



**Minutes of the Meeting of the English Chess Federation Council
on
Saturday 12th April 2014
at
The Euston Square Hotel, North Gower Street, London**

Phil Ehr (Chief Executive) opened the meeting at 13:32

1. Appointment of Chairman.

On behalf of the Board, **Phil Ehr** recommended that in the absence of a serving President, Mike Gunn, who had been Non-Executive Chairman until the conclusion of the 2013 AGM, be appointed to chair the meeting.

Agreed on hand vote

2. Notices

The **Chairman** announced that he intended to re-arrange the agenda order following discussion at the Board meeting that had preceded this Council meeting. Item 17 on the ECU General Assembly would be brought forward and taken immediately after item 4, Matters Arising. He also stated that he intended limiting the time spent on that item and on Matters Arising to not more than 1 hour in total, in order to leave plenty of time for the financial matters on the agenda. Item 9, Strategic Plan, would be dropped down the agenda and be taken consecutively with item 16, Transformation White Paper.

The **Chairman** advised the meeting that he intended taking a strict line on conduct and that speakers could ask for individuals to be called to account, but personal abuse would not be tolerated. Other than the proposer of a motion, who would have the right of reply, individuals should only expect to be invited to speak once on any item.

The meeting was advised that Julie Denning was taking the Minutes and that an audio recording was being made purely for the purpose of assisting with this. No objections were raised.

Copies of people voting by proxy, and so on, were available from John Philpott.

Apologies for absence had been received from Lawrence Cooper due to a family health issue, and from Julian Clissold who was out of the country with a junior chess team from Manchester.

There were 4 people attending the meeting as guests with the permission of the Chairman. These were Ulrike Vogel, who had applied for the position of Commercial Director, Sabrina Chevannes, who would be joining the meeting later, and 2 other chess players Brendan O’Gorman and Tim Gluckman.

A list of attendees, their affiliations and voting rights is given in **Appendix 1**.

John Wickham and **Chris Majer** were proposed to act as **Tellers** for the meeting.

Agreed on hand vote

John Philpott announced changes to the voting register that had been approved by the Board. These were 1 extra vote for the Witney Rapidplay Congress, re-admission of the Bronowski Trophy and admission as new members of the UK Chess Academy and the Delancey UK Schools Chess Challenge.

3. Minutes of the Annual General Meeting of the Council held on 12 October 2013

On points of accuracy:

- **Richard Haddrell** questioned the final sentence of the first bullet point at the top of page 4 “The Director of Home Chess stated that it is hoped to resolve these technical problems so that the grading database can be held on the main website” as he said the database was already on the main website, with the problem existing, at that time. He accepted the suggestion of David Thomas that “... can be held....” be amended to “... can continue to be held...”

Agreed without a formal vote

- **David Sedgwick** reported that he had passed various comments to David Eustace, who had been Minutes Secretary at the last meeting. **David Eustace** confirmed that he had received these points, together with a comment from John Wickham concerning awards. He intended to incorporate all these points, none of which he felt were particularly significant.

Agreed without a formal vote

- **Roger Edwards** pointed out that at the top of page 5 it was stated that the report of the FIDE delegate was adopted “nem con” but then said there were 4 votes against. The **Chairman** agreed that “nem con” needed to be removed.

Agreed without a formal vote

- **John Wickham** stated that his comments regarding awards on page 7 included that a number of them had not been advertised and that it was agreed that the Board would look into this. He particularly wanted this noted as he wished to refer to it under *Matters Arising*. The **Chairman** proposed adding an item saying:-

“John Wickham raised a query about the awards not being advertised and the Board agreed to look into it.”

Agreed without a formal vote

Motion: “that the Chairman of the meeting shall sign the Minutes as being an accurate record”

On a Hand vote: Passed nem con

4. Matters Arising from these Minutes and not otherwise on the agenda

Andrew Farthing referred to item 4.iv and the resolution “The Board to be instructed to produce a strategic plan and an annual business plan and maintain that plan”. He understood that no business plan yet existed and requested an update. **Phil Ehr** acknowledged the requirement to produce strategic and business plans, which do not exist yet. He reported that the Board, at its meeting that morning, had agreed to hold a meeting on 19th May to work on strategy and a strategic plan, separate from any other business.

Ben Edgell asked for an update on the complaints procedure [item 11.i]. **Chris Majer** replied that there was no further progress at this stage, but that it would be worked on in the next six months.

John Wickham, referring to item 10, asked why no awards had been advertised on the website this year. **Phil Ehr** referred to the Awards Committee, but was not aware of why nothing had been advertised. **Stewart Reuben** added that, as Chairman of the Awards Committee, this was something he intended addressing later in the year. He also pointed out that while he was the Officer in charge of this topic, he required additional people to be appointed to his committee.

[Later in the meeting the **Chairman** announced that Stewart Reuben was requesting volunteers to join the Awards Committee and that it was hoped to achieve a geographic spread of representation.]

Bill Armstrong asked for news of the English Seniors Championship. **Alex Holowczak** replied that this was taking place next week at Sunningdale. [Minutes Sec. Note: 17 – 21 April 2014, in conjunction with the e2e4 Easter Congress.] **Stewart Reuben** stated that there was a great deal going on, including England now having the European Over 50 Champion in Keith Arkell. He asked why, as he had effectively been doing the job for 15 years, he was still referred to on the website as the “acting” Manager of Senior Chess, and why hadn’t the Board got around to ratifying his position? **Phil Ehr** responded that the Board had ratified his position, but that the website needed updating. **Stewart Reuben** “... and perhaps to inform the Officer concerned?” The **Chairman** “consider it done”. [At a later point in the meeting, but reported here to complete this topic.] **John Philpott** announced, to the delight of the meeting, that the word “acting” had now been deleted from Stewart Reuben’s title on the website.

Andrew Leadbetter referred to item 9 and the election of President. He noted that with Andrew Paulson having resigned, there was currently no President and that the Board should appoint one. He proposed that the obvious candidate was Roger Edwards, who was the runner up in the election last October, had served the BCF and ECF well for a long period of time, and that the Board should do this within 1 month. **David Sedgwick** wished to speak to the proposal. He stressed that his comments were not personal with regard to Roger Edwards, but he felt what was needed was a pause for breath with the position of president left open till October, when potentially more than one candidate might come forward. He would oppose the motion. **Ben Edgell** said that Jack Rudd wished to put his name forward for President and he (Ben Edgell)

wished to support him. **Chris Fegan** queried whether, as a constitutional issue, it was the remit of Council, as the body that had elected the President last October, to vote for a replacement, rather than leave it to the Board. The **Chairman** replied that this was not so. The Board had the authority to appoint someone to a vacant position. Members could convene an Extraordinary General Meeting to elect someone through a proper election process, but this could not be done at the current meeting. In that case, **Chris Fegan** supported David Sedgwick's position that the matter should be left till the October Council meeting. **Andrew Leadbetter**, in summing up his proposal, felt that with a number of important events run by the ECF coming up, it was important to have a president who could act as a figure head, outside of day-to-day business of the ECF. Such an election would only last till October anyway.

Motion: "that the Board proceeds to appoint a new President within one month and considers Roger Edwards, as the runner up in the last election, to be a candidate."

Proposed: Andrew Leadbetter

Seconded: Alex M^cFarlane

On a hand vote: for 11 against 20 Motion lost

Julie Denning referred to the matter of the Sussex archives, raised under AOB at the last meeting. She had been directed by the Sussex CCA to make the following statement:-

"We had, for an extended period, pursued the fate of our County archives that had been entrusted to the ECF for onward placing in the National Chess Library. We are grateful that the very recent intervention of the CEO finally saw some progress being made. In particular, we were granted access to a Hastings Council storage facility where it was known that other material from the ECF had been lodged, and appeared to be the last hope for finding our archives. Alas, they were not there. These archives provided a unique record of chess in Sussex, going back well over a century. The Sussex CCA is extremely dismayed at their apparent loss, and the carelessness of the ECF in allowing this to happen, but believe we must all now accept that this is what happened and that no useful purpose will be served by pursuing this further."

Richard Haddrell referred to item 4.v, where he had enquired about progress on the new registration scheme that had been proposed and which, it was said, would be completed by Xmas. It had not been, so could he repeat the question? **John Philpott** responded that it had been concluded that the original proposal was not the way to go and he was now working on an alternative that made use of information already within the grading database.

