

Collegiate funding of central students' unions

Proposal in response to Bursars' consultation

Background and context

Current funding scheme

At present, collegiate funding of the central students' unions takes the form of an Affiliation Fee charged by CUSU and the GU to those college students' unions that have chosen to affiliate, on a per-capita basis. Those college students' unions which chose to affiliate elect voting members to attend the central union policy-making bodies – and are entitled to provision of certain “institutional” services (such as officer training and access to CUSU's voting platform and officer network and database).

Entirely separately, all students are automatically members of CUSU (and graduate students of the GU). The central students' unions may not discriminate between their members based on the affiliation/disaffiliation of the College-based students' union. Therefore, the affiliation status of a College's students' union has no impact upon individual student's relationship with the central unions – they may still vote in CUSU/GU elections and referenda, use subsidised commercial services (e.g. gown hire, binding or print services), make use of the Students' Unions' Advice Service, attend centrally-funded events, receive funding for campaigns, and benefit from central representational work.

Problems

The main problem with the current funding scheme is one of incentives and their impact on the stability of the funding available to the unions. Because of the individual student entitlement to services from the central unions, J/MCRs believe that their members will be minimally disadvantaged by a decision to disaffiliate and subsequently withdraw funding from the unions. However, when J/MCRs decide to disaffiliate, the cut in funding directly impacts *all* students, as CUSU and the GU increasingly receive less funding upon which students and J/MCRs believe the unions should carry out their work for all.

For the unions, the precarious nature of the current system is clear, poses some financial risk to the operation of the unions and also presents an unfair system by which those Colleges who do consistently pay affiliation fees are subsidising other colleges, as the fees are higher than necessary. Similarly, the value of affiliation fees collected has declined annually for several years due to the political difficulty of convincing J/MCRs of the need to raise affiliation fees, even in line with inflation. Fee levels have been held for several years and therefore the funding realised decreases in real terms year to year.

CUSU and the GU similarly identify the connecting of a J/MCR's expression of political support with the payment of large affiliation fees as a concern. The desire to financially and politically support the central unions do not necessarily coincide, and for the reasons above, poses financial risks for the unions.

For example, a motivation often cited by disaffiliating J/MCRs is the wish to spend the money on something else (e.g. a TV room, TV subscriptions, or in-College leisure facilities) with no reference to their satisfaction with the central unions; on the other hand, some J/MCRs who are unhappy with the central unions chose not to express this through disaffiliation because doing so would make them a “free-rider” on other J/MCRs’ money. Furthermore, some J/MCRs may not see any incentive to political disaffiliation due to the services and training that they get: several colleges would not return the money saved on affiliation to the J/MCR, and some J/MCRs’ decision to affiliate is simply a financial one, having determined that they save more than their affiliation fee costs through services offered by the central students’ unions. Affiliation status does not under the current system simply or clearly link to J/MCR satisfaction with the unions’ services or representational efficacy, and indeed, the fact that the two issues are systematically conflated often creates difficulty for both unions identifying the genuine areas of student concerns in their bid to improve.

Lastly, in the University Council’s review of graduate representation, it was recommended that the unions remain politically separate, but increasingly merge their administrative and service activities to avoid duplication. CUSU and the GU have already heeded this expectation and thus must seek to avoid the emergence of representational competition, particularly for the capital of MCRs who affiliate to both CUSU and the GU. Both unions cannot afford to lose the funding, which remains precarious and “up for grabs” in the current model. The CUSU and GU Presidents (2015-16) clearly expressed their concerns about the current affiliation system during the review process. Members of the University Council sympathised with the financial risks inherent in the current system.

Original proposal and bursars’ consultation

At the end of the sabbatical officer year 2014-2015, a paper was presented to the Joint Advisory Committee by Dr Matthew Russell proposing the end to the current affiliation model, to be replaced by a levy system which already operates within a selection of Colleges. The system proposes that J/MCRs no longer pay for affiliation directly from their annual budget (thereby eradicating the direct financial incentive to disaffiliate from the unions for monetary reasons) and the fee be paid by Colleges through a hypothecated fee model.

