

English Chess Federation

Possible Voting Reform

Key Points

- *The Directors acknowledge the concern that the existing constitutional arrangements do not adequately reflect the interests of Direct Members*
- *Council to decide if voting reform is needed and, if so, what form any such reform should take*
- *Three proposals:*
 - *Option 1 - abolition of Council and introduction of pure One Member One Vote, with the Board being elected by Direct Members*
 - *Option 2 - retain Council, but with the Council members not being the current members of Council but instead being individuals elected by the Direct Members, with the Council Members electing the Board*
 - *Option 3 - retain Council and its existing Members but with extra representation for Direct Members.*
- *Consultation until 12th March.*
- *Finance Council in April to decide whether any of the proposals should be approved in principle.*
- *Detailed implementation at the AGM in October if any proposal is approved in principle in April.*
- *Operation of any approved proposals in 2018.*

Introduction

1. Now that the reforms recommended by the Independent Constitutional and Governance Review Commission in its report of 2015 (the “**Pearce Report**”) have been substantially implemented, the Board believes that it is appropriate to start active consideration of whether any voting reform is required and, if so, what form any such reform might take. The Board has taken advice from the Governance Committee and has concluded that a number of possible approaches, as set out in this paper, should be considered by Council.
2. There is, of course, an enormous variety of different forms that voting reform could take; there are also a number of different factors that need to be considered, most significantly the extent to which, following the introduction in 2010 of the Direct Membership scheme, Direct Members should be given greater power in Council. (The existing constitutional arrangements are such that the Direct Members, divided into five categories – in simplified terms, bronze members, silver members, gold members, platinum members and various vice-presidents/life members – are entitled, in aggregate, to ten members of Council, each with one vote). On the basis of the voting register at recent Council Meetings, these ten votes represent approximately three per cent. of the total votes capable of being cast.
3. This paper sets out a number of different options for consideration. These options are skeletal in nature, intended to provoke discussion and consultation, there being little point in producing fully-fledged detailed proposals until it has been possible to determine which, if any, of them might be acceptable to Council in principle.

Process

4. The dissemination of this paper a number of months prior to April’s Finance Council is designed to allow consultation and discussion on, and developing and refining of, possible options before Finance Council is formally convened. At Finance Council itself it is proposed that there be a series of votes (see 8 below) so as to gauge whether there is an option that Council would like to be worked up in detail and then proposed at the 2017 AGM in October and, if passed, to take effect from 2018 onwards.
5. Regardless of the option chosen, the implementation of voting reform will entail amending the ECF’s articles of association and so require the passing of a special resolution (thus requiring a majority of 75 per cent. or more of votes cast). The ability to amend a special resolution is, as a matter of law, very limited and so if account is to be taken of the discussions at, and conclusions of, Finance Council it is only at a meeting (the 2017 AGM) that definitive and full proposals can be put. Accordingly, the resolutions to be voted on at Finance Council in April will only be advisory in nature.
6. In addition, following Finance Council a judgement may need to be made by the Board (in conjunction with the Governance Committee) as to whether any of the options has sufficient support for it to be worthwhile turning it into a fully-fledged proposal capable of legal implementation. Clearly, if an option at Finance Council were supported by 75 per

cent. or more of votes cast this would not be an issue, but the same would not be the case in respect of a majority vote with a lesser level of support.

The Options

7. Subject to any changes arising from consultation prior to the convening of April's Finance Council, the following will be the options to be discussed at April's meeting:

7.1 *Option 1 – (“OMOV with no Council”)*

(A) The Proposal

This option entails:

- the abolition of Council
- the Board being elected solely by Direct Members (and so no longer being elected by the various county associations, leagues, congresses and others currently entitled (“**Full Members**”))
- each Direct Member having one vote on any resolution to be voted on by members (“**OMOV**”) and having the right to attend members’ meetings

(B) Arguments in favour

- Option 1 could be argued to be at least as democratic as any other solution by virtue of its transfer of all voting power to the paying members of the ECF

(C) Arguments against

- although it is difficult to assess, it could well be damaging to good decision making at Council and the ECF generally to break the link between the ECF and the various associations, leagues, congresses, current and past office-holders and others comprising the Full Members. There would be a particular concern that organisers, whether of leagues, congresses or otherwise, would feel disenfranchised
- the abolition of Council might lead to less monitoring of, and control over, the activities of the Board
- there is a risk, difficult to quantify, that insufficient Direct Members will exercise their new rights, particularly the right to attend Council Meetings or exercise voting rights electronically, thus allowing an activist minority to exercise an undue amount of control
- lack of certainty as to how many Direct Members will attend members' meetings could cause organisational difficulties (although after a short time it is likely that this will be capable of being predicted)