5. ECU General Assembly [Originally item 17 on the agenda]

The **Chairman** introduced the item by saying that the Board had made a proposal to Council and that Phil Ehr had written a paper [Document 20.17] in support of that proposal. **Phil Ehr** said that the paper had been submitted as an explanation to Council. The recommendation had been reviewed by the Board earlier in the day and had been confirmed as a sincere recommendation. The **Chairman** then opened the discussion to the floor.

Nigel Short said that what was before Council was an unprecedented proposal to disenfranchise the delegate democratically elected by them. This was to appease the recently resigned President of the ECF; in fact to persuade him to resign. It was not a proper procedure, or done in a legal manner. Council was not fully informed of all the decisions to be made. If the vote went to Andrew Paulson, this was a vote for Zurab Azmaiparashvili in the ECU elections. The deadline for receipt of nominations for that election was 9th May, so we had no idea who might

be a candidate. He did not think it proper for Council to give the vote in this way – “this slightly shady payoff” – to Mr Paulson. He asked Council to reject the motion.

Richard Haddrell understood that under the Officers and Directors responsibilities, the job belonged with the FIDE Delegate, who was Nigel Short. The Board was entitled to amend those responsibilities but, as far as he knew, they had not done so. The **Chairman** responded that Council was being invited to do this by this motion.

Stewart Reuben, asked Nigel Short who had been the proxy for the ECF at Tallinn. **Nigel Short** responded that it had been Garry Kasparov. **Stewart Reuben** challenged the accuracy of this, as he understood that Kasparov had not exercised the vote, but had passed it on to someone Stewart Reuben had never heard of – and that this had been done without the knowledge of the International Director or the Board. He wouldn't wish to see that repeated at the ECU elections in Tromso. Turning to other points, he reported that Andrew Paulson had spoken to him of the difficulties he was having on the Board. He had not heard from any other Board members, but had urged Andrew Paulson to resign as President in the interests of English chess. He believed that once Council had elected members to the Board, they should give them their support. To do otherwise would discourage anyone from standing for these unpaid positions and haunt the ECF for years to come. For this reason, he urged Council to support the Board's proposal.

David Sedgwick considered the early part of Stewart Reuben's comments grossly misleading as there had not been any relevant motions at the Tallinn meeting on which the UK delegate could vote. Hence, whoever held that proxy was irrelevant. There was no comparison with the extremely important elections at the ECU General Assembly in Tromso which was now being considered.

David Openshaw, referring to Stewart Reuben's comment about Nigel Short not consulting the International Director, stated that he had faith in Nigel Short and that he didn't need to be consulted by Nigel. **Phil Ehr** stated that Nigel Short had called him, as Junior Director as he then was, ahead of the Tallinn meeting and briefed him on his intention to pass the UK vote to Garry Kasparov. Consequently, although the Board may not have been informed, at least one director was. (**Nigel Short** interjected “and other directors”.)

Ray Edwards noted that the Board had passed a vote of no confidence in the President, which was a very serious matter and an action that one presumed would only be done under circumstances of severe difficulty. He considered it illogical, after the Board had shown such a lack of faith in Andrew Paulson, that he should be appointed to represent the ECF in an ECU context. The motion defenestrated Nigel Short, who had been the ECF delegate for a long time and had an untarnished reputation in international circles, in contrast to Mr Paulson. He considered that Andrew Paulson had a problem with the concept of conflict of interest. He referred to the situation with Andrew Paulson's company AGON, which he characterised as the commercial arm of FIDE, and the apparent sale or giving of shares in AGON to Kirsan Ilyumzhinov. Andrew Paulson had conflicts of interest both in his relationship with FIDE and as President of the ECF. Ray Edwards did not believe Andrew Paulson was fit to be an ECF representative in any event, let alone the ECU.

Simon Gilmore agreed with the previous speaker. He was stunned by the Board's behaviour. He noted Richard Haddrell's earlier point about this being part of the responsibilities of the FIDE delegate. As there was nothing in the proposal to change those responsibilities, he suggested that as a point of order, the proposal was unconstitutional. The **Chairman** declined to rule on that point.

Alex M^cFarlane observed that this was a very complex issue. The Board seemed to have fallen out with Andrew Paulson for some reason and this was a cobbled together compromise. He would like to know what Andrew Paulson had done wrong to produce this. He noted that David Openshaw had nominated Andrew Paulson, so presumably had supported his manifesto. As he was unaware of Andrew Paulson having broken his manifesto, he asked David Openshaw to explain where he thought that manifesto had been broken. **David Openshaw** agreed that he had nominated Andrew Paulson and looking back to last October, he would still nominate him as he believed he was the kind of person who was needed as President. However, there were a number of issues with Directors that had led to the present situation.

Malcolm Pein had also supported Andrew Paulson's nomination, but now believed he'd made a mistake. He would be uncomfortable with Andrew Paulson representing the ECF in any capacity. He believed the Board had behaved correctly towards Andrew Paulson, but that the proposal was a fudge to get the issue out of the way and a fudge that had been misrepresented as unanimous, as now shown by resignations. He urged Council to reject the proposal and ensure that Nigel Short remained the representative at all important meetings.

Angus French was concerned that Directors had supported the motion as directors but felt unable to explain it as individuals in public. In that case, how could they be making the proposal?

Marcus Misson was very confused and wanted to know if there were any repercussions if the meeting voted against the proposal. The **Chairman** stated that he was unaware of any repercussions whatever the meeting decided to do.

Mike Basman didn't understand all the aspects involved, but observed that we are not entirely amateurs; we were all tainted by money. That included Nigel Short, who made a living out of chess. That was not to cast doubt on Nigel. Were we never to deal with money?

The **Chairman** observed that this was the first time Mike Basman, representing the UK Schools Chess Challenge had attended a Council meeting and it was good to see him here.

Andrew Paulson believed there were some fundamental misconceptions. There were details that he might correct or ways he might inform Council of what really happened. He felt the procedure was rather opaque. He didn't believe any members of Council, other than those he'd spoken to in person, had any real idea of what had happened, but he didn't want to bore the meeting with self-indulgence as it didn't look as if Council were going to approve the motion. He did want to say there was no conflict of interest. He'd had nothing to do with AGON for over a year. There was no transaction of shares to Ilyumzhinov, as was proven in documents everyone had seen. If one had read things he had posted on the *[English Chess]* Forum, and analysed his relationship with FIDE, it would be seen that he was not involved in Chess to make money. The contract with FIDE was designed to pay FIDE €33m before any shareholder got a penny. The work he did to bring to England the Grand Prix and the Candidates was almost charitable on his part and there was no financial interest in this at all for him. There was nothing secretive about the document, as he had talked about it with both Nigel *[Short]* and Malcolm *[Pein]* long before it was handed to the press. Consequently, he didn't think the issue of the FIDE memorandum was relevant; it wasn't brought up in the discussion on whether the Board had confidence in him. He thought he had demonstrated, both from a legalistic sense and a logical sense, that there was no conflict of interest there, and there was an informal – not paid for - legal opinion that he had done nothing illegal or unethical. It did raise issues and questions that he regrets,

