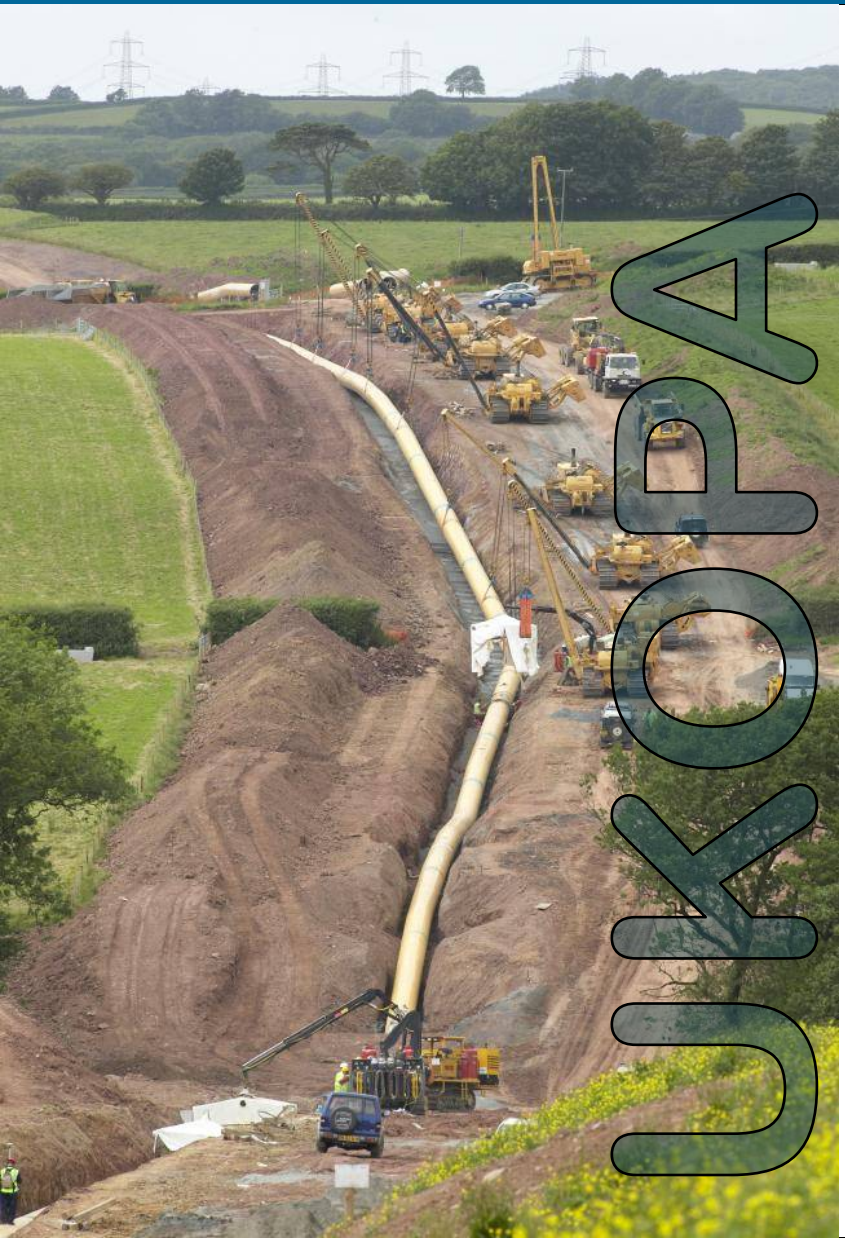


UKOPA Board

Long Term Financial Review and Membership Fee Proposal 2020 – 2025

February 2020

History

- UKOPA formed in 1995
- Initially 2 levels of Membership
- Organisation restructured in 2015
- Single membership fee level
- UKOPA is a “Not for Profit” organisation
- UKOPA membership fees – fully utilised for day to day operations and projects.
- Membership fee set in 2015 at £8,300 per annum
- Membership fee for 2020 - £8,300 per member organisation
- Annual review of membership fee level by the UKOPA Board based on a review of long term plans and financial strength.

