

**ENGLISH CHESS FEDERATION FINANCE COUNCIL MEETING 16 APRIL 2016**, held in the Canterbury Suite of the Thistle Euston Hotel, Cardington Street, Euston NW1 2LP on Saturday 16 April 2016 starting at 1.30 p.m.

**Present:**

Neville Belinfante (NB), Julie Denning (JD), Ben Edgell (BE), Phil Ehr (PE), Gareth Ellis (GE), David Eustace (DE), Michael Farthing (MF), Chris Fegan (CF), Angus French (AF), David Fryer (DF), David Gilbert (DG), Simon Gilmore (SG), Howard Grist (HG), Mike Gunn (MG), Roger Hardy (RH), Tim Herring (TH), Alex Holowczak (AH), Peter Lawrence (PL), Andrew Leadbetter (AL), Chris Majer (CM), Steve Mann (SM), Marcus Misson (MM), Malcolm Pein (MP), Owen Phillips (OP), John Philpott (JP), Chris Priest (CP), Stewart Reuben (SR), Peter Sherlock (PS), David Smith (DS), Robert Stern (RS), David Thomas (DT), Brian Valentine (BV), David Welch (DW), John F Wheeler (JW), Traci Whitfield (TW) and John Wickham (JW).

**1. Appointment of Chairman**

The Company Secretary (JP) called the meeting to order. Council were informed that as the President had sent his apologies, the Board proposed that Julie Denning chairs the meeting. No other candidates were proposed, and the motion was carried nem con.

**2. Notices**

Council was informed of the printed lists of apologies, members voting by proxy, and members voting by proxy to the chair of the meeting.

Council was informed of others in attendance, with the permission of the chair: Christelle Hafstad (ECF Junior Business Manager), Amanda Ross (for item 12), Nick Faulks (observer), Mark Jordan (ECF Publicity Manager), and Gary Willson (minutes).

David Gilbert and Chris Majer were appointed as tellers nem con.

Council was informed the voting register had been regularly updated on the website in the lead up to the meeting. There were two changes from the version issued with the Agenda: Paul Sharatt had given his apologies on the morning of the meeting, and Stewart Reuben was in fact able to attend.

**3. Approval and, if necessary, correction of minutes of the Annual General Meeting of the Council held on 17 October 2015**

Angus French commented on some changes he had enquired about to the draft minutes extant prior to the meeting, and agreed with the chair that an appropriate amendment had been agreed. It was also noted that references in the draft minutes to DS refer to David Smith. The minutes, thus amended, were agreed by a show of hands.

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

CF commented on the error at the AGM concerning the outcome of the vote for Director of International Chess. He asked if we could ensure measures were put in place to avoid this happening again. It was commented that lack of time, lack of a computer, and an unsatisfactory voting sheet all contributed to the error.

Referring directly to the minutes, and to an entry from an internet chess forum, PE asked if MP had been observed acting inappropriately by other Board members concerning potential conflicts of interest. MP stated that he had not had to recuse himself at any time since taking up his position on the Board, and had informally referred to the Chair of the Governance Committee for advice when appropriate.

JD gave Council an update on the situation with the library. After organising some local help, the items are currently in a secure storage facility in Eastbourne. They are not accessible for general use, and we had not been able to identify a new home. George Jelliss had recently joined the library committee though it was agreed its numbers needed replenishing.

It was agreed to move the item 9 on the proposed agenda (Pay to Play fee in FIDE-rated events) to after item 11 (Adoption of the budget)

#### **5. Approval of the ECF accounts**

DE stated that for the year ending 31/8/15 the accounts showed a surplus of c£44,000 (after tax), largely due to not having a paid office manager for half of the period, and he commended the accounts to council.

Council asked if that meant we have a “cash pile”, DE replied that this was not the case as cash flow is not guaranteed. The work of the office manager had been covered on a voluntary basis by John Philpott.

The accounts were agreed by a show of hands nem con.

#### **6. Report of Finance Director and Budget 2016/2017**

The Board had proposed spending for the coming year, and outlined two proposals: the funding increase required if the proposals are agreed, and the activities that could not be undertaken should Council not agree to the proportionate increase in membership fees. DE explained this was because the Board wished to increase activity whilst retaining the surplus.

It was also explained to Council that the Board wished to move money from the PIF to the charity (the Chess Trust) in order to reduce the tax burden, but needed to retain part of the PIF to fund our professional players. There was therefore a need to renew the PIF for a further period of 21 years.

It was noted by Council that a third option should be available (to agree the increased spend and for it to be funded from the £100K surplus, which had been achieved ahead of target).

