

A meeting of the Council was held at the Euston Square Hotel, 152-156, North Gower Street, London NW1 2LU on Saturday 14 April 2012 starting at 13.30.

1. Apologies, Proxies and Postal Votes

- 1.1 Attention was drawn to the printed lists of Apologies for Absence, Members voting by Proxy and Members casting postal votes.

The following list of attendees gives names only. The full Attendance document recording the capacities, in which people attended, together with apologies for absence, is held in the ECF Office with the official copy of these Minutes.

M Amin (MA)	WG Armstrong (WGA)	L Barnes (LB)	N Belinfante (NB)
G Caller (GC)	DG Clayton (DGC)	LH Cooper (LC)	JL Denning (JLD)
NW Dennis (NWD)	B Edgell (BE)	PC Ehr (PE)	AP Farthing (APF)
AJ French (AJF)	SN Gilmore (SNG)	AJ Griffiths (AJG)	MJ Gunn (MJG)
RJ Haddrell (RJH)	R Hardy (RH)	SD Hewitt (SDH)	AR Holowczak (ARH)
N Hosken (NH)	DJ Howes (DJH)	RW Jones (RWJ)	AT Leadbetter (ATL)
CE Majer (CEM)	AH McFarlane (AMc)	MR Peacock (MRP)	IM Pheby (IMP)
JA Philpott (JAP)	C Priest (CP)	AN Raoof (ANR)	RJ Richmond (RJR)
DR Sedgwick (DRS)	PG Sherlock (PGS)	JC Skipworth (JCS)	BA Smith (BAS)
R Thompson (RT)	D Welch (DW)	JR Wickham (JRW)	T Woolgar (TW)
MBA Walker (MBAW)			

Chairman: MJ Gunn (MJG)

2. Notices

- i. Those in attendance with permission of the Chairman: Neill Cooper (NC) and John Upham (JU).
- ii. Tellers were appointed: John Philpott and Andrew Leadbetter.
- iii. Attention was drawn to the Voting register.

3. Approval of the Minutes of the Annual General Meeting of the Council dated 15 October 2011.

The minutes were approved nem con and it was agreed that the Chairman of the meeting shall sign the minutes as being an accurate record.

4. Matters arising from the Minutes

AMc referred to the President's report to the AGM, in which the President stated: "I am not afraid to confront, discuss and deal with difficulties." AMc argued that the President's behaviour following the T-shirt incident at the British Championships belied this statement. The resulting discussion broadened out into consideration of the incident as a whole. After some discussion MJG sought to move the meeting to the next item of business. It was agreed by a Vote of 17 to 9 to continue the discussion at this point in the agenda.

A number of members of the BC organising team raised concerns that the President's position on the incident had not been accurately reported in his report. LB said: "She felt that the British Championship organisers have been discredited by the President. A number have resigned over the incident; the Board pushes it under the carpet and this is not in the best interests of English chess".

Key points from the discussions were:

DRAFT

- MJG stated that the ECF Board had discussed the incident several times; the Board wanted to “put the issue to bed as it was not serving the best interests of chess in England”.
- APF said that a number of misjudgements had been made:
 - The President wearing a particular T-shirt
 - The President going to the press without first consulting the Board
 - It would have been better for all parties to have consulted Board members, particularly the Director of Marketing before taking action in this matter.
- ANR at DW’s request that any allegations made were withdrawn.
- DRS opined that the Board were right in trying to close this issue, but requested an indication of what remedy was proposed to resolve the issue. MJG suggested that a new statement would be made by the Board.

5. Chief Executive’s Report

The Chief Executive had submitted a written report from which he verbally reported on several items.

i. The new membership scheme

Tenders had been received from 6 bidders plus one other that had already been received. Cvent was considered to be the best placed to meet the ECF’s requirements. It had a strong record, impressive client list, provided security and 24 hour support. The Board were proceeding subject to confirmation of a few outstanding points and contractual details etc. The new system would be in place and operating before September. Delivery was planned for 1st July.