Income over Past 4 years

- UKOPA entered the 2015-2020 period with a healthy bank balance (reserves) and 22 members.
- Membership has grown and thus income has grown (Based on £8300 fees)

Year	Members	Income (£k)
2015	22	182.6
2016	24	199.2
2017	27	224.1
2018	27	224.1
2019	28	232.4
2020	30	249.0

Expenditure over past 4 years

Year	Planned Expenditure (£k)	Actual Expenditure (£k)	Actual as % of Planned
2015	274.0	188.1	69
2016	355.0	237.3	67
2017	329.0	217.7	66
2018	410.0	287.4	70
2019	447.5	273.5	61
2020	441.5	?	

- ❑ Plan based on programmes developed by the UKOPA Work groups
- ❑ Underspend probably be due to:-
  - ✓ Over optimistic plans
  - ✓ Available resources to deliver (including Members commitments)
- ❑ Impact is delayed delivery and increasing reserves

UKOPA Reserves

- UKOPA Reserves have remained heathy over 5 year period.
- Strategy in 2017/8 was to maintain membership fees to reduce reserves.
- Income has continued to grow
- Current reserves are:-

Year	Opening Balance / Reserves (£k)
2015	252.5
2016	247.0
2017	338.0
2018	394.0
2019	387.0
2020	332.4

UKOPA Membership Fees

- The Board have been reviewing the future levels for Members contribution to the UKOPA (Membership Fees) for the period 2021 to 2025.
- Strategy based on:-
  - ✓ Various options for work level (annual expenditure)
  - ✓ Base running costs of organisation.
  - ✓ Current membership level
  - ✓ Impact assessment of Membership reductions
  - ✓ Continuation of a single membership fee
  - ✓ A minimum reserves level of £100k (Working capital)