The Board was asked why the papers were late. They were informed it was a number of factors combined, including the time taken to stabilise after the AGM and to appoint a Chief Executive, and the timing of Board meetings and decision making clashing with individual holiday commitments.

The Board gave a presentation on the proposed activities for the coming year.

Malcolm Pein outlined his plans for International Chess: to have English players at all events; to have an elite training programme to support our stronger players to push into the top echelons; to provide support to female chess; to support some more international tournaments around the country (it was noted that in France chess gets support from local government and business); and more support for Senior Chess, including increased tournament attendance and provision of trainers at tournaments.

The International Director also stated that he had raised a further £15K to support the British Championships this year and £5k for International, and was confident that he would continue to raise more. He believed any money raised for International should be spent on activity and not offset his existing budget.

Traci Whitfield gave a presentation on the proposed activities within the Junior Directorate. Main areas included maximising the progression of elite juniors to obtain titles with an individualised programme of learning, the introduction of "Chess Leadership Schools", and expansion of the Academy following its successful launch. The directorate is wide ranging, with responsibility for safeguarding, coach accreditation, the Youth Grand Prix, and school and county (junior) chess.

Traci Whitfield explained that the proposed increase in her budget was primarily due to expanding the Academy. However, she stressed this did not include any plans for future sponsorship. She also outlined the activity that could not take place without the extra funding (the elite programme could not be so extensive, and the Academy could not expand as much).

Alex Holowczak gave an overview of the process and the successful bid for the tender of the League Management Software, in line with the strategic aim to improve the grading process. Results could be updated locally by organisers on a daily basis, and makes it possible to move towards a monthly grading list. The LMS would provide increased public exposure, would save on administration, and be more accurate than the current system.

It was stressed that use of the system would not be mandatory. Council was also reassured that we would not be making any changes to the current grading system itself until after leagues and congresses had been consulted with.

Mark Jordan was invited to explain to Council his proposed activity. It included having strong players at a local level, for example in a local pub, to promote chess. He wanted to run some special events throughout the year such as a National Chess Day. It was proposed to have an ECF Roadshow to have a presence at events throughout the country, and to develop a presence on the Internet, such as YouTube. It was also stated that, if necessary, we would introduce a new forum.

Council discussed the fact that only 2 options were presented, and it was proposed and seconded that a third option also be included: to agree to the activity, to be paid for not by increased fees but from the reserves.

The report, as presented, was noted.

## **7. Direct Members' Subscriptions**

Council voted overwhelmingly on a show of hands for the fees to remain unaltered.

## **8. Minimum Membership Fees for Member Organisations**

It was agreed that the current fee of £60 for member organisations remain unaltered nem con.

## **10. Determination of Game Fee**

Council by show of hands voted overwhelmingly in favour (1 against) the proposal to keep the game fee the same.

## **11. Adoption of Budget for 2016/17**

It was proposed that Council agree to authorise the additional activities presented by the Board, but for the additional 20K funding to come from either the reserves or the PIF. It was pointed out that Council could not instruct the trustees to release the money from the PIF, but a request could be made.

If the activities were agreed without an increase in funding, it would give an operating loss of £15K. It was decided by a significant show of hands (2 against) that this should come from the reserves.

Following a short break, Council stood for a minute's silence to pay respect to Cyril Johnson, who had recently passed away.

## **9. Pay to Play fees in FIDE-rated events.**

This item was taken out of order.

We currently levy congress organisers a Pay to Play fee (being the difference between bronze and silver membership) for non-silver members who enter congresses, and where the player is currently a bronze member, to use the fee to upgrade their membership to silver. The proposal implements a similar process for non-gold members who enter FIDE rated tournaments, except that the fee would be £10 and not £7.

It was noted this proposal will not override the wildcard agreement with 4NCL. It was commented that this would mean you would no longer have to be a gold member of the ECF before entering FIDE rated events.

Council agreed by a show of hands with the majority in favour.

## **12. British Go Association**

Amanda Ross explained to Council that the Go Association had received a legacy of £300K, and they wanted to run a feasibility study into using the money to purchase a property and using it to house a mind sports centre. The aim is to buy a large enough property so that the ground floor could be rented out (for example to a retail outlet or a coffee shop), providing enough income to cover the centre's costs.

The cost of the property would be £2-4M, and we would own a share of the building. We would be expected to fund at least £150K with the remainder coming from fundraising, but we would own half the building. The building would have around 800 m<sup>2</sup> of floor space.

The proposal is to ask the ECF to pay half of the money necessary (ECF share £3.6K for the next phase) to fund a feasibility study, and we would also have input on the committee.