but there were lots of things in life that raised questions and they had to be looked at straight on, discussed and cleared up. As for why he lost the vote of confidence, reading the Minutes of that meeting would show that all the criticisms of him that were brought up at the meeting were rebutted. Perhaps there were other reasons, but they weren't brought up at the meeting. Perhaps questions might be asked about that in the future, but they were not to do with undermining other people. On the contrary, he had explained, and the Minutes had recorded, very clearly that there was no undermining. It would be interesting to know then why the vote went ahead. He had spoken recently with most members of the Board and he thought that if one was to ask them to revisit that vote – on the terms of that vote – one would probably see a little difference in that result. This wasn't really about Zurab [Azmaiparashvili] or [Silvio] Danailov, the 2 candidates for President of the ECU, because historically the ECF hadn't cared, and in general he doubted that this was something that was interesting enough to cause many members of Council to read either candidates' platform. Also, when he had spoken to other people in Federations elsewhere in Europe, the possibility of a person from the ECF having a position on the Board of the ECU was seen as a positive thing. Anyone reading his posts on the Forum, or the platform for the ECU, would know that he wrote the platform and also, as part of his agreement to join that ticket, he secured a commitment to bring the ECU office to London. Considering how little interest had ever been shown here in the ECU before, the combination of having him, with a platform very similar to the platform he had elaborated for the ECF becoming the platform of the ECU, and the office being here, could only be something that was positive for chess. The fact that the tickets were led by a Bulgarian and a Georgian was irrelevant. One sought to serve; he sought to serve the ECF and he was interested in serving the ECU. He was asking Council to allow him to vote for the ticket on which he would be able to serve chess. There might be technical or legal issues, as Nigel had brought up. There were certainly legitimate questions about exactly how this decision would be implemented; probably not enough thought was given at the Board meeting to the specific constitutional mechanisms. Ultimately, as Phil [Ehr] mentioned at the beginning, the Board re-affirmed that the motion was made sincerely, not the "nod nod, wink wink" impression one might have got from reading the Forum, that it was done cynically, and that the Board had absolutely no intention of delivering on its promise. In fact, the Board confirmed that it was a sincere vote. Ultimately, it was simply a question of whether Council was going to follow the recommendation of the Board. The whole point of representative democracy was that Council had delegated to the Board to deal with complicated issues, and this issue was complicated. There were lots of personalities involved; there were lots of issues, it was not simple. In delegating power to the Board, Council should respect their recommendation. What he would do though, if he could, to address Nigel's concern about the constitutional issue, would be to slightly amend the motion to make it conform a little more with practical reality. Nigel had already said publicly and in many contexts that if Kasparov lost the FIDE election in Tromso, he would immediately resign as FIDE Delegate. (Nigel Short interjected "no, that's false, absolutely false".) He [Andrew Paulson] had been misled. He recognised there might be a constitutional issue, but a vote in favour would be a vote to support the goodwill, and the sincere attempt, of all the parties to come to an amicable solution to a complicated problem.

The **Chairman** intended going directly to a card vote on the proposal from the Board.

Motion: "that Andrew Paulson be designated as the official ECF Delegate at the 2014 ECU General Assembly".

On a card vote: for 79 against 153 abstentions 30 Motion lost

6. **Approval of the ECF Accounts** *[Originally item 5 on the agenda]*

David Eustace presented the accounts for the 16 months period ended 31st August 2013. There were 3 documents involved; a single page summary document, the formal company accounts and detailed management accounts. He pointed out that he had been assisted by Chris Mattos as an adviser and by John Philpott as Financial Manager and the person who actually did all the work! Being accounts for 16 months didn't simply mean increasing everything by one third, as items were not evenly spaced throughout the year; for example, there might be 2 championships within the 16 months. The accounts showed a surplus of just over £11k, but this included an ex-gratia payment of £12k from the pension fund trustees of the late Martin Hawley. Without that, the accounts would be showing breakeven at best. The membership scheme had gone very well, much better than expected. The accounts had been presented to the auditors. There was no feedback yet, but he did not expect much change. He invited questions.

Alex M^cFarlane noted that the loss on the 2013 British Championships was blamed on the Centenary Dinner. He knew that a then-Director had reserved 10 places and didn't use any of them. Could he be told whether the £280 cost had been accounted for by that Director? **John Philpott** believed the answer was "no", but the director was in the room so could answer for himself. Nobody took up this invitation. **David Sedgwick** raised, as a point of order, that the individual involved had been asked to respond to this point at the last meeting and had done so at some length. He didn't believe something that had been covered at one meeting should be raised again at the next meeting.

Malcolm Pein believed the finance team should be congratulated for getting out the 16 months accounts. The other outstanding point was the success of the membership scheme. He remembered discussion on this topic going back many years. He believed that direct membership was the way to fund a federation and that the figures proved it.

Motion: "that the accounts be approved".

On a hand vote: Passed nem con

Before moving on to the next item, **Julie Denning** reported that the SCCU had resolved that in the light of the amount of work he had undertaken, this meeting should be asked to record their thanks to John Philpott. Council concurred with applause.

7. **Report of the Chairman of the Finance Committee** *[Originally item 6 on the agenda]*

Mike Truran noted that when he had taken up this function he had put in place a number of recommendations. Progress had been slower than hoped for, but this was understandable given the exceptional circumstances that existed, particularly with the resignation of the Office Manager and John Philpott holding the fort on that front. His report provided updates on these various actions.

David Gilbert asked how well the ECF was doing on the collection of game fee. **Mike Truran** thought things were getting better, both on billing and collection. **John Philpott** said he'd had to play catch up, having not started from a good position. He was moving to a more structured approach. There had been a log-jam over the first 6 months until they had got the membership and grading systems communicating with each other. This had led to a delay in billing congresses during that period. His goal was to send out invoices within 1 month of grading submissions being received. He would respond in a "low key way" if payment wasn't received in

a reasonable period of time. If it remained unpaid, a decision would be taken on escalating the matter. **Mike Turan** was able to confirm John Philpott's "low key" approach, having been on the receiving end of such a reminder for £8.50.

Motion: "that the Report of the Chairman of the Finance Committee be accepted".

On a hand vote: Passed nem con

8. Report of the Finance Director and Budget 2014 / 2015 [Originally item 7 on the agenda]

[Minute Sec. Note: Under this item Council were asked only to note the report. Agreement to adopt the budget for 2014 / 2015 was addressed under item 14, after other financial matters that might impact on the budget had been dealt with]

David Eustace presented his report, noting that Council would be asked to approve the budget for 2014 / 15, while data was also given on what was expected to happen in 2 subsequent years if the ECF did certain things. For the current year, till 31st August 2014, a small surplus had been predicted. A surplus of about £21k was now predicted, due largely to savings on an office manager's salary, with John Philpott currently filling the post on a voluntary basis. This should be regarded as a 1-off saving as the appointment of a new office manager was being budgeted for from 1st September 2014. During this year, the ECF was running teams for a European Championship and Olympiad, so very high costs for International. An additional £4k had been approved for this in October by the Board, coming from the surplus from previous years. Next year there would be no major international tournaments, so likely to make a surplus again. This would push general reserves up to about £72k by August 2015, which compared with under £30k at the end of 2012 / 13. He invited questions on the 2014 / 15 budget.

Chris Fegan reflected on concerns he had expressed last October on problems with sending a women's team to the European Championships. He sought an assurance that the best possible women's team would be sent to the Olympiad and would not suffer from preferential treatment being given to financing the male team. **David Eustace** responded from a financial viewpoint. He noted that approval had been given to send the best possible teams, that the Board had already granted an extra £4k and that under the next agenda item the International Director would be seeking a further £5.5k. The Board had provided a budget which Council had approved. It could not be said to be "regardless of finances"; some sort of parameters had to be set around it. Further discussion should be under the next agenda item.

Mike Basman enquired when would the ECF be running an international chess tournament here? **David Eustace** didn't see this as a budget question. **David Sedgwick** said he presumed Mike Basman was thinking of something like the European Youth? (**Mike Basman**: "No, something like Nottingham 1936".) He remarked that the London Classic had been running for 5 years, but Mike Basman countered that that was not the ECF. The main point David Sedgwick wished to make was that the previous evening representatives of the Board and Council had had dinner with Silvio Danailov. The question of the ECF bidding for a European championship of some kind did come up. The Finance Director was not unsympathetic, but this could only happen when the financial stability existed to support this. He was sure this would not happen under the 2014 / 15 budget, which was the subject currently being discussed, but might be a very real possibility in years beyond that.

David Eustace then moved on to the budgets for the following 2 years, for which he had presented different scenarios. These included seeking to lift the reserves to £100k and moving to fully funded international teams, rather than relying heavily on donations. There had been a

target many years previously of having £50k in baseline reserves. Allowing for inflation and the ambition of hosting an international event, led to the finance team coming up with the target of £100k. The budgets showed what the impact of these scenarios might be on membership fees. Council was not being asked to approve any of this, just to consider it so that when resolutions came up in future, they had an idea of the likely impact on the membership scheme, based on the current number of members.

Andrew Farthing applauded the professionalism of the presentation and the looking ahead to future years. He agreed with the £100k figure being a sensible aim for the reserves. He wanted consideration to be given to transferring sufficient money from the Permanent Invested Fund (PIF) to bring the reserves up to £100k by the end of this financial year. He felt this would have a relatively minor effect on those funds, avoid this sort of debate year after year on reserves and allow the ECF to move on to considering funding further activities. Had there still been an item about transferring PIF money on the BCF Council agenda, he would have proposed an amendment to this effect in that meeting. **David Eustace** agreed to take that option on board.

