’ themes. The Board accept that these funds may come from within the sport but in reality British Orienteering is likely to rely on funding partners to underpin some if not much of this ‘non-core’ work.

In the light of recent discussions with funding partners, the Board has made the decision that all ‘core’ business from 1 April 2017 should be funded using British Orienteering funds. In a normal year this will require an additional £80,000 of income to be generated. Significant cuts have already been made to the British Orienteering budgets for instance the move of National Office, not replacing staff that have departed, day to day running costs.

How will this additional income used to fund core business be generated? The reality is this income will need to come from membership fees, levies and major events as these are the only reliable income streams.

The Articles of Association require a General Meeting to change the membership fees and since the withdrawal at the 2016 AGM of Proposal 3: Membership & Levy Fees, the Board have agreed that calling an Extraordinary General Meeting (EGM) to adopt a change to the fees is the best way forward.

Why not wait until the 2017 AGM? Part of the role of the Board is to ensure the organisation can continue to operate and the Board agree that to wait until the 2017 AGM is delaying the decision and if the vote at the EGM turns down a proposal to increase income then it is better to know sooner rather than at Easter 2017, a quarter of the way through the financial year.

The Board has considered the use of reserves. It is prepared to use the financial reserves we currently hold when this is to support exceptional circumstances and/or one off initiatives. However, the Board feel it is their duty to attempt to raise income where it is potentially available to meet recurring expenditure commitments, to protect the sport from any future uncertainties. The Board is prepared to use reserves to support any shortfall in income only for a limited period of time and whilst this may be necessary in a transitional period it is not a longer term solution.

From 1st January 2016 until amended, fees are as follows: Senior member – £5.00; Junior member – £2.00 and Levy per senior-equivalent event participant – £1.25.

2016 EGM

The Board have agreed to hold an EGM in 2016 to ask the membership to agree a change to the membership fees and levy for 2017.

The Board discussed a number of opportunities to hold the EGM and came to the conclusion that the most viable is to hold the EGM at the Club & Association Conference on Saturday 29 October 2016, venue NFU Mutual Head Office, Taddington Road, Stratford upon Avon, CV37 7BJ starting at 11:00 am.

Proposal

In 2015 the amount raised from ‘members’ and ‘participants’ was:

| | |
|---------------------------------|---------------------------|
| Income from Membership in 2015: | £51,429 |
| Income from Levy in 2015: | £130,394 (excluding S6Ds) |
| Total income in 2015: | £181,823 |

This excludes the income raised from major events however at this stage the Board are suggesting that the income generated to British Orienteering from these events is not increased.

The Board is considering the balance between increases to membership and levy and after seeking the opinions of Association Chairs is now asking members for their views on what this balance should be. We hope that a preferred position becomes evident during the consultation.

The options for discussion included below are modelled on 2015 membership data and the participation/levy data held for 2014 and 2015. The data models assume similar membership and participation numbers – that is, no account is made of changes that may be driven by the changed membership fee and levy.

We appreciate that the options offered for discussion are just that and that endless permutations possible.

In order to meet the resourcing levels required to deliver ‘core’ business the target income for 2017 is £253,000 from the combined membership fee and levy an increase of 42% on the 2016 income target of £177,655. The following excludes major events income which was around £27,000 in 2015.

The income expected to be generated in 2016 based on current fees and using the data models is:

| | | | | |
|------------------------|-----------|-------|------------------------|--------------------------|
| Membership fees | Senior | £5.00 | £37,670 | |
| | Junior | £2.00 | £6,810 | |
| | Sub total | | £44,480 | |
| | | | 2015 Data (ex S6Ds) | 2014 Data (inc Lakes) |
| Levy | | £1.25 | £133,175 | £144,662 |
| | | | | |
| Total income | | | £177,655 | £189,142 |

The balance between the income raised from membership and levy fees in 2015 was 25% and 75% respectively which is a ratio of 1:3.

Based on the same data and aiming to achieve an income of £253,000 or a £75,000 increase there are 3 options being put forward. These are:

Option 1: Membership £6, £2 and £1.90 levy

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|------------------------|-----------|-------|------------------------|--------------------------|
| Membership fees | Senior | £6.00 | £45,204 | |
| | Junior | £2.00 | £6,810 | |
| | Sub total | | £54,014 | |
| | | | 2015 Data (ex S6Ds) | 2014 Data (inc Lakes) |
| Levy | | £1.90 | £202,426 | £219,887 |
| | | | | |
| Total income | | | £254,440 | £271,901 |

The balance between the income raised from membership and levy fees under this option would be 20% and 80% respectively, that is a ratio of 1:4.

Option 2: Membership £7.50, £2.50 and £1.75 levy

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|------------------------|-----------|-------|------------------------|--------------------------|
| Membership fees | Senior | £7.50 | £56,505 | |
| | Junior | £2.50 | £8,513 | |
| | Sub total | | £65,018 | |
| | | | 2015 Data (ex S6Ds) | 2014 Data (inc Lakes) |
| Levy | | £1.75 | £186,445 | £202,527 |
| | | | | |
| Total income | | | £251,462 | £267,545 |

The balance between the income raised from membership and levy fees under this option would be 25% and 75% respectively, that is a ratio of 1:3.

Option 3: Membership £10, £3 and £1.60 levy

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|------------------------|-----------|--------|------------------------|--------------------------|
| Membership fees | Senior | £10.00 | £75,340 | |
| | Junior | £3.00 | £10,215 | |
| | Sub total | | £85,555 | |
| | | | 2015 Data (ex S6Ds) | 2014 Data (inc Lakes) |
| Levy | | £1.60 | £170,464 | £185,168 |
| | | | | |
| Total income | | | £256,019 | £270,723 |

The balance between the income raised from membership and levy fees under this option would be 33% and 67% respectively, that is a ratio of 1:2.

Consultation with our members

Members of British Orienteering are being consulted via a survey and will have the opportunity to express their views on these options. The survey will explore:

1. Is there a balance between income generated by membership and levy that you feel is most acceptable – and will cause the least problems?
2. Is one of the options above close to your preferred balance and acceptable to you?
3. Are there other ways we should consider to raise income in a sustainable way that we might consider for the future?

We appreciate that the views of members may be varied; it is these variances we are trying to determine, understand and if possible accommodate. There are some suggestions from association chairs that will be investigated including a tiered levy scheme.

The Board would like the consultation process to be extensive and lead to a preferred position that can be taken to the EGM on Saturday 29 October 2016 as a proposal. It is possible that members are evenly balanced regarding their views on the options. In this case the Board is prepared to put more than one option to the membership for a decision at the EGM.

Mike Hamilton CEO, on behalf of the Board, August 2016