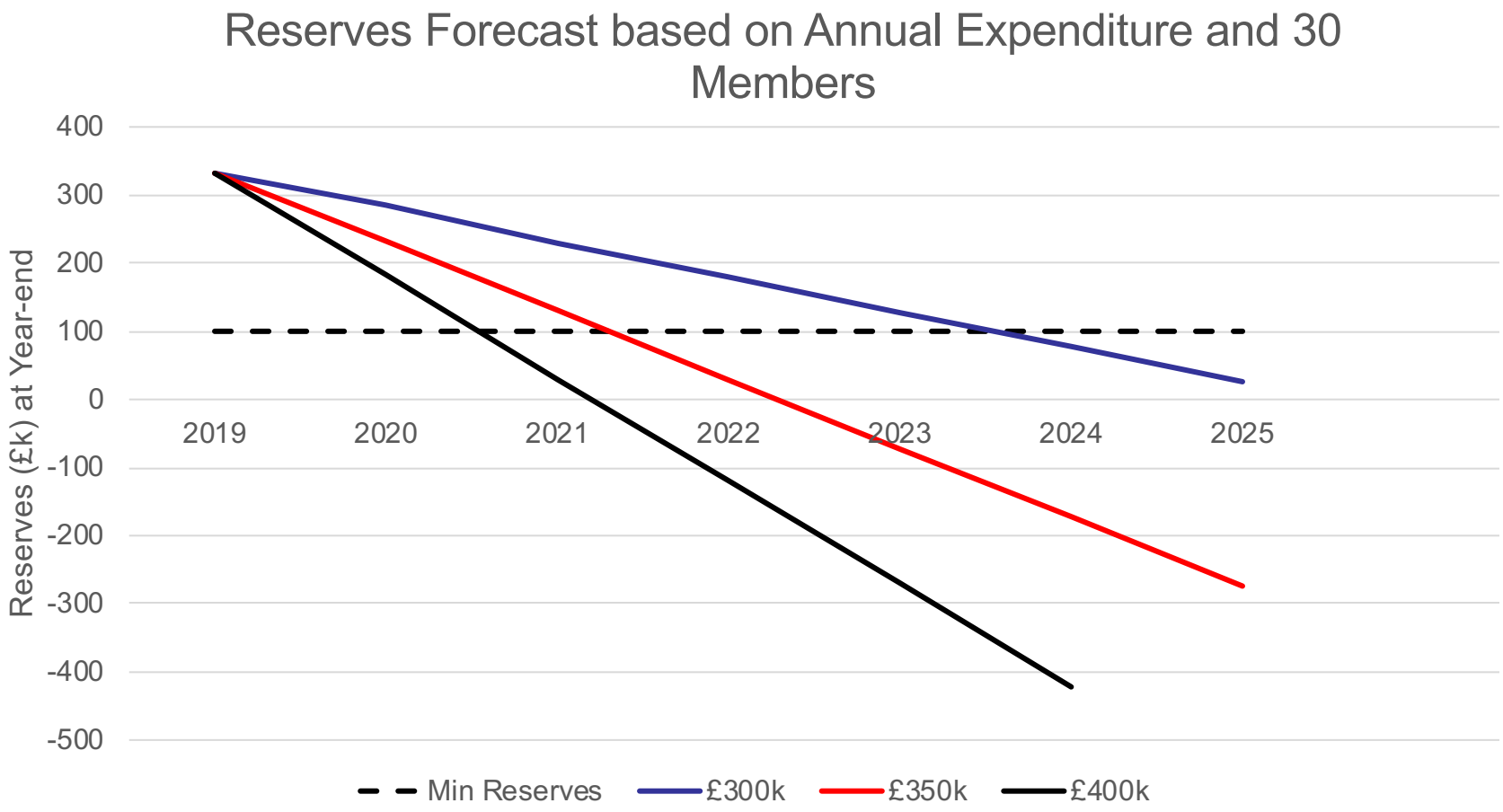
Annual Expenditure Level

Expenditure levels for analysis

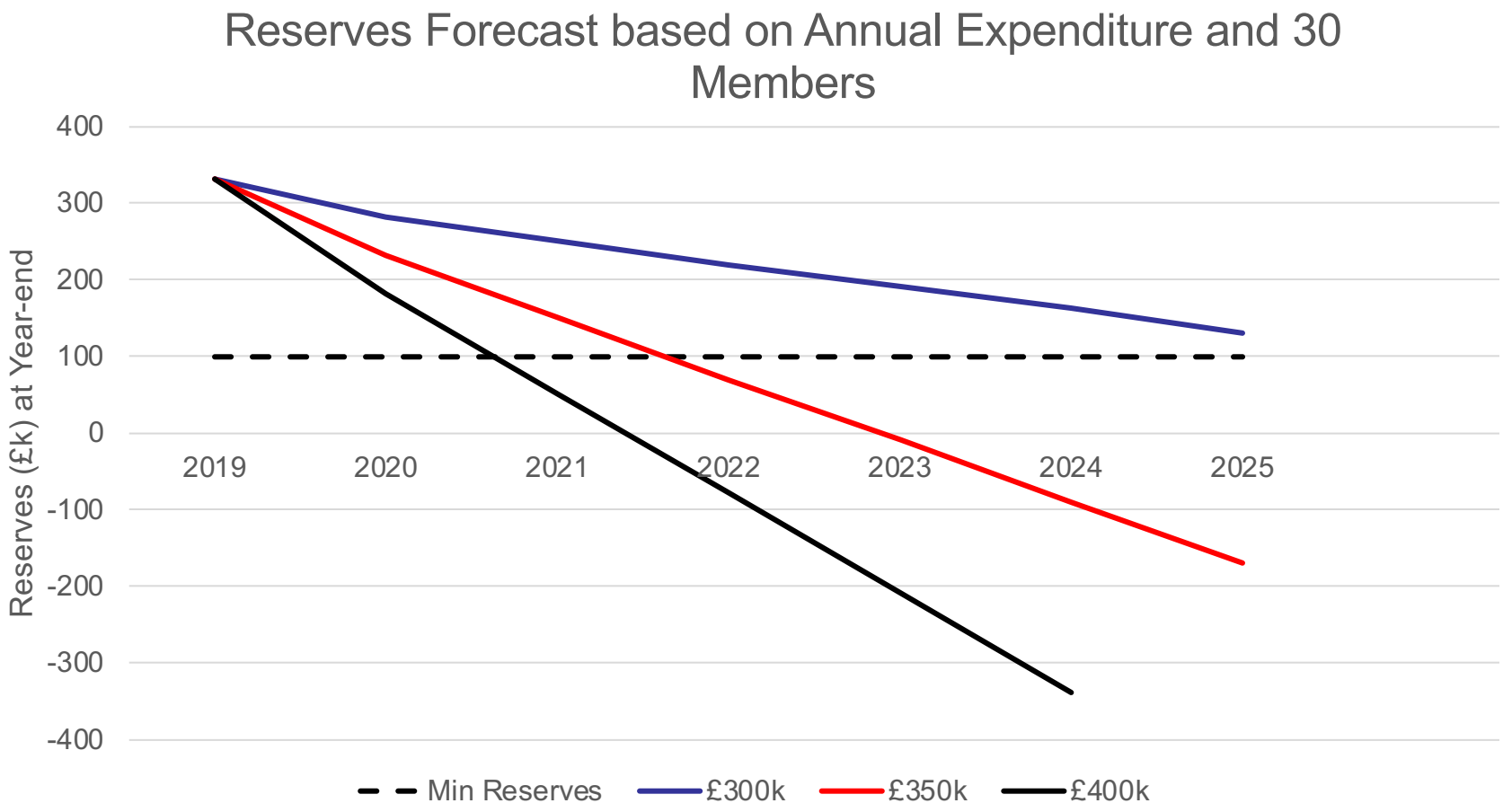
- Base Level - £220k – basic running costs with limited new projects
- £300k per annum – current annual expenditure level
- £400k per annum – “what we would like to deliver each year” – our plans
- £350k per annum – Middle ground

- Note that £50k spend equates to £1,666 per member.