Malcolm Pein enquired whether the £350k figure for junior chess was related to the John Robinson money. **David Eustace** explained that the bulk of that figure came from funding by parents. There was some contribution from the John Robinson fund, but this was minor in comparison to the total figure. There had, however, been an extra £5k put into the budget for junior chess next year.

Motion: “that Council note the report of the Finance Director”.

On a hand vote: Passed nem con

9. Proposal by the International Director [Originally item 8 on the agenda]

David Openshaw reminded Council that both they and the Board had expressed the wish to see the best teams possible, both open and women’s, entered for the European Championships and the Olympiad. We had good chances of success for the Olympiad, particularly with the open team which had achieved draws against both Russia and Ukraine in the European Championships. An appropriate budget had been put together and approved at the Finance Council meeting a year ago. It involved higher levels of both income and expenditure, with a net figure of around £20k from the ECF. The balance of funding was intended to come from donations and other activities from within the ECF. It was also hoped that some money might be raised through sponsorship, but this hadn’t happened. Experience from the European Team Championships of seeking small donations from Board or Council members hadn’t been very successful. He was therefore now seeking an additional £5,500 from the anticipated surplus for 2013 / 14 to be allocated to the International budget to ensure the strongest possible open and women’s teams could be sent to the Olympiad. He invited questions.

Chris Fegan welcomed the report, but wanted to return to his earlier comments. The perception he had got from the October Council meeting was that consideration of a women’s team for the European Championships was secondary to the men’s team, and this appalled him. He proposed a radical idea – that when it came to arranging the teams for the Olympiad, the women’s team be sorted first and then the men’s team. **David Openshaw** pointed out that it was not correct to refer to a men’s team; it was an open team in which women could also play, and a few women did play in the open teams of other countries. It should be our aim that this might also happen in our open team. Turning to the teams for the last European Championships, the issues surrounding the women’s team were not purely financial; there had been a financial question

for one player, but it was also a matter of player availability. However, these issues had been addressed and there were both open and women's teams entered at Warsaw.

Angus French asked that if there was still a deficit, even with the extra £5,500, that this be split equally between the open and women's teams.

David Sedgwick supported the International Director's proposal. There had been circumstances in the past when the ECF had not been able to do all it would like to. In his judgement, the good work and sacrifices that had taken place, meant we should be able to this time. He agreed broadly with Chris Fegan's comments. He considered it would be wrong in principle, and a public relations disaster, if we did not send the strongest possible teams to Tromsø. Whether we could move to full funding, as the Finance Director had suggested, would need to be discussed at future meetings. He knew that the International Director recognised that there were financial constraints, he could not always do everything he would like to do and this could not always be solved by coming to Council and asking for extra funding. As an example, he had discussed with the International Director the possibility of greater ECF representation on FIDE committees and commissions, which was something ECF had been approached about by FIDE. The difficulty was always money as FIDE does not pay the costs. He had asked the Director whether funding might be available from the International budget. David Sedgwick would not reveal the Director's answer in what had been a private meeting, but indicated that it consisted of a single, 2-letter, word.

David Eustace spoke against the proposal. He supported sending the best possible teams. However, in his budget for 2014 / 15 he had tried to provide extra funding for other activities. There was additional funding of £5k for junior chess, £2k for women's chess and £2k for seniors chess. There was more to support amongst our population than just the international teams, important though they were. Income from membership and game fees was just under £140k. Around £80k of that went on administration, leaving only just over £50k for everything else. Of this, over 60% was already going on international chess. We needed to decide a proper balance between the activities to be funded.

Andrew Farthing agreed with David Eustace over the need for a proper balance and considering things on a case-by-case basis, but he also supported the proposal. He presumed that the search for sponsors and donors would continue, with the extra £5,500 being a backstop rather than calling a halt to such searching. **David Openshaw** responded that £11.5k had been raised for the European Championships and he was aiming to raise £10k for the Olympiad. Together with the money already in the budget and the extra £5.5K he was now seeking, this would enable him to fund both teams fully. He believed we should be seeking sponsorship for all activities, not just international, but the problem was that the ECF was not active in seeking that.

Stewart Reuben thought it would be a bad idea not to support the proposal, as it would leave the International Director in a difficult position of not knowing how much he had to spend as he approached the event. He also saw business sponsorship as the ideal way of financing these things.

Sabrina Chevannes having been part of the "Warsaw fiasco", strongly supported the proposal. The problem was not just about team selection, but also preparation. Last year they had gone without a captain / coach. Speaking on behalf of all the women, it had been intimidating to play against such strong opposition, with them having world class coaches, while there was no one there to support them. Many of the team were amateurs, so needed advance notice to arrange things such as time off work.

Alex M^cFarlane welcomed David Eustace taking the lead in opposing the proposal, as he didn't want his (*Scottish*) accent to make him seem to be anti-English! However, the North of England wanted to see the reserves built up and money put into other areas such as junior chess, women's chess and seniors chess – where we were having some success. Several people had made the point to him that it should be a privilege to play for your country and so long as you were not out-of-pocket (air fares, accommodation and such like), you should be prepared almost to play for nothing. He didn't fully agree with that himself, but it was a view clearly put to him to make to this meeting. This view was that money should be spent on a greater number of people, rather than just the few people in international teams.

Sean Hewitt was broadly in favour of the Director's proposal but wanted the Board to take certain points on board. This was the 2nd year in a row that funding had proved to be insufficient for the teams to be at the level the Director would want. He would like to avoid such cap-in-hand calls for extra funding in future. He felt the ECF could learn from other sports and games in setting success criteria in terms of getting value for money. He cited the British Olympic Committee and Sport England, who also had limited funds but set criteria, then made retrospective assessments against those criteria to see if they were getting value for money. He agreed with David Eustace that this could not be an "at all costs" situation. If success was not achieved, the funds should be reallocated. He would like to see such criteria put in place before events took place.

Angus French wanted to be absolutely clear whether the extra money guaranteed that both teams would be fully funded. **David Openshaw** couldn't give that guarantee, as he still needed to get £10k – £11k of donations, but he was confident he could get that level of donations which would mean that both teams could be fully funded. He agreed with Angus French that this left open the question of what would happen if that funding was not achieved.

Motion: "that up to £5,500 out of the expected surplus for 2013 / 14 can be applied to make good the shortfall in Olympiad funding indicated by the forecast".

On a hand vote: for 28 against 8 Motion passed

10. Direct Members Subscriptions

David Thomas said that as the budget was showing a healthy surplus, there seemed to be no need for an increase this year. This would be 3 years of the membership scheme with no increase, so he would expect an increase at least in line with inflation next year.

Sean Hewitt asked what would be the effect if item 13, increase in game fee, was to fail? What would be needed in membership fees to balance that out? **David Thomas** believed the ratio between game fee and membership incomes was such that the amount expected to be raised by the proposed increase in game fee would account to just pence on the membership fee. He wouldn't expect to put up membership fees by such an odd amount. Rejecting item 13 would be taken up by the surplus. He thought the effect would be less than £1,000 and that that was probably within the accuracy of the costings in any case.

Mike Truran asked, if the impact of item 13 was effectively negligible, what was the point of suggesting it, other than to have ***** foaming at the mouth on the Forum again? To which an unidentified voice enquired whether that was not an end in itself.

Marcus Misson suggested that the fees for Gold and Silver membership might be rounded up to £30 and £20. **David Thomas** said that would be a significantly greater increase than would be needed to compensate for item 13 not being carried.

Motion: “that subscriptions for the period 1 September 2014 to 31 August 2015 will be unchanged at the following levels:

Platinum: £60
Gold: £28 (Junior £22)
Silver: £19 (Junior £13)
Bronze: £13 (Junior £9)

On a hand vote: Passed nem con

11. Minimum Membership Fees for Member Organisations

David Eustace stated that the budget had been based on the current figure of £58 and no need was seen to increase that.

Chris Fegan asked what an inflation increase would bring in. **John Philpott** pointed out that the £58 was a minimum fee and only applied to about a dozen organisations. Consequently, the effect would be negligible.

Motion: “that the minimum Membership Fee for Member Organisations remains at £58.”

On a hand vote: Passed nem con

12. Proposal by Hastings & St Leonards Chess Club (a direct members’ representative), Cumbria Chess Association, North Circular Chess League, North Staffordshire & District Chess Association and the Oxfordshire Chess Association.