7.2 *Option 2 - (“OMOV with Council but without Full Members”)*

(A) The proposal:

This option entails:

- retaining Council but reconstituting its membership such that it will no longer comprise Full Members; they will be replaced by individuals (“Council Members”) elected by the Direct Members on a one member one vote basis. Initially at least, Council Members will be elected for renewable terms of one year.
- the Board being elected by Council (as is currently the case, but in distinction to Option 1 above where the Board is elected by the Direct Members)
- each Council Member having one vote (to be exercised in person or by proxy) on each resolution voted on at any meeting of Council.

As with Option 1, the explicit link is being broken between the ECF and the various associations, leagues, congresses, current and past office-holders and others comprising the Full Members; and organisers of chess might feel disenfranchised. However, it could, to the contrary, be argued that the risk inherent in disenfranchising Full Members can be overstated; more particularly, it is likely that many of the individuals elected to Council under Option 2 will be the same individuals as are currently members of Council and so the voice of unions, congresses and leagues would, it might be argued, still be heard whether directly from the mouths of members of Council or through lobbying such members.

The detailed issues which would need to be resolved in relation to Option 2 include:

- (i) the number of Council Members that there should be. There clearly need to be enough to ensure that a sufficiently wide range of views can be represented at Council. A number in the range of 25 to 30 would appear to be the right number. A smaller number would run the risk of views not being represented; a larger number both raises the question of whether there would be sufficient willing and appropriate candidates and increases the risk of Council meetings running less smoothly;
- (ii) how the election of Council Members should be organised. Adopting geographical constituencies, with Direct Members in each constituency electing one or more Council Members, would appear to offer little or no benefit and is unduly complex (determining constituency boundaries, verifying which constituency any Direct Member is in, etc.). Equally, there is a degree of discomfort with adopting a system under which the different categories of Direct Member (bronze, silver, gold, platinum etc.) elect Council Members to represent them, as this may lead to voting at Council being overly dictated by the interests of different groups rather than those

of Direct Members and the ECF as a whole. The best solution would appear to be a “list system” where there is a list of candidates and each Direct Member is entitled to cast, say, six votes (but no more than one vote in favour of any one candidate). The list of candidates would simply comprise Direct Members who indicate they are willing to stand and would not be drawn up by the Board.

(B) Arguments in favour:

- Option 2 mirrors Option 1 in its transfer of voting power to the paying members of the ECF;
- it does not suffer from the other potential disadvantages of Option 1 referred to in 6.1 above (reduced monitoring of, and control over, the Board; possible undue power to activist minorities; organisational difficulties relating to numbers attending meetings);
- it is simple and easy to operate (c.f. Option 3 which involves members of Council being elected by two different methods).

(C) Arguments against:

- it is not clear whether the Council Members elected under Option 2 will consult with Direct Members to a greater or lesser extent than do current Council Members;
- there is possibly a risk there may be insufficient people wishing to be Council Members, particularly as time passes and existing Council Members who agree to take on this new status in Council gradually disappear from the scene;
- there would presumably be an increase in costs for the ECF by virtue of meeting the travelling costs of the members of Council (a cost currently met by Member Organisations in respect of their representatives).

7.3 *Option 3 - (“Existing Council with Enhanced Direct Members’ Representation”)*

(A) The proposal:

This option entails:

- retaining Council and all the existing Full Members with their voting rights (apart from the ten votes of the Direct Members’ Representatives)
- but increasing the extent to which Direct Members are represented at Council by having an increased number of persons representing Direct Members (the “Enhanced Direct Members’ Representatives”) together having an increased number of votes.

