

## **Fees 2021/22**

### *Background*

1. Our current fees policy, supported by Shareholders, is that over the 4-year international cycle, we should make a small surplus, and aim to keep price increases at or below RPI. Using this policy as a backcloth, the AGM in November is presented with forecasts for the coming financial year and a Board recommendation for UM and other fees increases.
2. The process must be done to this timetable because our by-laws require us to fix the subscription for the following April at the Annual (my underlining) General Meeting of the Company. This is particularly limiting and, I suggest, we need to find a more flexible but still consultative approach going forward.
3. For 21/22 the picture is hugely uncertain, and although I can forecast core costs with accuracy, I would be unable to provide other than a series of scenarios for income and for the associated variable costs (eg Competitions). With 1p on UM raising around £16k in a normal year, rather less with the current lower volumes, proposals for an increase would be swamped numerically by the variation in the any scenarios that I might present now in November. I would however hope that we will have a narrowing of those scenarios by early spring 2021. It is worth also noting that forecasts for inflation have a wide range at the moment.
4. It is also clear that Clubs especially those with some fixed costs, eg premises, are like the EBU finding the financial environment tough, and although UM is paid by our Members, and only collected by Clubs, this has to be taken into account in setting fees for 21/22.
5. Separately we consulted Clubs and Counties on the structure for UM and there was a resounding 80% backing for no change in structure, at least at this uncertain time.

### *Core Proposal*

6. The Board is, against this background, proposing as a central scenario that there is no increase in UM and other fees from 1 April 2021. We will seek to manage within such a financial envelope, and cut our costs accordingly, eg limiting printed issues of English Bridge to 4, examining closely our support for the current range of International teams as well as continuing tight housekeeping including staff costs. We would however cease from 1<sup>st</sup> March 2021, (the first anniversary of the Covid outbreak as it affected Bridge), the temporary cap on UM payments related to a 19/20 baseline. In short payments from March 2021 would be based on actual activity. The 1/3<sup>rd</sup> reduction for sessions of less than 15 Boards would however continue, as well as the ability to submit online games without them counting for NGS and/or Master points. As we have always done, we will also continue to look at exceptional cases of hardship.
7. But we also need to have some flexibility as no-one knows how Covid (or inflation) will progress, and what the effect will be on UM and competition income in particular. We would therefore like Shareholders to support that in the event that we cannot sensibly sustain the EBU financially that the Board has the ability for up to a 1p increase in UM sometime during

21/22 for which we would give at least 2 months' notice. In the unlikely event that the Board triggered this facility, other fees would also move commensurately.

8. Whilst putting forward this core proposal for a nil increase, we would like to ask Counties, particularly those without fixed costs, to consider whether they need, in the Covid world, their full (or any) addition to UM that is currently included in the UM charge. Some Counties have already decided to rebate some or all of their 20/21 charge and although this will not be possible everywhere, we believe it should be seriously considered for decision over the next 2 months by all County Committees to ease the pressure on Members and Clubs.

#### Conclusion

9. Shareholders are invited to support the proposals set out in this paper in particular the core proposal for a nil fee increase for 21/22, with the safety valve of an increase of up to 1p in UM and proportionately for other fees.

Jerry Cope

Treasurer