The gist of this proposal, as fully set out in the Motion at the end of this item, was to reduce the game fee charged to non-members for internal club games to 25% of the current levels.

Paul Buswell believed there were a number of fringe players for whom game fee or ECF membership was an imposition. The ECF had chosen to fund its activities by effectively taxing chess. That was understandable and he believed the membership initiative from a couple of years before had proved satisfactory. However, there were players who could be encouraged to join in if the subscriptions were pitched at the right level. For purely casual and social players, £2.25 per game, as proposed in item 13, was too high and £13 for ECF membership often begged the question “what does the ECF do for us”. He had no promotion material to show what the £13 membership fee provided for them. The ECF would bring in players at the fringes if they were offered a discount to a game fee of 50p, which could easily be administrated. The £2,700 that the proposal suggested this might cost could be found within the total income from membership and game fess of around £140k, or come from the £5k contingency figure that the Finance Director had reinstated for 2014 / 15. He acknowledged it was enlightened self-interest that would help his club as he believed some members would drop out of club competitions, and there was one club competition that would drop out of grading. The ECF would do better to give them a low level charge for people at the fringes rather than charge the full amount.

Peter Sherlock agreed that players new to the game and who were testing the water found the membership or game fee prohibitive. They should be reduced to encourage more members.

Simon Gilmore supported the motion, believing that it would encourage newcomers who would subsequently become full members. This used to exist as a reduced rate under the old game fee.

Andrew Leadbetter said it was not actually a tax on chess, but a tax on graded chess. The players concerned would not get a grade for some time, so clubs could allow them to play in their competitions, calculate what their grade would be, but not actually have their games graded. He did not consider the proposal was necessary.

Marcus Misson observed that if he played 5-a-side football he still paid the same as everyone else who played that game.

Sean Hewitt said this was not about money at all. He had checked the grading database for the last year and there were only 54 people who had only played in club internal games. Nearly half of those came from the proposer's club. He felt it ironic that they were talking about £12 to the ECF being a barrier to participation, when their club membership fee was £60 a year. His experience from the leagues he represented was that new players did not balk at paying £12 to the national federation. One reason for the success of the membership scheme was its relative simplicity and extra complexity should be avoided at all costs. The proposal would add an additional layer of complexity, which would be a bad thing, particularly for such a very small number of players.

David Eustace supported Sean Hewitt's final remarks, appealing for simplicity. In the past, game fee wasn't being administered well. The more complexity that existed, the more it would cost to administer. Non-members could play friendly games, they'd just be outside of grading. The ECF was not asking the earth; you didn't get much for £12 today. Joining any other national organisation cost a lot more than £12.

Paul Buswell applauded Sean Hewitt's research and accepted its accuracy. He had acknowledged enlightened self-interest, but it was also echoed by various leagues and counties around the country. He rejected the argument of additional complexity as he was suggesting the same rate as for junior or rapidplay tournaments, and there were already concessions for those. The cost to the ECF was minimal and this was a way to encourage players who were new to chess to get a grade. It was put forward as a 1-year idea to see what the impact or problems were.

Motion: "that Game Fee for the season 2014 / 15 for clubs' internal games, i.e. graded games organised by clubs and played solely between their members or as part of a promotion to non-members, shall be the lower of 50p or ¼ of standard Game Fee, or the lower of 25p or ¼ of rapid play Game Fee, as appropriate; that if necessary any estimated loss of income shall be funded from any budget provision for Contingencies that shall have been made (if the Finance Director finds that necessary) or otherwise as the Board may direct."

Proposed: Paul Buswell

Seconded: Peter Sherlock

On a hand vote: for 9 Against 29 Motion lost

13. Determination of Game Fee

David Eustace stated that the proposal was to increase Game Fee from £2 to £2.25. It was expected to bring in something like £1,500 - £2,000, which would help to recover expenditure elsewhere such as international teams. It was also much more complex to collect game fee, so it was intended to nudge people towards membership.

David Gilbert enquired what the effect would be on congresses that currently charged Bronze members £6 to play. **David Thomas** answered that there would be no effect as it was explicitly stated that the £6 “pay to play” fee would be retained.

Ben Edgell suggested that as the intention was to move more towards membership, might it not be good to see whether council would like to do away with Game Fee altogether, rather than continue to put it up by small amounts? That wasn't a proposal on the agenda for the current meeting, but it might be considered for a future meeting.

Andrew Farthing reported that consultation within the MCCU revealed overwhelming opposition to the proposal. The amount of money it would raise was neither here nor there. The fundamental point was encouraging people towards membership and he didn't think this proposal fitted the bill. He believed that leaving membership and game fees where they were for another year would continue to see a movement towards membership and it was worth waiting to see if that happened.

Andrew Leadbetter admitted to being responsible for the problem! He recalled that when the membership scheme had been brought in, the proposal had been for 2 levels of game fee (£2 or £1) for leagues, depending upon the proportion of their players who were members. He had proposed having a single figure, hoping it would be £1, but while the concept was accepted, Council had opted for £2. He now felt it unfair that leagues should be hit by another 25p just because he had interfered in the first place. He considered the proposed increase unnecessary.

Chris Majer said he wanted to propose that the Game Fee remain unchanged and enquired whether that should be treated as an amendment to the proposal. The **Chairman** replied in the negative, saying he should just vote against the proposal. He clarified that his intention was to hold a hand vote once the discussion was concluded. If the proposal was clearly passed, Game Fee would be £2.25. If the proposal was clearly defeated, Game Fee would £2. If it was somewhere in the middle, there would be a card vote where people would write down what they thought it should be, but he wanted to avoid that. If the motion failed, Chris Majer could propose a supplementary motion, but a counter-proposal could not negate the primary proposal.

Sean Hewitt supported the proposal. Council was very good at spending money, but revenue needed to be raised somewhere, which was always much more difficult. He reminded the meeting that while a very healthy surplus was predicted for the current year, that was because the ECF was running without a full time office manager. Had that not been so, that would have wiped out the entire surplus and more. In effect, John Philpott was donating that money back to the ECF.

Nigel Short, introducing himself as the ECU Delegate, compared the UK to other European countries. He believed that the German Federation had around 90,000 members and the French Federation around 70,000, while the UK had only about 10,000. If the ECF membership could be raised to 20,000, they wouldn't be struggling so much for £1k – 2k. The general move towards

membership for everyone should be continued and we should think a lot bigger than we were doing now.

Paul Buswell was concerned by the underlying move towards compulsory membership. He did not believe this was correct for an organisation that only gave its members the most diluted and indirect representation on the Council. He thought putting up Game Fee was bad politics and bad PR. Membership fees were being kept unchanged. The amount of money was relatively modest in Federation terms. He opposed the proposal.

Julie Denning supported Paul Buswell's view. She recalled that the whole debate about the membership scheme was quite emotive. The ECF got it through, but she suspected there were many cynics who said "it's only a matter of time before they put the game fee up". She noted that despite the 1-off nature of the surplus for the current year, a surplus was still forecast for the next year. She thought the proposal was "bad politics" and it would be better to leave it for at least another year. Council had voted down the Hastings proposal, but she wondered whether this current proposal was a step too far the other way.

Chris Priest noted that putting Game Fee up to £2.25 meant it no longer divided by 8, making the pro rata rates rather odd.

David Eustace replied to the points raised. The proposal did help to raise money. It might only be £1,500 - £2,000 a year, but that was over 1% of income. Further movement towards membership was anticipated. That had been the trend and over the next 3 years the budgets were moving around £2k from game fee to membership fee, which was thought to be the natural progression. It was a fairly modest fee. Bridge players accepted that they paid a table fee each time they played. He commended the proposed increase in Game Fee from £2 to £2.25.

Motion: "that the basic standard play rate of Game Fee is increased from £2.00 to £2.25, with pro-rata changes for rapid play events and exclusively junior events. The pay to play fee for non-FIDE-rated Congresses that are not exclusively junior would remain at £6 adult / £4 junior as these amounts represent the difference between silver and bronze adult and junior memberships".

On a hand vote: for 15 against 27

The **Chairman** asked whether Chris Majer wished to proceed with a motion to leave Game Fee at £2 to make the situation absolutely clear. **Chris Majer** indicated that he did, but this was countered by a request from **Sean Hewitt** for a card vote. The **Chairman** acceded to the request and stipulated that each person write on their voting card what they thought the Game Fee should be. After some debate over whether voting was restricted to just £2 or £2.25, it was agreed that absolutely any amount could be stipulated.