Issues which would need to be resolved in relation to Option 3 include:

- (i) determining the number of votes given to Direct Members' representation. Clearly there is a wide range of possible choice here, but the Board believes both that there is little point in proposing an increase that is not meaningful and that, if Option 3 is the preferred route rather than Option 2, a significant proportion of the enlarged voting number must remain with the existing Full Members. In light of this, the Board would favour the Enhanced Direct Members' Representatives being given a number of votes designed to be equal to the number of votes capable of being cast at a Council Meeting by Member Organisations (i.e. Constituent Units, Counties, Leagues, Congresses and Other Organisations, but not Directors, Officers, Past Officers/Directors and Trustees) ("**Voting Parity**"). However, despite the Board's preference Council will be asked at April's Finance Council whether, instead of Voting Parity, it would not be willing to grant Direct Members this much voting representation and so would prefer that the Enhanced Direct Members' Representatives be given a number of votes designed to be equal to one-third of such number, so if the Member Organisations were entitled to 300 votes, the Enhanced Direct Members' Representatives would be entitled to 100 votes ("**One-third of Voting Parity**");
- (ii) determine the number of Enhanced Direct Members' Representatives. A factor here will be the need to ensure that no single Direct Members' Representative can exercise an excessive number of votes. A further factor is ensuring that there are sufficient numbers of suitable candidates willing to fill the role. A limit of 15 votes per Enhanced Direct Member's Representative might be appropriate if Voting Parity applies, resulting in 20 or so Enhanced Direct Members' Representatives, whereas 10 Enhanced Direct Members' Representatives with approximately 10 votes each might apply in the case of One-third of Voting Parity. So as to reduce any risk of there being insufficient suitable candidates, it would be appropriate, for an initial period at least, to permit individuals who attend Council in other capacities also to be Enhanced Direct Members' Representatives.

The Board believes that each Enhanced Direct Members' Representative should, unlike the existing Direct Members' Representatives, ideally not represent a narrow group of Direct Members (e.g. Bronze Members, Silver Members, Gold Members or Platinum Members) ("**category system**") but should represent, and act in the interests of, all Direct Members and the ECF as a whole. However, it will be open to Enhanced Direct Members' Representatives to stand for election on the basis of representing a particular group of Direct Members (e.g. Bronze Members) and, if elected, to consult with them. (It would not be a requirement that the Enhanced Direct Members' Representative be a member of the class of members that he or she represents.) Enhanced Direct Members' Representatives would be elected on the basis of a list system of the kind outlined in Option 2.

(B) Arguments in favour:

- Option 3 manages to reflect the interests of Direct Members, whilst retaining the benefits that derive from the link between the ECF and the various associations, leagues, congresses and others comprising the Full Members. In other words, it recognises that the ECF is a federation and also that it is funded by its Direct Members
- it does not suffer from the potential disadvantages of Option 1 referred to in 6.1 above
- it involves less change than Option 1 and Option 2 and is both simpler to implement and gives rise to less uncertainty as to how it will operate in practice
- as long as it were permitted for an individual to be both an Enhanced Direct Members' Representative and to attend Council in another capacity, Option 3 would, in comparison with Option 2, suffer less risk of there being insufficient candidates for the new role.

(C) Arguments against:

- it might be thought by some not to go far enough in recognising the interests of Direct Members
- it adds to the complexity of the existing constitutional arrangements by its introduction of a further level of regulation relating to electing members of Council
- as with Option 2 there would be an increase in travel costs as a result of there being a greater number of Council members.

Votes at Finance Council in April

8. On the basis of the current proposals, the following votes would be undertaken at April's Finance Council:
 - (i) Option 1 versus the status quo;
 - (ii) Option 2 versus the status quo;
 - (iii) Option 3 versus the status quo;
 - (iv) if Option 3 were adopted, whether Enhanced Direct Members' Representatives should have Voting Parity or One-third of Voting Parity.
9. It is possible that there will be further votes. For example, if there is a vote in favour of two of Options 1, 2 and 3, it may be appropriate to have a vote to decide between the two

options (it does not follow that the option which obtained the biggest vote as against the status quo would necessarily be the preferred of the two options). A further vote might also be held if the level of support for the leading option for change fell slightly short of 75%; this would be so as to ascertain whether Council felt, notwithstanding the small shortfall, that it was worth developing the option into a fully-fledged proposal to be put to Council at the AGM in October. All votes will be undertaken as “card votes”, so that the level of support can be accurately gauged, and as stated in 4. above, all votes will be advisory in nature.