A number of questions were raised of a detailed nature which the Chairman allowed though Council was not being asked to approve the procurement. The following were confirmed by APF:

- The new system will integrate with the grading system
- The new system will support the processing of batch applications submitted by Member Organisations (MO’s). These would not have to be entered manually .
- The system will support login capabilities for individuals to update their own personal details. There is an outstanding issue for existing members and those joining through MO’s which is still to be resolved.
- The system will not support Gift Aid payments. Maybe later.
- Data will be migrated from existing membership list.
- Cvent will host the system
- The cost will be an annual charge of £5,000 which will cover any ad hoc work to adapt the system and electronic payments for up to 20,000 members. There will be annual hosting charge of £800.
- The date for individuals had not yet been agreed, but a start date will become clearer after contract signing.

MJG concluded that the new system would bring the membership schemes more under ECF control.

DRAFT

Approval of Chief Executive's report: In favour 22; Against None; Abstentions 11. Report approved.

6. Update on CAS Arbitration

NS was not at the meeting to provide an update.

A range of questions were raised concerning this case:

- The governance arrangements for the Board to advise Council of such legal cases
- The governance arrangements for Board meetings and decisions
- How the Board arrived at the decision to support this case
- Who is liable and is there a third party guarantor if the decision goes against the ECF

APF explained the process by which the Board arrived at its decision to support the case with the use of email voting and Board meetings. The Board followed its normal process. Any governance arrangement issues should be referred to the Governance Committee. The case is indemnified by a Kasparov International Management LLC. APF said that there was a very low risk of the indemnifier defaulting in the event of an unfavourable ruling, but in that event the ECF would be liable.

Much of the discussion centred on the Board's failure to advise Council of the legal action at the AGM in October 2011. APF reiterated that the omission was due to an oversight, not a deliberate decision not to reveal anything, and once again apologised for this.

The initial hand vote to approve the report was: In favour 17; Against 15.

The motion was put to a card vote: In favour 73; Against 103.

Report rejected.

7. ECF Accounts for the Year ended 30 April 2011

The delay in producing the final version of the accounts was noted. One question was raised on the lower game fees received from congresses than in previous years (AF). GC replied that he had decided not to recognise game fees until received which is a change from previous years' principle.

The accounts were approved.

8. Report of the Chairman of the Finance Committee

I. The Finance Committee Report

The following points raised in the report were noted:

- Role of Finance Director
- Financial Accounting expertise in the Office
- Disclosure of legal action between ECF and FIDE.

APF stated that the Board accepted the report in full and it would be actioned.

Questions raised were with answers:

- Should the auditors not be made aware of any legal actions? GC replied that for the legal action between ECF and FIDE they had not been informed, but he will inform them now.

DRAFT

- The auditors should be advised of any issue of potential financial consequence (MA).
- DS advised that there was a potential liability on the British Championships at Torquay of £80,000. GC indicated that he was already aware of this.

ii. The British Championship (BC) Accounts 2011

APF explained that JAP had spent much time revising the BC Accounts to provide a more accurate presentation and thanked JAP for his work.

There were a number of questions on the sponsorship fees paid out to players by the President. APF explained that the President had not been asked to submit an invoice, but in retrospect he should have submitted an invoice which would have required approval of the CEO or Finance Director. Further discussion questioned the activities of the President.

The report by JAP was approved nem con.

Thanks were expressed for JAP's work to resolve the issue on the accounts.

There followed a discussion on the activities of the President. JAP advised that the Council could express a view of this matter even though it was not an agenda item. The following proposal was put to the meeting:

“Council considers that the conduct of the President brings his performance into question and calls for a full review of his activities”

Initial vote: In favour 12; Against 15.

Full card vote: In favour 84; Against 93. The motion was lost.

9. **Motion on International Rating**

It was noted that that the Board had appointed Lawrence Cooper as the International Rating Officer.

The following motion was put to the meeting:

“That Council instructs the Board to move responsibility for international rating from the Home Director to the International Director”.

Vote: In favour a large number; Against 2. The motion was passed.

10. **Annual Business Plan 2011/2012**

The annual business plan was approved nem con.

11. **Finance Director's Report and Budget 2011/2012**

GC reported that his report and budget took account of the following:

- The work that JAP had done on the BC accounts 2011
- 2012/2013 includes a £5,000 contingency
- 2012/2013 includes one-off costs of £7,500 for the new membership scheme and book keeping and accountancy in the Office
- He had tried to be realistic about inflation

DRAFT

- Income has been based on revised financing calculations with the new rates in place. For new member rates he has been cautious. Non-members are estimated to pay £9 per annum each.
- A prudent view of the British Championship income and expenditure has been taken

A number of questions were asked about the budget.