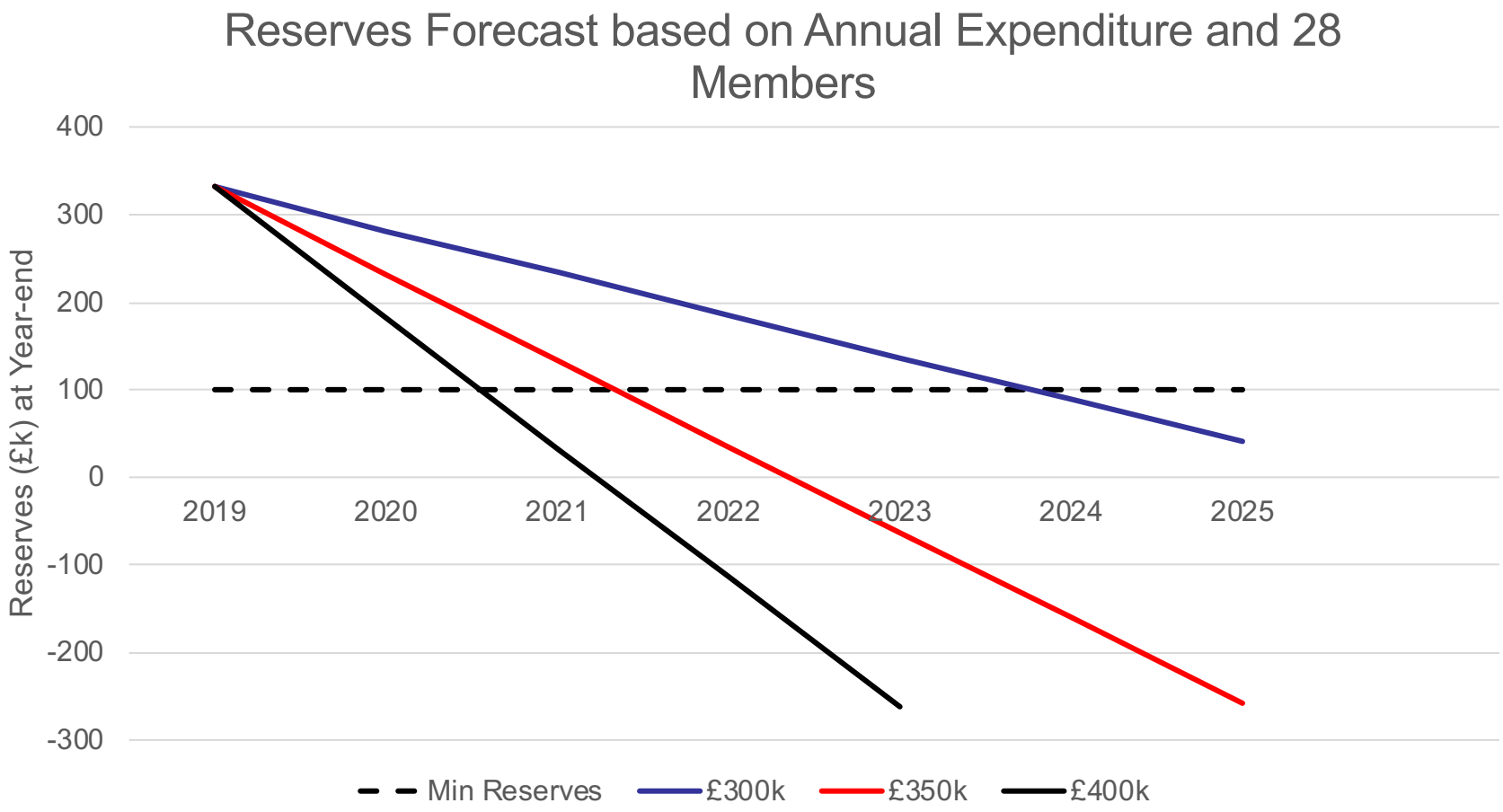
Maintain £8,300pa



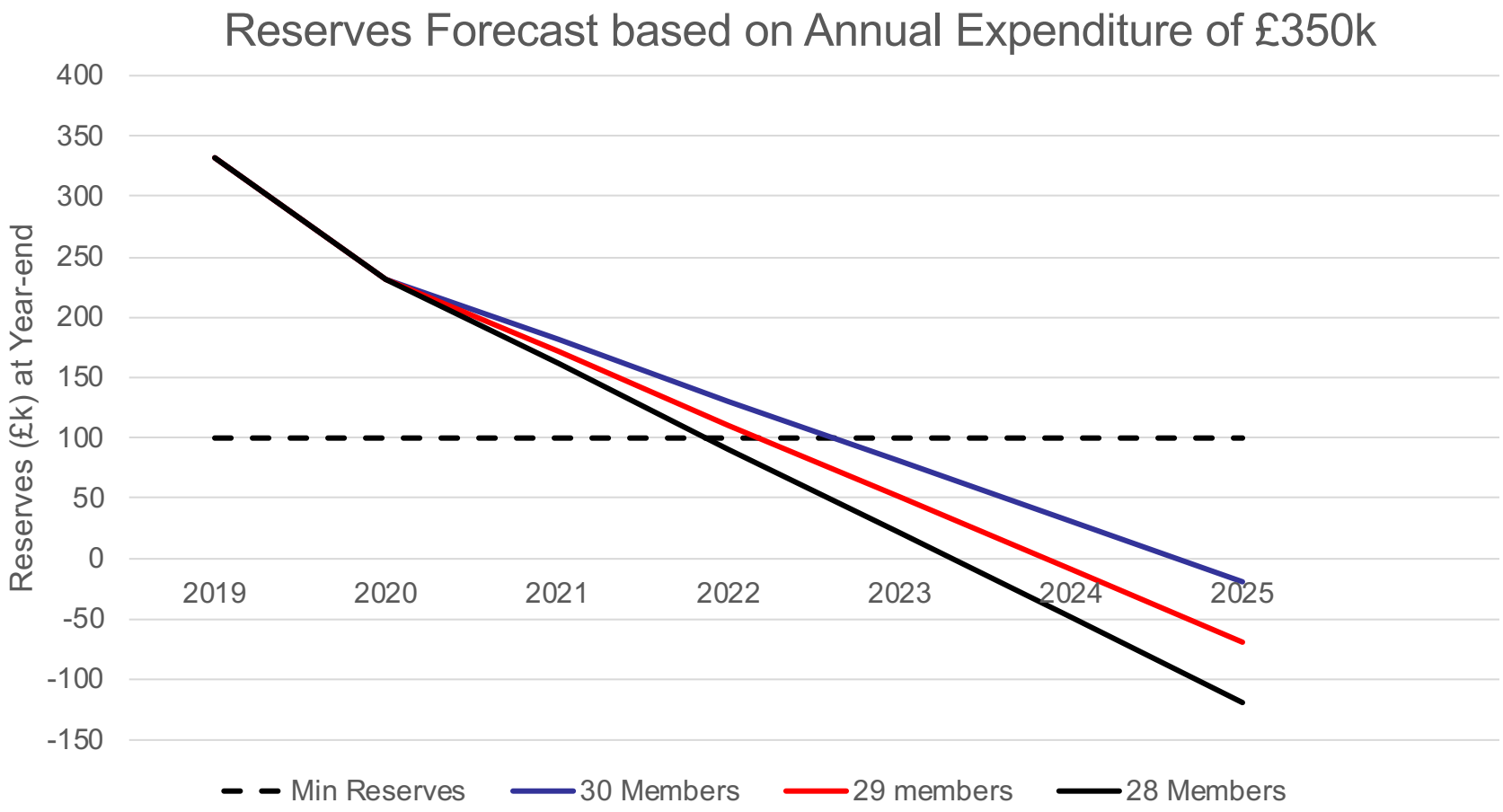
Increase to £9,000pa



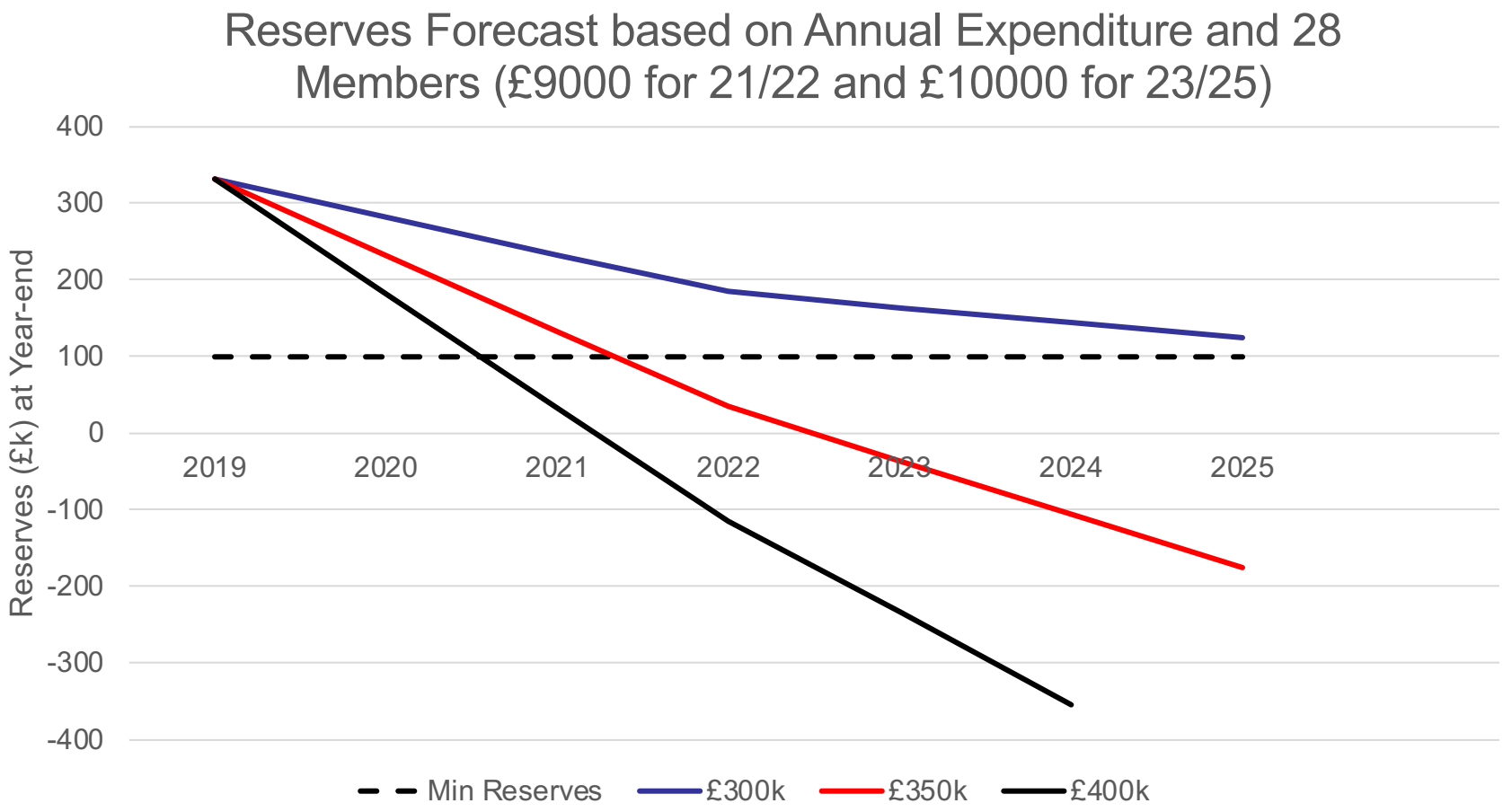
Increase to £9,000pa



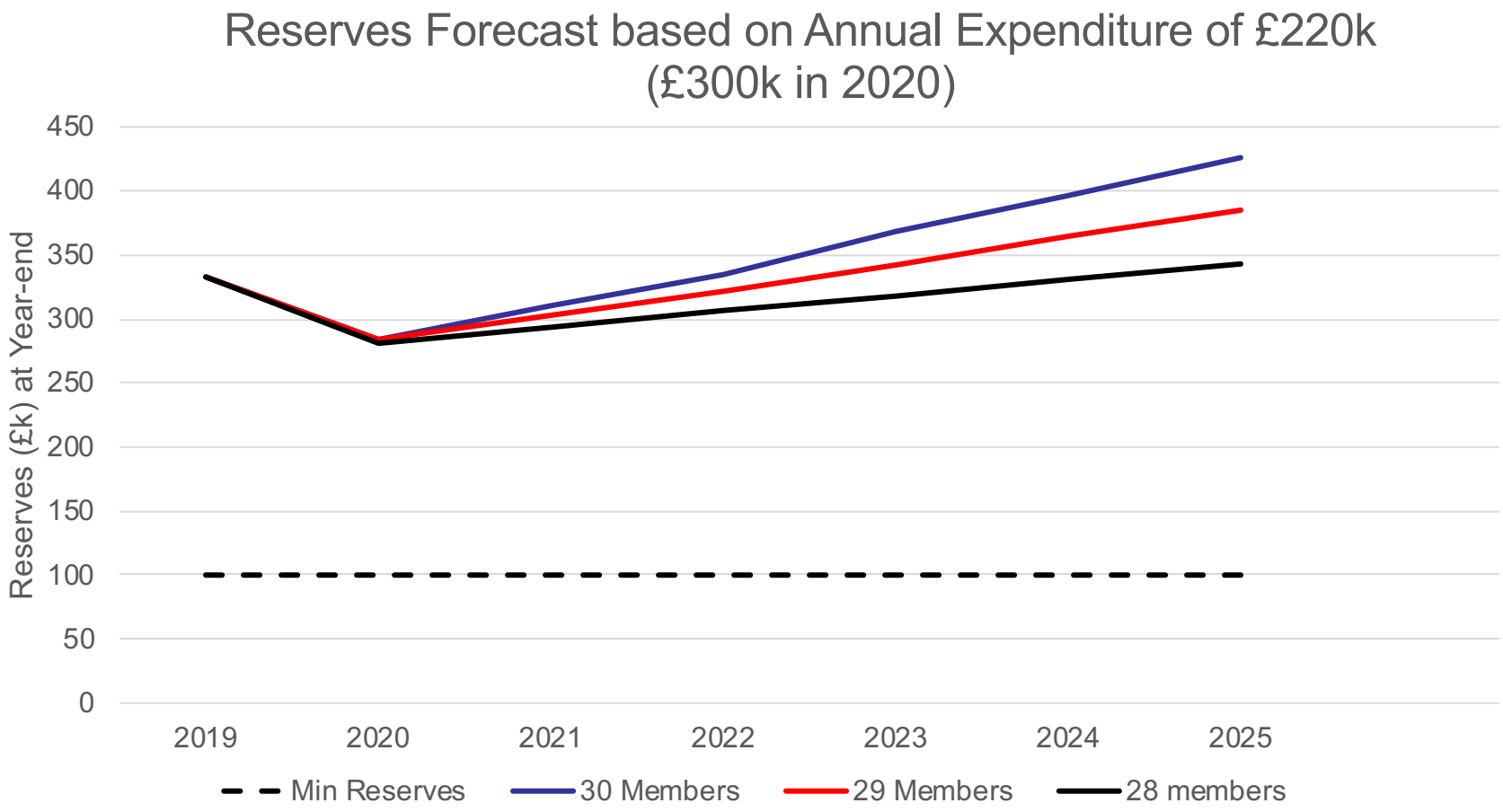
Increase to £10,000pa



2 Stage increase to £9,000 and £10,000pa



Maintain at £8300 – Baseline spend



For Discussion

- Should the reserves be circa £220K (Minimum annual spend)?
- In reality annual income from fees should equal annual spend.
- Could membership commitment be increased by greater direct involvement?
  - ✓ Reduce paid support?
- UKOPA Members could consider projects, over say £30k, are separately funded as a “UKOPA JIP”?
  - ✓ Sub-group funding?
  - ✓ Additional to annual fees?

Proposal for 2021 to 2025

- **Option 1**
  - No change to Membership fees
- **Option 2**
  - ✓ Budget to achieve annual spend of £300k
  - ✓ Increase Membership fees to £9k
- **Option 3**
  - ✓ Budget to achieve annual spend of £350k
  - ✓ Increase Membership fees to £10k
- Set for 2021
- Review annually - Spend and number of Members
- UKOPA Board recommend Option 2

Questions for Members

- Members support that the level of work undertaken by the association is about right?
- Members support the level of support given to the association by the Secretariat is right?
- Members support a proposal to increase membership fees to £9000 from 2021
- This will be reviewed by Board during year taking into account 2020 actual spend.