The results from the card vote were:

Proposed Game Fee	Votes
£1	9
£2	167
£2.25	74
£2.40	6
£2.50	1

Being the median value: Game Fee for 2014 / 15 set at £2 (unchanged)

14. Adoption of Budget for 2014 / 15

Following the discussion under item 8, and completion of the subsequent financial items (save for the outcome of the card vote on Game Fee reported above, but which was not announced until after item 15, but was not considered to have a significant impact on the budget), further discussion was not sought on the budget proposals for 2014 / 15 and Council went straight to a vote on adoption.

Motion: “that Council adopt the budget for the financial year from 1 September 2014 to 31 August 2015”.

On a hand vote:

Passed nem con

15. Establishment of a Charitable Incorporated Organisation

David Eustace referred to Paper C20.15 which addressed the setting up of a Charitable Incorporated Organisation. It set out the background and how the Board had got to the present position. Various people had worked on setting up the ECF as a charitable trust, dating back to the 1980s, but little had come of this. By the time of the October 2013 Council meeting there was a proposal that Chris Mattos had worked on to turn the ECF into a charitable organisation. Legislation had changed in 2006 which allowed chess to be seen as something that could be charitable. Trying to turn the ECF into a charity had a few fundamental difficulties. Supporting professional chess, such as the international teams, was not a charitable aim. So if the ECF was created as a charity, the international teams could not be funded from its charitable income or funds. There was also a question mark over that small part of the British Championships where there were professional players, although there were arguments whereby the whole event could be considered charitable. This left the problem that if the ECF was to be created as a charity, there would be a need to change fundamentally how the ECF was organised. One idea was that the ECF would be split in 2, with one part, the ECF, becoming a charity and the other becoming a professional organisation supporting the Olympiad and, maybe, the British Championship. The ECF part would have been able to carry on with its 10,000 membership, but the professional organisation would not. They would have no income unless they were able to get sponsorship or donations. One possibility was to split the Permanent Invested Fund (PIF), some going to the ECF charity and some to the professional organisation, but people had difficulty with that idea. The ECF were not the first organisation to face these issues and he had been in contact with his opposite number in the English Bridge Union (EBU). The EBU had spent nearly 5 years trying to get set up as a charitable organisation for bridge players. They had basically the same activities as the ECF. They had 55,000 members, but about 50,000 of those were just social members. The remaining 5,000 were keen players, with just a very tiny group of international players. They spent a lot of money supporting their international teams, which they realised they would no longer be able to do as a charity. So they abandoned the idea and instead set up a separate charity for the development and education of bridge. They kept the EBU going as everyone knew it, and set up the charity that they could put money into. By the end of last year, the ECF Board were coming to a similar conclusion of setting up a charitable trust attached to, but not controlled by, the ECF, where donors or sponsors could put money. Andrew Paulson thought they would be better able to sell chess if they were talking about a charity. A committee had been set up to develop this idea and had decided to set up a charitable trust, to be known as the Chess Trust. A template was taken from the Charity Commission for a Charitable Incorporated Organisation. Everything in the proposed Constitution [*Schedule 2 in Paper C20.15*] except where it had to be altered in put in the name of the Trust [*Clause 1*], the names of the Trustees and their terms of office [*Sub-Clauses 9(4), 10(2)(a) and 10(3)(a)*] and the objects of the Trust

[Clause 3] was taken directly from that template. The proposal at the moment was to set up a vehicle as a charity. To provide a link with the ECF, 2 of the trustees should be ex-officio members of the ECF (the Chief Executive and the Finance director) and the existing 3 trustees of the PIF had agreed to join the Trust to help manage the money. There was a further proposal to move some of the PIF across to the new charity. The motive for this was that there should be some tax advantages on income or capital gains – there were actually quite a lot of capital gains lying in the PIF. However, the Board had now decided they wanted a longer period of consultation with the membership about moving the funds across to the charity. This would likely be followed up at the next Council meeting in 6 months time. The proposal before the ECF Council at this stage was to agree to the setting up of the Chess Trust. If agreed, this would need to be registered with the charity Commission then taken to HMRC to ensure that the tax benefits could be obtained. Those benefits would not be enormous; there would be some benefit on corporation tax and capital gains, and Gift Aid could be obtained on donations from anyone's taxed income or capital gains.

Chris Priest thought that the way the EBU had acted and the way the ECF were proposing were a little different in that the EBU continued to have the majority of the funding and activities and the charity was just to encourage bridge, whereas the ECF were proposing putting all the non-professional chess – the grading and everything else – into the charity. **David Eustace** responded that that was not correct. He was not proposing changing the ECF at all. What was proposed was to have an adjunct organisation that was a charity. That charity would hopefully attract funds and the ECF would be able to apply to it for money to meet its charitable aims. These could include training, development and infrastructure activities, and information and grading services. However, there was still a need to get money into the Trust. Apart from transferring PIF money or donations, if anyone wanted to leave a legacy there could be tax advantages to the donor of leaving it to a charity. Membership fees would continue to go the ECF.

Andrew Farthing wanted to clarify the significance of going for a Charitable Incorporated Organisation. He understood from advice he'd received elsewhere that there were reduced reporting requirements compared to setting up a company limited by guarantee, as a company would need to report to Companies House, as well as to the Charity Commission. A consequence was that a CIO was less transparent to potential donors than a company limited by guarantee. He wasn't suggesting that was a problem, but sought clarification. Secondly, and there was less urgency on this as it was not proposed at that meeting to authorise the transfer of £280k into the new charity, but he observed that in terms of the ECF's influence over the charity there would be no equivalent of the current Trust Deed over the PIF. Under the Trust Deed any use of the capital had to be agreed by Council, but once funds had been transferred to the new charity, the trustees would be free to use the money on any activity compatible with the charitable aims. While the ECF might have the degree of control or influence in practice, it might not be there in the letter of the documentation to the satisfaction of Council. **David Eustace** confirmed Andrew Farthing's understanding of the reporting requirements. That was one reason for legal advice that a CIO was a very appropriate vehicle to use. He also agreed that once money had been transferred to the Trust, the Charity Commission would want to ensure that the Trust had independence. It could not be controlled by other organisations. This had been highlighted by the lawyers on the committee, particularly Richard Fries who had spent his career in the Charity Commission. That was why, in addition to the 5 trustees appointed by the ECF, once the Trust was established the trustees themselves could appoint up to a further 7 trustees, although he doubted they would ever go that high. There would not be direct control, but that was one of the compromises that were necessary in order to get the benefits of being a charity.

Andrew Leadbetter asked how the Trust would be different from the Friends of Chess. **John Philpott** dismissed the comparison by pointing out that the Friends of Chess was not a charity.

David Sedgwick sought, and was granted, the permission of the Chairman to raise comments about the PIF at this point as he was not a member of the BCF Council. He was concerned about transferring all but £1,000 to the CIO, but would not comment on that further as the proposal was now in abeyance. He was also concerned over the proposal to extend the PIF for a further 21 years and whether that was an appropriate term of office for trustees. Not only did it leave trustees in position for a long time, but it effectively ruled out people of a certain age. He also reflected on the structure that had been put in place for the BCF in 2005, when no one had bothered too much about it, as it was a residual body with no great importance. With the arrival a few months later of the John Robinson money, the BCF became very important. What was left was a structure that, rightly or wrongly, was not considered the appropriate structure of the ECF Council for making decisions. He understood that a reason for keeping the PIF was that it might in the future receive legacies for purposes that were not charitable. In that case he thought it more appropriate for trustees to be appointed for a 3 years period, as for the CIO, and with election by the BCF Council or delegated to the ECF Council. **David Eustace** responded that the proposal for the BCF Council meeting was being amended to extend the PIF for 1 year from 20th May 2014, leaving the current trustees in position. This reflected the Board's decision to allow time for further consultation with members over the next 6 – 12 months. He accepted a further request from David Sedgwick that the comments he'd already made be considered as part of that consultation. **Ray Edwards** corrected David Sedgwick's understanding by pointing out that the 21 years was the life of the trust, which was a legal requirement. The trustees had no such obligation. The current Trustees were committed chess players, but also had a wealth of experience in finance, investment and the law. They had long supported the move to a charity and had written at length with their views on that. He did not envisage problems between the Trust and the ECF. He noted that the Charity Commission was very tough on ensuring that a charity did what its Deed said its objectives were. He also agreed from his experience that it was much easier to raise money for a charity as there was a public perception that money given to a charity would be properly spent. The ECF, and the BCF before it, had never been good at raising money; compared to most charities, it was awful! Raising money should be the Boards No. 1 objective at their strategy meeting.

