

BRANCH FUNDING CRITERIA

This National Delegate Conference approves the recommendations contained in the National Executive Council's report on Branch Funding:

Section A – General Arrangements

Implementation

- 1) These new arrangements for the funding of subscription income to branches will apply from 1 January 2002.

Fixed Allocation to Branches

- 2) Each financial year a fixed percentage of total annual subscription income should be allocated to branch funding.

Section B - The Overall Structure of the Funding Arrangements

- 3) Funding of branches should be achieved by one or more of the following:
 - a) A standard percentage entitlement.
 - b) Additional percentage entitlements.
 - c) Additional funding to meet special needs drawn from a regional pool and managed at regional level.
 - d) Special funding managed at national level to meet the needs of branches with identified exceptional circumstances.

All percentage entitlements to branch funding will be expressed as a percentage of total annual subscription income relating to the branch.

Section C – Special National Funding

- 4) Branches with continuing exceptional needs may request special funding. All requests for special funding should be submitted to the National Executive Council. Special funding payments will not be considered part of the percentage of total annual subscription income allocated to branch funding.

Section D – Additional Entitlements

Membership Numbers

- 5) Additional entitlement for the number of members in the branch will be as follows: -

Membership	Additional Entitlement
Up to 500	4%
501- 3000	2%
over 3000	2.5%

Where a branch would be entitled under this formula to a lesser amount in cash terms than that to which it would be entitled if its membership were the maximum of a lower membership band, then for the purposes of this part of the formula its membership will be treated as the maximum of that lower membership band.

Low Subscription Income

- 6) An additional entitlement will be allocated to branches according to the following: -

Average subscription income per member	Additional Entitlement
More than 10% and not more than 20% below national average.	0.5%
More than 20% and not more than 30% below national average.	1.0%
More than 30% and not more than 40% below national average.	1.5%
More than 40% below national average.	2.0%

The additional entitlement for low subscription income will be based on branch membership at the previous 31 December and branch total annual subscription income for the previous year.

Reporting low subscription income bands to Conference

- 7) Each year the bands for low subscription income will be reported to the preceding National Delegate Conference. The bands will be shown as monetary sums rounded to the nearest pound. From 2003 the bands will be calculated using actual total annual subscription income and membership numbers contained in the financial statements presented to that National Delegate Conference.

For 2009 the following bands will be used based on the total annual subscription income for 2007 of £158.1 million and the total membership at 31 December 2007 of 1.344 million, giving a national average subscription income figure per member of £118.

Branch average subscription income per member	Additional Entitlement
Less than £107 and not less than £94	0.5%
Less than £94 and not less than £83	1.0%
Less than £83 and not less than £71	1.5%
Less than £71	2.0%

Low Reserves Entitlement

- 8) An additional entitlement will be allocated to branches according to the following: -

Average branch general fund reserves* expressed as an average per member	Additional Entitlement
Less than 80% and not less than 70% below the national standard**.	0.5%
Less than 70% and not less than 60% below the national standard**	1.0%
Less than 60% and not less than 50% below the national standard**.	1.5%
Less than 50% below the national standard**.	2.0%

*As defined in recommendation 9)

**As defined in recommendation 10)

Definition of 'general fund reserves'

- 9) General fund reserves will be defined as all funds held in branch general funds, excluding fixed assets, as at 31 December in the preceding year. For the purpose of the calculation the following dedicated funds will be excluded for the calculation of branch general fund reserves:
- a) All monies held in industrial action/hardship funds as at 31 December 2000.
 - b) All monies transferred into industrial action/hardship funds from 31 December 2000 which have been raised as a result of local levies.
 - c) Any other dedicated fund comprising exclusively of monies raised by local levies.
 - d) Any dedicated fund established with the agreement of Regional Committee or endorsed by that committee the purpose of which is future purchase (freehold or leasehold) of property provided that :-
 - i) The dedicated property fund has been established as a result of a decision of a quorate general meeting of the branch.
 - ii) The dedicated property fund has been established or endorsed as part of a structured financial plan endorsed by the Regional Committee.
 - iii) Transfers into and out of the dedicated property fund must be in accordance with the agreed structured financial plan.

Each year branches will be required to report on the authorised dedicated property funds as required by national Rule G.7.1.

Definition of National Standard

- 10) The national standard will be the equivalent of six months total branch funding divided by the total membership of the union. The national standard for the forthcoming financial year shall be calculated as a monetary sum rounded to the nearest pound. From 2003 the national standard will be calculated using actual subscription income and membership numbers contained in the financial statements presented to the National Delegate Conference in the preceding year and the fixed proportion of total annual subscription income allocated to branch funding.

For 2009 the national standard will be £14, that is 6 months branch funding (23.5% of £158.1 million) divided by the membership of the union at 31 December 2007 of 1.344 million.

Based on that standard the bands for 2009 will be: -

Average branch general fund reserves per member	Additional Entitlement
More than £11.20	0.0%
Less than £11.20 and not less than £9.80	0.5%
Less than £9.80 and not less than £8.40	1.0%
Less than £8.40 and not less than £7.00	1.5%
Less than £7.00	2.0%

Geographic Spread

- 11) An additional entitlement will be available to branches according to the following: -

Branch Membership numbers	Additional Entitlement
10% or more, further than 10 miles from the agreed central location of the branch	1%
OR	
10% or more, further than 30 miles from the agreed central location of the branch	2%
OR	
10% or more, further than 50 miles from the agreed central location of the branch	3%

For the purpose of the calculation the central location will be either the main branch office or the location with the largest number of members as agreed with the regional committee.