The report was approved nem con.

12. Direct Members Subscriptions

There was much discussion over the proposed new membership fees with some members believing the fee increases were too high. APF explained that in forecasting next years income he had made what he considered to be conservative assumptions and that the budget was based on a conservative scenario. If take-up were to be higher than estimated, the income would be higher.

The following votes were recorded:

i. Proposal by CEM	Existing Rate	New Rate
Bronze	£13	£15
Silver	£19	£21
Gold	£28	£30

Vote: In favour 11; Against 21. Motion lost.

ii. Proposal that there is no change to items a or b, but there is only a single discount.

- (a) payment by Bronze, Silver, and Gold Full and Concessionary Members direct to ECF via the ECF website of £1 per membership
- (b) payment by a Member Organisation that has entered into a Framework Agreement under the Direct Member Bye Laws by 31st October in the year in question of £1 per membership

Vote: In favour: 22; Against 8. Amendment passed.

iii. Amendment that there is no discount for online application

Vote: In favour 3; Against many. Amendment lost.

iv. Motion as amended with 3 year rates as three times annual rate.

Vote: In favour 28; Against 3. Motion passed.

13. Minimum Membership Fees for Member Organisations

The motion was for a minimum fee of £58.

Vote: Carried nem con.

14. Determination of Game Fee

The following motions were submitted for voting:

- i. Junior fees under sections e, f, g, h should be reduced to one quarter (25%) of the comparable rates for adult and mixed events. To be applied to all exclusively junior events including junior congresses,

DRAFT

and proviso's 1 and 2 not to be applicable.

Vote: In favour 21; Against 10. Motion passed.

ii. Proposal that Proviso 1 and 2 are not applied.

Vote: Passed nem con.

iii. For Congresses and Leagues the £6 in Section 2 should be reduced to £4.

Vote: agreed.

iv. Accepting Game Fees – Proposal to remove the 85% provision

Vote: In favour 17; Against 10. Motion passed.

v. Proposal to amend sections:

- a and c to be reduced from £2 to £1

- b and d to be reduced from £1 to 50p

Vote: In favour 85, Against 92. Motion lost.

vi. Game Fee

Proposal that the Game fee should be £2 and £1 as in the paper.

Vote: In favour 22, Against 5. Motion passed.

At this point at about 17.40 the meeting agreed an extension to 18.30 to complete the remaining business.

15. Changing the Financial Year

Council was invited to advise the Finance Director of any objections to changing the financial year before formal proposals are put to the AGM in October.

16. Codes of Conduct

The paper was received. AMc suggested that the body responsible for the codes of conduct should be independent, whereas as proposed by the consultation paper it would be chosen by the Board. It was proposed that the specific proposals included in the paper for a decision at the AGM be postponed and incorporated within the consultation set out elsewhere in the paper, with comments invited by the deadline stipulated.

Vote: Passed nem con.

17. Adoption of Budget for 1 May 2012 to 30 April 2013

APF expressed the view that in light of the changes agreed to fees etc that he could not be sure of the overall effect on the proposed budget.

DRS proposed that “the budget be re-submitted to the Board, but where expenditure figures in the budget may be used as a basis of expenditure decisions over the next three months”.

This was agreed.

DRAFT

APF requested advice on where the Council would like to see reductions in expenditure as Income may be reduced. DRS suggested savings in the International Chess budget.

18. Consultation Papers

APF drew Council's attention to the various consultation papers circulated to Council with the AGM papers and asked for comments to be submitted by the deadlines stipulated.

With regard to charitable status, DRS expressed "a concern that a charitable body may not be able to pay monies to a non-charitable body; a charitable body may only use its monies for that body's purposes. There was also a question over the Permanent Invested Fund which needed to be addressed."

19. County Championship Rules

The following changes were noted and agreed:

- i. C4.1 – loss of the match by default should be changed to one penalty point.
- ii. D2.2 – Unions' third nomination s should be made more formal.
- iii. D3.1 – Amendment to say "All rounds should be held in the same grading season".
- iv. D5.1 – Should say "report match by email within 48 hours."
- v. E2.3 – Should say "list players within 10 point grading band."
- vi. E4.2 – Should say "the captain winning the toss gets choice of colours".

20. Venue and Date of the next meeting

The AGM is scheduled for 13 October 2012 in Birmingham

The meeting was closed at 18.30.