Before moving to a vote, it was noted that the wording of the proposal on the agenda differed from the information given in Paper C20.15 relating to the length of term each of the trustees should serve and, hence, the order in which each of them would come up for re-election. The wording in the paper was the latest intention, so the wording in the motion below reflects that and is amended from that on the agenda.

Motion: "that Council approves the formation of the Chess Trust in the terms of the draft tabled and invites Keith Bevan Richardson to serve for an initial term of three years; Raymond Brunton Edwards to serve for an initial term of two years and Julian Thomas Farrand to serve for an initial term of one year."

On a hand vote: for many against 1 Motion passed

At this time (16:48) the meeting adjourned to hold the BCF Council meeting. The ECF Council reconvened at 17:03

16. Transformation White Paper Considered in conjunction with:-

17. Strategic Plan [Originally item 9 on the agenda]

Phil Ehr invited comments on the 2 papers he had produced [documents C20.9 and C20.16]

Ray Edwards suggested that written comments might be invited. **Phil Ehr** was content with that suggestion.

Marcus Misson referred to the proposal in the Transformation paper that there be 2 non-executive directors, at least one of whom should be from outside the chess community. He thought there were many reasons why that was an excellent idea, and wondered whether **Phil Ehr** might like to expand. **Phil Ehr** noted that the Articles required 2 non-executive directors. He had looked at the Sport and Recreational Alliance standards and they recommended having people from outside the particular area. He hadn't got as far as identifying particular skills, but the aim was to have something that was otherwise lacking on the Board.

Chris Priest agreed with **Phil Ehr** and said this was very common at the top level in business to bring in outside expertise.

Paul Buswell enquired about the background of the Commercial Director who he thought had been appointed that morning. **Phil Ehr** corrected him that **Miss Vogel** had just applied, but no appointment had yet been made. There was another candidate as well.

David Sedgwick noted that his final paper as the out-going representative to the Sport & Recreational Alliance was mentioned in the Strategy paper. He hoped all Board members would read it before their strategy meeting. He noted that the Chief Executive had suggested in his paper amending the functions of Directors. **David Sedgwick** had no issue on that, although it was not something he'd raised in his paper. He had investigated whether people involved in other "mind sports" might be interested in some sort of swap, but this hadn't revealed much support. However, he recalled that the Board had previously done this in a more informal way when they invited **David Openshaw** who had a very distinguished record as an administrator and player in another sport, to become the International Director and was able to bring those experiences to the role he performs for the ECF.

Chris Fegan, reflecting on his earlier comments, believed the ECF needed greater diversity as part of its transformation. He meant that in its broadest sense; he had spoken already about gender representation, but he felt there was a general diversity deficit in the organisation.

Ulrike Vogel, who was one of the applicants for the post of Commercial Director, wished to comment on the point about gender diversity. She had had some involvement with FIDE and as a woman she felt it was quite intimidating to get into the men's club of chess. With job and family responsibilities, it wasn't always easy for women to find time to contribute a lot, but there were women out there who could help, even if it was difficult to find them.

Peter Sherlock questioned why it was suggested that 2 directors be paid. **Phil Ehr** responded that this was a proposal to develop a hybrid organisation, including expertise to develop and maintain high level relationships with business sponsors. The ECF had often organised British Championships or other events without paying people to do it. The ECF was a business and could pay people to do these things. At the same time, the ECF was also a federation built mainly on volunteer services; most were not in it for the money. The idea was that there would be paid people responsible for deliverables such as organising events, grading or member

services; whereas policy, representation, selection of players, standards for coaching and arbiters would be done by the traditional experts who do it more for the love of the game than for the remuneration.

Tim Gluckman asked whether there was any experience of using professional fundraisers and was there any interest from government in putting money into chess? **Phil Ehr** responded that every time a venue was sought for the British, local government was approached and Alex Holowczak had experience of that and Sean Hewitt had been successful in that regard. Occasionally, he was approached by people keen to fundraise for the ECF, if only we'd pay a fee upfront. David Openshaw had experience of getting donations for international events. Miss Vogel had had formalised training in that. The other Commercial Director candidate was someone with a lot of experience of raising funds for diseases.

The **Chairman** advised that the UK Government did provide funding for English chess for a number of years - £60k a year – but that stopped 4 or 5 years ago.

Andrew Leadbetter thought that as a company limited by guarantee, directors could not be paid. **Alex Holowczak** replied that it would require a change to the ECF constitution, but legally directors could be paid.

Chris Priest enquired whether, if Miss Vogel, for instance, was taken on as Commercial Director, she would also be able to apply her skills to the charitable organisation, which appeared to be in great need of fundraising? **Phil Ehr** replied that she could.

Stewart Reuben had the suspicion that business sponsorship, as opposed to business donations, would not fit so well with a charitable status. When there had been success in the 1970s and 80s with companies putting money into chess, some for 16 or 17 years, it was nothing to do with patronage or charities, it was to do with their getting value for their money.

Andrew Farthing thought there could be a problem having someone working for both organisations. They would be distinct organisations, competing for funds from the same sponsor or donor, there could be a conflict of interest in having the same individual as fundraiser. As it would be seen as ECF money going into the charity, it would be easy to slip into the mind set of the charity being an extension of the ECF, but it would not be; it would be completely separate. Legally, that separation had to be very clear so conflicts of interest would arise. **Phil Ehr** acknowledged the point and the need to consider conflicts of interest as they developed the plan.

Motion: “that Council note the Transformation and Strategic Plan papers”.

On a hand vote:

Passed nem con

18. Amendments to the Articles of Association

Chris Majer explained that this was just correcting a drafting error that he had made 6 months before. It was to address situations of conflict of interest, or other matters, whereby the Chief Executive wanted to step aside from chairing the meeting. The President had that right for Council.

Motion: “that Article 63 which currently states:

“The Chief Executive shall preside as chairman of the Board but if at any meeting he is not present within 5 minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting”

be amended by inserting the words “or is unwilling to act” after “the same”.

On a hand vote: Passed nem con

19. Amendments to Regulation No. 3

Alex Holowczak summarised the changes, as set out in paper C20.19. The main change was that now to acquire a National Arbiter licence with FIDE, you needed to have passed either the ECF test or the FIDE arbiter test first. You will then have Level 1 status. The original ECF Arbiter is now Level 2 and the ECF Senior Arbiter is now Level 3. Also, the CRB requirement was removed after taking legal advice.

Motion: “that Council notes the changes made to Regulation No.3 the Arbiters and Coaches Regulations, which were approved by the Board on 19 January 2014”.

On a hand vote: Passed nem con

20. Directors’ Reports

David Thomas referred to his Report [Document C20.20]. There was a Game Fee exemption for WCU members that expired on 31st August 2014. The Board had agreed that this should be replaced with:-

“Where cross-border leagues are submitted to the ECF for grading Game Fee will not be charged in respect of members of clubs geographically outside England who are members of the appropriate National Federation.”

This extended the existing exemption *sine die*, but applied it also if, say, the same thing happened across the Scottish border.

David Sedgwick had been expecting a report back on the Cheshire and North Wales situation. As there appeared to be no such report, he queried whether anyone could provide any information. **David Thomas** had had discussions with Cheshire and North Wales, solely on the Game Fee issue he had just dealt with. He thought there may have been a breakdown of communication, for which he accepted responsibility, between himself and Kevin Staveley, but he felt it was more of an AGM Council matter, rather than a Finance Council matter, so he hadn’t expected it to come up at this meeting. **David Sedgwick** explained that it had been discussed at the Finance Council in 2013 and the resolution passed by Council was that there would be a report back in 12 months. **David Thomas** offered his apologies, but pointed at that he had neither been at that meeting nor in post at the time. **David Sedgwick** believed it was a matter of some importance as, when it was resolved, it would require a new BICC Agreement. The Director of Home Chess wanted a new BICC Agreement for other reasons and he didn’t want David Anderton to have to draw up 2 BICC Agreements in a short space of time. **David Thomas** thought agreement had been reached to take the status of Cheshire and North Wales out of the BICC Agreement. There would then be a separate agreement between just the ECF and the

Welsh Chess Union about Cheshire and North Wales. **David Sedgwick** concluded by saying there was a BICC meeting coming up shortly and he assumed someone from the ECF or Welsh Chess Union would report there along the lines just set out by David Thomas.