The Chair invited Council to consider 3 options: a) to reject the proposal; b) to agree to the proposal in full; c) a state they were in support of the idea, but not to provide any funding at this time. There was a general consensus that a mind sports centre would be beneficial to chess, and therefore agreed to option b (£3.6k support to fund a feasibility study) by a show of hands (3 against).

### **13. Amendments to the Articles and Bye-Laws to implement the recommendations of the Independent Constitutional and Governance Review Commission**

A) A special resolution to amend the Articles of Association to re-introduce the post of Non-Executive Chairman of the Board.

Discussion centred on the current limit of ten Directors, and the creation of this post might stop us appointing another director (such as a Director of Women's Chess) to replace the Commercial Director without first needing to go to Council. It was suggested that should the resolution pass, a possible solution (should the Board wish to appoint an individual to a certain extra post before the next Council meeting), would be to appoint an individual as a director designate in the short term. It was also noted that by agreeing this post now, the Board could appoint a directorial post in the interim, with both posts being elected in October.

Mike Gunn (the last Chairman) expressed his full support for this motion.

The issue of OMOV was also raised. The Chair stated that as it was not on the agenda, it could only be raised under AOB. The item could be put on a future Council agenda, in the normal way.

The Chair proposed and the meeting accepted a procedural motion to extend the meeting until 6.30pm

A vote by show of hands indicated 24 for, 6 against (with the rest being abstentions). A card vote was called for. Following the count, special resolution A was carried with 212 for, 31 against, 4 abstentions.

B) A special resolution to amend the Articles of Association to introduce the post of Chairman of Council.

After a few short comments indicating support, this resolution was carried nem con.

C) An ordinary resolution to amend Bye-Law No. 3, consequent upon the adoption of Resolution (B), to reflect the role of Chairman of Council.

This resolution was carried nem con.

D) A special resolution to amend the Articles of Association to introduce three year terms for Directors and the Chairmen and Members of Standing Committees.

Council was informed that the terms would be phased in over 3 years. The timetable was arrived at after much discussion on the subcommittee, although it was accepted that a number of different options were possible. It was noted that Council could still remove directors, and that any vacancy could still be filled on a casual basis until such time as their formal election is due. It was agreed that staggering the Board elections would help to avoid heated elections.

A show of hands indicated 25 for, 5 against. A card vote was rejected, and the resolution was passed.

E) A special resolution to amend the Articles of Association to provide for the FIDE Delegate to be appointed by the Board rather than Council.

The committee believed this to be an anomaly within the Pearce report. The general feeling amongst members was that this role does have a special status, and that to hand it over to the Board would be to denude Council of an important power.

Following a show of hands (at which 75% is required), there were 16 votes for, 11 against, and the resolution fell.

F) An ordinary resolution to amend Bye-Law No.3, consequent upon the adoption of Resolution (E).

This resolution falls, due to the vote at E).

G) A special resolution to amend the Articles of Association to enable an individual Director to be removed or suspended from Office by unanimous decision of the other members of the Board.

This resolution was passed by an overwhelming show of hands (1 against).

H) A special resolution to adopt all the proposed changes to the Articles of Association not covered by the previous resolutions.

This resolution was passed nem con.

I) An ordinary resolution to amend Bye-Law No.4

Concern was expressed at the delay in issuing papers for Council. Council was informed that the Articles of Association specify that date on which the agenda for Council needs to be published, but not any associated papers. However, was assured that the aim would always be to publish papers with the agenda, but in this instance it had proved not to be possible.

The resolution was passed nem con.

#### **14. Amendments to Regulation No. 2**

Council noted the proposed amendments.

#### **15. County Championship rule changes**

A) From 2016/17 onwards, the Final Stage of the Open and Minor sections of the County Championship will be FIDE-rated.

Concern was expressed on the impact to bronze members. Ben Edgell proposed and Michael Flatt seconded to amend the proposal to remove the Minor section. Following a show of hands, it was agreed to amend the motion (12 for, 11 against).

The amended motion was carried overwhelmingly (18 for, 4 against).

B) From 2016/17 onwards, the default dates for the quarter-finals and/or semi-finals be split over two weekends to allow Counties to field more teams in the Final Stage where multiple teams qualify for them.

Following a show of hands, this was carried with 16 votes for, 4 against.

The meeting was declared closed at 6.30pm. Council applauded Julie Denning for the manner in which the meeting was chaired.

The final three agenda items (16: Transparent Council votes and proxy preference, 17: Investigate PQASSO Quality Mark, 18 AOB) could not be addressed due to lack of time.