

The case for capitation.

Income/expenditure - 2019

Income for BFMC was derived from:

Hirings	£10215
Bar Surplus	£3271
Capitation	£2325
Total	£15811

Expenditure for BFMC was: **£14102**

Services (Rates, Gas, Insurance etc)

Premises and Equipment (Repairs, cleaning, purchase of equipment)

Administration – Bar Licence, administration

Surplus for the year **£1709**

Projection for 2022

Taking into account the following reasonable expectations

Income

Hirings – about the same.	£10,000
Bar surplus likely to be down as less Lodge members are attending meetings.	£2,500
Capitation	?

Expenditure

Significant increase in services (especially electric) – thank you Mr Putin. £17,000

Shortfall **£4,500**

As of 2019 current lodges, number of members, meetings per year. Total attendees (+KT)

Hereward	53	8	424
Aveland	30	8	240
Chapter	50	4	200
Athelstone	24	3	72
Granta	27	3	81
Operatives	17	3	51
KT	25	3	75
		Total of	1143 attendees/year

If capitation was used to make up the shortfall in this year's projections there are several ways of doing it.

At the moment Hereward and Lodge of Aveland pay capitation fees.

Chapter pay £150 for 4 meetings a year. (£37.50 per meeting).

Not aware of any other payments from side degrees.

Proposal 1

All lodges pay a capitation fee per member ie.		Income generated
Hereward	£31.50	1669
Aveland	£31.50	945
Chapter	£15.75	788
Athelstone	£11.81	283
Granta	£11.81	318
Operatives	£11.81	200
KT (after first year)	£11.81	295
		Total £4498

This is based on the amount of times a lodge meets, and how many members it has. (1143 attendees at moment). This is then divided into estimated shortfall of £4,500, which gives a figure of £3.94 per meeting per member. In the case of Hereward this comes to a yearly capitation of 8 meetings x £3.94, or £31.50 per member. Operatives would be £11.81 per member (3 meetings x £3.94).

The advantage of this is that everyone pays the same. Whether or not you are a member of Hereward of the Lodge of Aveland, or just a side degree. You pay per meeting you could attend.

The disadvantage of this is that most people may have to pay more. I.e. All the side degrees that currently get meetings free or for £37.50 per meeting. This might be particularly irksome to members of Hereward and Lodge of Aveland who have borne the brunt of the capitation in the past, and they would now pay more if they belong to any side degrees.

Proposal 2

As above for Hereward, Aveland and Chapter. But side degrees pay per meeting i.e. £60 per meeting (4 hours x £15/hour – our current hourly rate)

Hereward	£31.50	1669
Aveland	£31.50	945
Chapter	£15.75	788
Granta	3 meetings x £60	180
Operatives	3 meetings x £60	180
KT	3 meetings x £60	180
	Total	£3942

The advantage of this is that we are seen to be helping the small side degrees. Disadvantage is that we have a two tier system, and everyone is not paying the same across all lodges.

Lettings

We currently charge £15/hour.

It is felt by some members that this is too little.

However, when comparing ourselves to The Darby and Joan, and Elsea Park Community Centre we are on a par.

Darby and Joan £20 an hour. £40 extra to have bar. Bar profits kept by Darby and Joan Club

Elsea Park £55 for 4 hours.

Common belief that we should charge more as some of our users, pay £60 for a meeting, yet charge their participants £10 each on entry (and bring their own drink). This tends to be for a Friday or Saturday night social function.

Suggest an increase to £20 an hour to all users. (This would include 3 lodges as per Proposal 2 above, who pay per meeting).

If anyone wanted the use of the bar, this would be charged at £10 an hour x 2 people (if we can get volunteers to run the bar). This £10 an hour x 2 people should go to the individual running bar.

If members of the Lodge hire the hall for birthday parties, etc, charge £15 an hour. (There has to be some advantage to being a member). If Lodge members wanted bar staff, they would need to organise this with BFMC, and pay the bar staff directly. BFMC would then benefit from bar takings.

Conclusions

I would suggest that BFMC look to hold a fund of £20,000 as a “rainy day” figure.

If there is money above this amount, then capitation should be reduced accordingly. Likewise, if it falls below that, capitation should be increased.

We should remember that putting up prices to our regular hirers may be counterproductive. If we lost either of our 2 largest customers this would mean, we would need to find an extra £3,000 (approx.) per year. That will be fine if BFMC have over £23,000 in the bank, they could afford to take the hit. If however this meant BFMC falling below the £20,000 threshold, then capitation should be increased the following year to make up for this.

It must be remembered that at the moment our frequent users of the Centre, basically look after themselves. If we had to find £3000 a year by hiring to lots of “one off” bookings, I can see that this may cause us problems.

Personally, I would favour Proposal 1. I would also increase the hire of the hall to £17hour for our current regular hirers. This small increase would be due to the increased running costs we are bound to incur as prices go up.