21. Any Other Business of which notice has been given to the Chairman of the Meeting or Company Secretary before the start and which is of a minor nature only.

The **Chairman** said that nobody had notified him of any other business, but he invited any inputs from the floor.

Ben Edgell reported that Devon Chess Association wanted to put on record congratulations to Keith Arkell on his win at the European Seniors and that Bristol were disappointed that Sean Hewitt had stood down and wished to propose a vote of thanks for his work. **Council** concurred on both points.

Stewart Reuben raised the issue of vacancies on the Board. There had been 2 recent resignations, along with one longstanding post that hadn't been filled. He enquired whether the Board had any plans to fill them. **Phil Ehr** responded that with respect to the President, the Board were going slowly as they wished to hone their thoughts on the qualities for the person above and beyond those written in the job description. The Board would note the points made by Council earlier in the meeting. With respect to the Non-Executive Director they would also consider what was wanted in that post, but there was a vacancy notice on the website and it would be considered at their next meeting. **Stewart Reuben** asked what the quorum was for the Board? **Chris Majer** responded that the quorum was 3, but there was also a requirement to call an EGM if the number of directors ever fell below 5. Currently, there were 7. Finally, **Phil Ehr** noted that there were at least 2 candidates for the post of Commercial Director.

Alex M^cFarlane expressed concern over what he had understood Phil Ehr to have just said about not having to fill the non-executive director post. **Phil Ehr** clarified that what he intended was that the Board were going slowly on the President and at their next meeting would determine the pace to go at for the non-executive director and possibly make an appointment. **Alex M^cFarlane** continued that he was concerned by the whole handling of the Andrew Paulson affair, including the manner in which a special Board meeting was held. He believed that with the way the Board appeared to the general public to be functioning, it did require 2 non-executive directors to monitor its performance in more extreme circumstances.

Stewart Reuben questioned whether the Board had the right to change the terms of reference of a non-executive director. **Phil Ehr** hadn't meant to imply that they would change those terms of reference. **Alex M^cFarlane** noted that Angus French had ended up a very close 3rd in the last election and he would like to see the Board endorse him for the position. In response to a point from the Chairman, **Angus French** confirmed that he had applied for the post on the same basis as he had stood last time.

David Sedgwick drew attention to the statement on the agenda that matters of substance may not be raised under this heading. Council had noted what had been said about Angus French and his willingness to stand, but any form of endorsement, without notice, late in the meeting, with some people having already left, would not be appropriate. The **Chairman** concurred.

David Welch noted that Council had some while previously decided that the number of directors should go up from 9 to 10. The present situation was quite ludicrous. Either the number of 10 was wrong, in which case the Board should consider making an alternative suggestion, or if the

Board considered the number to be correct, they should put effort into upholding their own decision. **Phil Ehr** responded that the Board had made no expression to reduce the number of directors. Ten remained their goal.

David Sedgwick wished to express thanks to Mike Gunn who had come out of a well deserved retirement to chair what was potentially an extremely difficult meeting and which on the whole had gone extremely smoothly. **Council** showed its appreciation in applause.

The **Chairman** closed the meeting at 17:38.

Signed as an accurate record:

Date:

DRAFT

Attendance Record

Attendee	Capacity / Representing*	Votes*
William Armstrong	Braille Chess Association, Gold Members Representative	2
Mike Basman	Delancey UK Schools Chess Challenge	2
Paul Buswell	Vice Presidents Representative (Hastings & St Leonards Chess Club)	1
Neill Cooper	Briant Poulter Chess League	2
Julie Denning	Southern Counties Chess Union*, Sussex CCA, Mid Sussex League, Crowborough Rapidplay Congress	8
Nigel Dennis	British Chess Problem Society, English Primary Schools Chess Association, National Youth Chess Association, Berkshire CCA, Chiltern League, Thames Valley League, Berks & Bucks Congress	11
Ben Edgell	Devon CCA, Dorset CCA*, Somerset CCA, Wiltshire CCA*, Bournemouth & District League*, Bristol & District League, North Gloucestershire League*, Torbay League, East Devon Congress*, Royal Beacon Seniors Congress*, Teignmouth Rapidplay Congress*, Wiltshire Junior Chess*, Gold Members Representative*	25
Ray Edwards	Trustee, Trustee*, Trustee*	3
Roger Edwards	Leek Congress	1
Phil Ehr	Chief Executive, Non-Executive Director*	2
David Eustace	Director of Finance	1
Angela Eyton	Middlesex CCA*	3
Andrew Farthing	Immediate Past CEO , Midland Counties Chess Union, Worcestershire CCA, Worcester & District League, Herefordshire CA*	7
Chris Fegan	North Essex League*	2
Scott Freeman	Coulsdon Chess Fellowship Congresses	5
Angus French	Surrey CCA, Croydon & District League	5
Bryan Gaze	Essex CCA	4
David Gilbert	London Civil Service, Post Office & Municipal League*, North Circular League*	4
Simon Gilmore	Derbyshire CCA	2
Mike Gunn	Surrey Border League, Surrey Congress	3
Richard Haddrell	Kent CCA, Kent Junior Chess Association	5
Roger Hardy	West of England Chess Union	2
Sean Hewitt	Director of Junior Chess & Education* , Leicestershire & Rutland CCA, Coventry & District League, South East Lancashire League, Stockport League, Atkins Memorial Congress, e2e4 Congress, Big Slick Congress*, Gibraltar Masters Congress*	26
Alex Holowczak	Director of Home Chess , British Universities Chess Association, Dudley & District League, Birmingham FIDE-rated Congress, Birmingham Blitz Congress	5
Andrew Leadbetter	Staffordshire CCA, Cannock & District League, North Staffordshire League, Wolverhampton & District League	8
Ihor Lewyk	Leeds CA, Yorkshire CCA	6
Chris Majer	Chairman of Governance Committee , Hertfordshire CA*, South Herts Congress*	7
Alex M ^c Farlane	Chess Arbiters Association, Central Lancashire League*, Heywood Congress*, Lancashire CA*, Leyland Congress*, Northumberland CCA*, Scarborough Congress, Warrington & District League*	13
William Metcalfe	Manchester Chess Federation*, Northern Counties Chess Union, Cleveland CCA, Chester & District League*, Cumbria CCA*, Durham CCA, South Tynedale League*, Bury Rapidplay Congress*, South Lakes Congress*	16
Marcus Misson	Cambridgeshire CCA	2
David Openshaw	Director of International Chess	1
Andrew Paulson	Immediate Past President	1
Malcolm Pein	Chess in Schools & Communities*	4
John Philpott	The Friends of Chess*, Insurance League	2
Chris Priest	Hampshire CCA, Portsmouth & District League, Southampton League*	5
Adam Raouf	Golders Green Congress, Hampstead Congress, Kings Place Chess Festival	9
Matt Read	Hertford & District League (vote assigned to David Sedgwick)	0

Attendee	Capacity / Representing	Votes
Stewart Reuben	Vice Presidents Representative	1
Robert Richmond	Nottinghamshire CCA	5
David Sedgwick	Platinum Members Representative*, Hertford & District League	2
Peter Sherlock	Lincolnshire CCA	2
Nigel Short	FIDE Delegate	1
Brian Smith	London Chess League	7
David Thomas	Director of Membership & Marketing , Birmingham & District League, Leamington & District League*, Warwickshire CA*	12
Mike Truran	Chairman of Finance Committee , Oxfordshire CCA, 4NCL, Oxfordshire FIDE-rated, Kidlington Congress, Witney Congress, Witney Rapidplay Congress	15
Sainbayar Tserendorj	UK Chess Academy	3
Brian Valentine	Bedfordshire CCA	1
David Welch	Merseyside CCA, Hastings International Congress	6
John Wickham	East Anglian Chess Union, Norfolk CCA, Platinum Members Representative	7
Directed proxies given by:	Frome Congress	1
Sabrina Chevannes	Guests in attendance with the Chairman's permission	N/A
Tim Gluckman		
Brendan O'Gorman		
Ulrike Vogel		

* Proxy