The Views of the Board and the Governance Committee

10. The Board believes that the current constitutional arrangements do not provide sufficient direct influence to Direct Members. The ten votes of the Direct Members' Representatives are, in themselves, insufficient. Furthermore, whilst the interests and views of Direct Members can be taken into account by the relevant Member Organisations to which Direct Members are affiliated or in whose events or leagues they play, there is not an adequate pattern of sufficient consultation actually taking place.
11. The Board thinks that it is appropriate that there be a debate at April's Finance Council in respect of each of the principal options set out in this paper. However, the Board is unanimous in not supporting Option 1, both because of the severing of the link with, and disenfranchisement of, the current Member Organisations and because of the other reasons set out in 6.1(C) above. The majority of the Board also believes that constitutional change is needed so as better to reflect the interests of Direct Members and thus supports the introduction of either Option 2 or Option 3 with Voting Parity. It is for Council to decide if there should be constitutional reform and, if so, to make a choice between Option 2 and Option 3.
12. One member of the Board feels that even reform of the kind contemplated by Option 2 or Option 3 is undesirable. This is on the basis that Council is currently generally fulfilling its role effectively; the current arrangements better allow for the views of Direct Members to be taken into account by means of consultation undertaken by the representatives on Council of the Member Organisations; there is a potential lack of people willing to be on Council; there is an increase in travel costs.
13. The Governance Committee shares the views expressed in 10. above as to the need to change the current constitutional arrangements and those in 11. above as to Option 1 being unacceptable, principally because of the severing of the link with, and disenfranchisement of, the current Member Organisations. However, the majority of the Governance Committee, unlike the Board, would not support the introduction of Option 2 (in their view principally because of the severing of the link with, and disenfranchisement of, the current Full Members) but is in favour of Option 3 because it gives appropriate greater recognition to the contribution and role of Direct Members whilst continuing to recognise the other individuals and bodies who play significant roles in English chess. If Option 3 is adopted, the majority of the Governance Committee is (unlike the Board) in favour of initially giving Direct Members' Representatives One-third of Voting Parity rather than Voting Parity. There was also a body of support on the Governance Committee in favour of Direct Members' Representatives being elected on the basis of the category

system not list system, on the basis that it facilitates consultation, provides representation for grass roots players and is simple to implement. The minority view on the Governance Committee, that of the Chairman, is that a very good case can be made, as against the status quo, for the implementation of either Option 2 or Option 3.

Other Proposals and Issues

14. A variety of other possible proposals and related issues have been addressed by the Board or the Governance Committee as part of the process of considering voting reform. Most significantly:
 - (i) other possible forms of voting reform have been considered, for example proposals under which all Direct Members would be given the opportunity, in advance of Council Meetings, to cast a vote on resolutions being voted on at the meeting. This proposal did not find favour, both because those voting would be so doing without having the benefit of hearing the discussions at the meeting and because of the risk of only a minority of Direct Members caring to participate in the process which would, in turn, give rise to a risk of an activist minority gaining undue influence.
 - (ii) regardless of which of the various options under consideration is chosen, it is clearly of the utmost importance that the views of Direct Members at large are properly sought and that account is taken of them. This applies particularly in respect of Option 2 and Option 3, in respect of which the views of the Board are that:
 - (a) there should be full transparency as to how a Council Member (Option 2) or an Enhanced Direct Members' Representative (Option 3) has cast his or her votes at a Council Meeting. Without this, the accountability of Enhanced Direct Members' Representatives or Council Members is significantly diminished;
 - (b) consideration should be given to having a formalised system pursuant to which Direct Members are asked to indicate by email / website voting in advance of any Council Meeting whether they are in favour of or against each resolution being proposed. Council Members or Enhanced Direct Members' Representatives would not be obliged to vote in accordance with the results of this poll but they would, of course, be exercising their votes with knowledge of it.
 - (iii) consideration has been given, in relation to Option 2 and Option 3, as to whether the various individuals who have votes at Council in their personal capacity (Directors, Officers, Past Officers/Directors and Trustees) should continue to have a vote at Council. There is clearly a respectable argument that, since Council is a supervisory body, it is inappropriate for officers to be members of that body. However, along with the Governance Committee, the Board believes, on balance, that such rights should continue, both because being allowed to be a member of Council would be an incentive to becoming involved in ECF matters

and, in the case of past office-holders who might otherwise not be entitled to attend Council, so that Council can benefit from their recent past experience.

- (iv) as for the question of whether, as between the current Full Members, votes are appropriately distributed, there is a multiplicity of different views as to whether different constituencies are over, under or properly represented. Not only would it be difficult to reach agreement on change (particularly in light of the need for a 75 per cent. vote) but it would be an unnecessary distraction from the major issue of properly reflecting the interests of Direct Members and so falls outside the scope of the current review.

Consultation

15. The proposals set out in this paper have, as stated in 3. above, been sent out well in advance of April's Finance Council so as to permit consultation and discussion. Any person who wishes to express an opinion in relation to the proposals should feel free to send an email on or before 12th March 2017 to votingreform@englishchess.org.uk.