Branches with Multiple Employers

- 12) An additional entitlement will be available to branches according to the following: -

Number of employers with at least 5 members each	Additional Entitlement
More than 4 and less than 20.	0.5%
More than 19 and less than 35.	1.0%
More than 34 and less than 50.	1.5%
50 or more.	2.0%

For the purpose of this calculation employers will be defined as independent legal entities. The number of employers in each branch will be as at 31 December in the previous year.

Section E - Restrictions

A sliding scale for restrictions to entitlements

- 13) For branches with more than 500 members additional entitlements will be reduced according to the following:-

Branch general fund reserves expressed as an average per member	Percentage reduction in additional Entitlements
At national standard or below	0%
More than national standard and less than or equal to 10% above national standard.	20%
More than 10% above national standard and not more than 20% above national standard.	40%
More than 20% above national standard and not more than 30% above national standard.	60%
More than 30% above national standard and not more than 40% above national standard.	80%
More than 40% above national standard.	100%

For branches of less than 501 members additional entitlements will be reduced as follows: -

Total branch general fund reserves	Percentage reduction in additional Entitlements
At 500 times national standard or below.	0%
More than 500 times national standard and not more than 10% above 500 times national standard.	20%
More than 10% above 500 times national standard and not more than 20% above 500 times national standard.	40%
More than 20% above 500 times national standard and not more than 30% above 500 times national standard.	60%
More than 30% above 500 times national standard and not more than 40% above 500 times national standard.	80%
More than 40% above 500 times national standard.	100%

General Fund reserves will be as defined in recommendation (9).

The national standard will be as defined in recommendation (10).

Reporting restriction bandings to Conference

- 14) Restriction bandings for a particular year shall be reported to the preceding National Delegate Conference as a monetary sum and shall be calculated from the national standard rounded to the nearest penny.

For branches of more than 500 members

Branch general fund reserves expressed as an average per member	Percentage reduction in additional entitlements
At £14 or below	0%
More than £14 and less than or equal to £15.40	20%
More than £15.40 and less than or equal to £16.80	40%
More than £16.80 and less than or equal to £18.20	60%
More than £18.20 and less than or equal to £19.60	80%
More than £19.60	100%

For branches of less than 501 members

Total branch general fund reserves.	Percentage reduction in additional entitlements
£7000 or below	0%
More than £7000 and less than or equal to £7700	20%
More than £7700 and less than or equal to £8400	40%
More than £8400 and less than or equal to £9100	60%
More than £9100 and less than or equal to £9800	80%
More than £9800	100%

General Fund reserves will be as defined in recommendation (9).

The national standard will be as defined in recommendation (10).

Section F - Participation

- 15) A branch's funding entitlement will be reduced by 2.5% if the branch is not represented at National Delegate Conference in the year to which funding applies by at least 50% of its delegate entitlement. The 2.5% reduction in funding for non-attendance at National Delegate Conference will be reduced by 0.5% for each of the following,
- a) if the branch is represented at a service group conference in the 12 months to June 30th in the year to which funding applies with at least 50% of its delegate entitlement
 - b) if the branch is represented at regional council in the 12 months to June 30th in the year to which funding applies
 - c) if one or more self-organised groups exist within the branch and any of them have been represented at the respective self-organised groups' national conference in the 12 months to 30 June in the year to which funding applies. Where branches are grouped for the purposes of participation in a self-organised group conference the reduction shall be reduced according to a formula $0.5\% \text{ multiplied by branch membership divided by group membership}$.

Appeals against reduction in funding for non-attendance at National Delegate Conference will be adjudicated by the Subscriptions Appeals Committee taking account of a recommendation from the regional committee.

Section G - The Regional Pool

- 16) A regional pool will be established from which additional allocations may be made to branches. The total sum allocated to the regional pool will be the greater of,
- a) the difference between the sums allocated directly to branches using the funding formula and the fixed proportion of total annual subscription income allocated to branch funding
 - or
 - b) 0.5% of total annual subscription income.

The regional pool will be allocated to Regions according to a formula determined by the National Executive Council.

- 17) The regional pool will be distributed by the regional committee using guidelines to be issued by the National Executive Council. Each Region will establish an appeals sub-committee of the regional council to resolve disputes between the regional committee and branches in respect of allocations from the regional pool. Any unresolved disputes at regional level on funding may be referred in writing to the Subscriptions Appeals Committee whose decision will be binding.
- 18) The National Executive Council shall have the discretion to make a supplementary allocation to the regional pool in any year. This supplementary allocation will not be considered to be part of the fixed proportion of total annual subscriptions income allocated to Branch Funding.

Section H -The Standard Entitlement and the Fixed Proportion of Total Annual Subscription Income

- 19) The standard entitlement will be 20% of total annual subscription income.
- 20) The fixed proportion of total annual subscription income allocated to branch funding each year will be 23.5%.