Prior to the results of the University Council’s Graduate Representational Review, CUSU welcomed the strong support for these proposals from student representatives and sought to assuage the reservations of a select few Colleges, who were mainly concerned with the “taxation without representation” argument. In light of the arguments above, CUSU and the GU sympathise with the principles of these arguments and seek to address them in the new proposal below.

New proposal

Principles

The principles underlying this proposal are:

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- That a J/MCR should be able to express their dissatisfaction with the central unions without adverse consequence on students at other colleges.
- That there ought to be a mechanism for organisations or individuals to decide not to fund the central unions.
- That the cost of providing services should fall proportionately on those receiving them; a decision to not fund GU/CUSU should correspond – so far as possible – with a reduction in service to the organisation or individuals so deciding.

Proposal

The levy should be related to the number of CUSU and GU members at a college. All students have a right to resign their membership of any union under law, and the University has procedures to facilitate this. CUSU and GU would be happy to give the bursars data on membership. Colleges would be welcome to use the money saved from non-members as they wish, for example donating it to their J/MCRs.

The per-capita levy would be around 80p cheaper than the current affiliation fees. The funding received from the proportion of the levy relating to graduate students will be split between CUSU and the GU based on mechanism agreed between the Unions and CCSSU. It is suggested this income is divided 50:50.

Separately, affiliation and disaffiliation would remain an institutional political statement. There may be a need to attach a small flat-rate fee for this, to reflect the (inexpensive) institutional services that are provided and to keep the process meaningful – though the extra administrative complication of this may well outweigh the political benefit.

Resignation of membership would mean that the member who resigns would have no access to any of the central services, other than those related to welfare, alongside the current loss of voting rights. It would then be the University's responsibility to ensure that such students are not "unfairly disadvantaged".

A decision would need to be made about the levy charged for the provision of services for graduates who have resigned their membership of one central union but not the other, particularly in the context of continued collaboration on service provision between CUSU and the GU. We suggest that a levy is charged, and access to joint CUSU/GU services is retained, so long as these graduates remain a member of either central union.

Appendix: figures

CUSU status quo

CUSU currently charge affiliated J/MCRs £6.70 per undergraduate student, £3 per graduate student, and £1.50 per PGCE students. Part-time and visiting students, having equal access to central union facilities, are included in these figures.

For the 2015-16 academic year, CUSU billed 49 affiliated J/MCRs for a total of £97,942. In 2014-15, CUSU received £98,189.30 in affiliation fees, and in 2013-14 received £100,909.40.

GU status quo

The GU currently charge affiliated MCRs £3.50 per graduate student (in recent years, due to a unilateral decision by a former President within a difficult political climate, part-time graduates, graduates writing up and PGCE students are excluded from these figures).

For the 2015-16 academic year, the GU billed 24 affiliated MCRs for a total of £15,039.50, a figure capturing 4,297 full-time graduates. £12,369 has been received to date. For context, affiliation fees collected by the GU have decreased markedly in recent years for a number of reasons; £17,843 was received in 2010-11 and £19,383 collected in 2011-12.

Proposed levy

To maintain CUSU's current level of collegiate funding, in 2015-16 a levy of £5.90 would have been needed to be charged. This assumes:

1. Undergraduate and graduate students would be charged the same levy.
2. Levy revenues from graduate students would be split 50:50 with the GU.
3. CUSU's current criteria for levy eligibility would be retained.
4. PGCE students would, for both historical reasons and in order to ensure Homerton College are not unduly burdened by an increase, continue to be discounted – being charged 0.25 of the levy.
5. J/MCR affiliation would cost less than £100.
6. There would be a moderate increase in the number of non-members.

For context, in 2015-16 College A (a college whose JCR and MCR are affiliated to CUSU, and whose MCR are affiliated to the GU) were billed £4025.80 in total from both central unions. Under the levy system, they would have been charged £3793.

College B (not affiliated to either central union) were not billed in 2014-15, but would have been eligible for a charge of £3854.18 under the levy system.

At present, colleges such as College A are effectively paying a surcharge to cover the cost of providing services to the students at colleges such as College B. A levy system would resolve this unfairness.

Finally, we propose that the £5.90 figure for 2014-15 is increased in line with inflation to retain the real value of the collegiate contribution. As this has not occurred for several years, funding received through affiliation fees has declined significantly in real terms annually, squeezing what is already a volatile funding stream for both unions.

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June 2016*