



## Subscriptions, 2020/21 and 2021/22

### SUMMARY

At the AGM on March 9th, the Board will propose a new policy on fees. This paper explains this policy and the reasons behind it, and invites members to indicate if they would like further information ahead of the AGM. Members who would like further information are asked to indicate this by **Friday 5th February at the latest**.

### SCENARIOS

The Board has identified two scenarios for which it should plan, and has approved programme plans for each. Each scenario represents a plausible future in a period of continuing uncertainty about the progression of the Covid-19 pandemic.

#### SCENARIO 1 (OPTIMISTIC)

In Scenario 1, we return to the use of Christ the Cornerstone for hybrid rehearsals in Summer this year, and we return to normal face-to-face rehearsals and face-to-face concerts from this Autumn.

In Summer this year, our programme in this scenario would be a compilation of well-known anthems and operatic choruses. We would return to Messiah in the Autumn. We would have a small-scale concert with piano accompaniment in the Spring, and we would return to Gerontius in Summer 2022. These are provisional plans: we have just opened discussion with Danesborough Chorus, Milton Youth Choir and Milton Keynes Theatre in relation to them.

The scenario can be summarised as follows:

	<i>Rehearsals</i>	<i>Concert</i>	<i>Programme</i>
Spring 2021	All online	Online	Haydn, The Creation
Summer 2021	All hybrid	Online	Choral Classics
Autumn 2021	All face-to-face	Face-to-face	Handel, Messiah
Christmas 2021	All face-to-face	Face-to-face	Christmas with the Chorale
Spring 2022	All face-to-face	Face-to-face	TBA: small-scale with piano
Summer 2022	All face-to-face	Face-to-face	Elgar, The Dream of Gerontius

## SCENARIO 2 (CENTRAL)

In Scenario 2, we return to the use of Christ the Cornerstone for hybrid rehearsals in Autumn this year, and we return to normal face-to-face rehearsals from Spring 2022. We return to face-to-face concerts from this Christmas.

In Summer this year, our programme in this scenario would be a compilation of well-known anthems and operatic choruses as in Scenario 1. We would rehearse the choruses from the Verdi Requiem in Autumn this year, leading to an online 'concert'. We would have a small-scale concert with piano accompaniment in the Spring, and we would (provisionally) return to Gerontius in the summer as in Scenario 1.

The scenario can be summarised as follows:

	<i>Rehearsals</i>	<i>Concert</i>	<i>Programme</i>
Spring 2021	All online	Online	Haydn, The Creation
Summer 2021	All online	Online	Choral Classics
Autumn 2021	All hybrid	Online	Verdi, Requiem
Christmas 2021	All face-to-face	Face-to-face	Christmas with the Chorale
Spring 2022	All face-to-face	Face-to-face	TBA: small-scale with piano
Summer 2022	All face-to-face	Face-to-face	Elgar, The Dream of Gerontius

## HOW THE SCENARIOS DIFFER FINANCIALLY

In our financial planning, we forecast our non-event income (mainly subscriptions) and deduct from that our forecast non-concert expenditure. In normal times this yields a forecast surplus, which off-sets the loss we expect to make on concerts. We have agreed targets for the financial outturn of each of the main categories of event we run, as follows:

Small-scale concert with piano organ	Deficit of £1,500
Small-scale concert with an ensemble	Deficit of £3,500
Christmas concert	Surplus of £500
Large-scale concert with full orchestra	Deficit of £8,000 (in the case of the Gerontius concert, we agreed a target for a larger deficit of £10,000 for planning purposes.)
Workshop	Profit of £1,200

Our non-event expenditure is composed very largely of the costs of rehearsals. We also have some fixed costs such as insurance and our subscription to *Making Music*. Our rehearsal costs are made up of Mark and Alex's fees and expenses, and the cost of hiring Christ the Cornerstone (CtC).

Mark and Alex's fees and expenses differ very little in the two scenarios. Scenario 1 yields higher rehearsal venue costs than Scenario 2 because we return to the CtC earlier.

in 2021/22, our overall event outturn is a larger deficit in Scenario 1, because we have one additional concert in Autumn this year compared to Scenario 2.

## WHAT WE NEED TO ACHIEVE FINANCIALLY

The Board agreed three years ago that to ensure the financial sustainability of the choir, we should retain reserves at the end of each season at a minimum of £12,000. At the moment, reserves are well above this level. Our original plan for the 2019/20 season was for a relatively costly programme including Messiah and Gerontius. Nonetheless, we forecast that reserves would stay well above the minimum level. Our aim must be to ensure that we can deliver the same outcome by the end of the 2021/22 season in both the scenarios outlined above.

The policy on subscription fees that we have announced is that we will suspend them until we are able to return to normal rehearsals. We adopted this policy in because we had sufficient reserves to cover our fixed costs, the costs we incur from online rehearsals, and our commitment to paying Mark and Alex the concert fees that they would have earned had the pandemic not struck. The Board has now agreed to continue its policy on Mark and Alex's remuneration to the end of 2021.

In forecasting our income when we return to normal, we need to estimate the number of members we will have. When we suspended subscription fees, we had 98 fee-paying members. We do not think it is prudent to assume that all will return to the choir when we are able to rehearse face-to-face again. Instead, we have assumed that we will drop to 90 fee-paying members.

We also need to consider whether our outturn targets for events are still correct for the events in the early months of our return to normal. Although we may be able to return to face-to-face concerts, some social distancing requirements may still be in force, and some members of the public may still be cautious about attending public events. For this reason, we have adjusted our outturn assumptions as follows:

Messiah: a deficit of £4,500  
Christmas 2021: a profit of £250  
Spring 2021: a deficit of £2,000

We have not adjusted the target for the Gerontius concert. Our view is that if there is a realistic possibility of social distancing rules still being in force in Summer 2022, we should not proceed with this concert. That decision will need to be taken some time late Autumn this year.

On these assumptions, if we continued to apply our existing policy, suspending subscription fees until we are back to normal face-to-face rehearsals, then in both scenarios we would fail to maintain reserves at £12,000 or greater at the end of 2021/22. In Scenario 1, reserves would fall to around £8,600 and in Scenario 2 they would fall to around £7,700.

It follows that we now need to propose a change to our current fee suspension policy.

## PROPOSED NEW SUBSCRIPTION FEE POLICY

We propose to restart fee subscriptions when we are able to return to hybrid rehearsals, and thus we begin to incur rehearsal venue costs again. We propose fees that keep reserves above the required level at the end each season, but not substantially above it.

The proposed fees in the two scenarios are:

	2020-21	2021-22
Scenario 1	£40	£180
Scenario 2	£0	£165

With these fees, forecast reserves at the end of each season would be, to the nearest £100):

	2020-21	2021-22
Scenario 1	£23,300	£12,900
Scenario 2	£20,700	£12,500

## FURTHER INFORMATION

If any members would like further information about the financial modelling underpinning the proposed new policy and fee levels, we will be happy to provide it. The Annual General Meeting is not a good forum for detailed financial discussion, so if there was a demand for further information, we would offer a special Zoom session taking members through the detail of the modelling. If members would like the opportunity to join such a session, please signal this directly to the Chair by **Friday 5th February at the latest**.

Will Swann, Chair  
Cyril Wood, Treasurer

24 January 2021