



Minutes of the ECF Finance Council Meeting

Held on 28th April 2018

at

Thistle City Barbican Hotel, 120 Central Street, Clerkenwell, London EC1V 8DS

1. **Appointment of Chairman.** The elected Chairman of Council, Mike Gunn, chaired the meeting. The meeting opened at 13:30.
2. **In Memory.** The Chairman called for Council to observe a minute's silence in memory of colleagues who had died since the last meeting.
3. **Notices.** The Chairman noted that details of the Voting Register, proxies and apologies for absence were posted in the meeting room. Amanda Ross and Tim Wall were attending the meeting as guests. David Gilbert and Andrew Leadbetter were appointed as Tellers.
4. **Minutes of the Council Meeting held on 14th October 2017.**

On matters of accuracy:

- The date shown in the heading should be 14th October 2017, not 15th.
- In 1 Apologies, "Alex McFarlane" not "Alec McFarlane"
- Under 12 Finance, add "Andrew Leadbetter and Angus French queried the lack of detailed breakdown of actual expenditure. David Eustace (Director of Finance) undertook to provide greater detail in future."

Motion: "That subject to the above amendments, the Chairman of the meeting shall sign the Minutes as being an accurate record"

Approved on a hand vote.

5. Matters Arising from the Minutes of the last meeting.

Item 7(a). Andrew Leadbetter expressed the view that the loss of 3-year memberships should have been communicated to all members. David Thomas (Director of Membership) accepted this was an oversight. Andrew Leadbetter also asked when a direct debit facility would be introduced. David Eustace responded that it was hoped to include this with the introduction of a new membership payment system in 2018 / 19.

6. Financial Matters.

(a) Accounts for 2015 / 16. David Eustace recalled that at the October 2017 Council meeting the accounts for 2015 / 16 had been approved subject to a final review. Certain changes had since been made due to some activities being transferred to the following financial year. Council noted these changes.

(b) Accounts for 2016 / 17. The Report addressed finances for each directorate, administration and the British Championships. The bottom line was that the year ended with a loss of £4,493 compared to that of £19,211 that had been budgeted. However, £9,000 of this improvement was due to the transfers from the previous year's accounts. The accounts had been audited but were still subject to a final review.

Angus French noted expenditure of £58k on the Olympiad and would have wished to see a breakdown of this. David Eustace noted that there had been some sponsorship money for the Olympiad and that the ECF expenditure had been £32k, against the £36k that had been budgeted.

Stewart Reuben queried the high cost of the Olympiad compared to that of the European Team Championships, especially as living expenses had to be paid for in the latter but not the former.

Angus French queried the unbudgeted expenditure of over £15k on the European Team Championships for which there had been no budget. David Eustace responded that the International Director had been unable to raise any sponsorship for this event and it had been agreed to allocate funds that had not been spent in the previous year.

Motion: "That the accounts for the financial year 2016 / 17 be approved subject to final review."

On a hand vote: passed nem con.

(c) Budget for 2018 / 19. David Eustace presented the proposed budget for 2018 / 19, with key points discussed in his Report. The budget included a target to increase membership by 500 per year over the next 3 years. There would be particular emphasis on junior chess, with the ECF continuing to invest in the Junior Academy, whilst the Chess Trust was supporting an Accelerator Programme for the most talented juniors. The budget was based on the ECF funding core activities from members funds, whilst donations, sponsorship or Trust funding would be sought for other activities. It remained the intention that the reserves be maintained at around £100k in the longer term, but the budget assumed dipping into the reserves in the short term.

Nick Faulks queried why the budget for the Batumi Olympiad had increased from £26.5k reported a year ago to £36k in the current budget, and was concerned that a likely explanation was a mistake in the previous year's figures.

Angus French asked that a breakdown of the 2018 Olympiad budget be provided. Chris Fegan considered this to be undue micro-managing of the budget, but others supported the request. Mike Gunn believed Council could request, but not require, such a breakdown. Appearance fees would always remain confidential. Stewart Reuben noted that sponsors might also impose conditions on how their money was used and that this should be confidential.

Motion: "That a greater breakdown of the International expenditure budget be requested."

Proposed: Angus French

Seconded: Francis Bowers

**On a hand vote: 19 in favour, 6 against.
Motion passed.**

Tim Wall queried the level of expenditure on arbiters and appearance fees at the British Championships, suggesting savings could be made through seeking locally based arbiters and offering accommodation in local players' homes. David Sedgwick noted that arbiters provided their services for free at the Hastings International Congress, but that the British Championships were a prestige event involving a lot more than the Championship itself. It was hard work and arbiters needed to be remunerated at an appropriate level. Stewart Reuben did not think it would be good to have a new team of arbiters each year.

In addition to the data in the overall budget spreadsheets, the Director of Junior Chess (Traci Whitfield) had provided papers updating the work and detailed finances of the Junior Academy. Nick Faulks considered the Academy to be a good use of funds but queried whether these should come from the Chess Trust. David Eustace responded that the Chess Trust had initiated a separate Accelerator Programme for the most promising juniors aiming for international titles. The Academy was supportive of this and Traci Whitfield was involved along with Mike Truran (CEO) and Malcolm Pein (Director of International Chess).

Andrew Leadbetter asked whether financing of the Accelerator Programme was assured for future years. David Eustace reported that it was so far funded for 1 year and would be reviewed annually.

(d) Report of the Chairman of the Finance Committee. A Report was also presented by the Chairman of the Finance Committee (Tim Herring). Tim Herring was generally satisfied with the financial situation and was supportive of improvements that had been introduced in the procedures involved. In response to Chris Fegan Tim Herring reported that he attended the ECF board meetings regularly and the Finance Committee met on an as needed basis but had not held any formal meetings recently. Angus French wished to know whether the budget was reviewed by the Finance Committee. David Eustace responded that they received budget and related reports, and were at liberty to comment on them.

(e) Membership rates, game fees and pay-to-play fees for 2018 / 19. As set out in the agenda, these were proposed to remain unchanged from 2017 / 18 for adult members and events, but to be reduced for juniors and junior-only events.

Andrew Leadbetter asked whether the £1 discount for members registered through Membership Organisations would continue. David Thomas stated it was still in place but would also be discontinued in future. Nick Faulks was opposed to the loss of the £1 discount for members paying online and would vote against the package.

Neill Cooper was pleased with the changes to junior fees and queried whether the free first year's membership was being retained. David Thomas confirmed it was.

Michael Farthing reported mixed feedback from Silver members, with concern over the cost of reducing junior fees. David Eustace noted that this was accounted for in the budget and David Thomas believed the reduced junior fees would be compensated for by the removal of the £1 discount for online payments.

Angus French reported disappointment expressed in his feedback from Bronze members concerning the loss of the online discount and feared this would lead to greater workload for the office staff.

Stewart Reuben recalled having proposed in the past that there should be a discount for disabled players and remained disappointed that this was rejected. Chris Majer disagreed, believing the system had to be kept simple, without a range of discounts, whilst difficulty with identifying relevant cases was noted as having been a factor in rejecting the idea.

Motion: “That the proposed budget, membership rates, game fees and pay-to-play fees for 2018 / 19 be agreed.”

**On a hand vote, 33 in favour, 2 against.
Motion passed.**

7. Governance Matters.

(a) The Governance Committee proposed changes to the procedures for drawing up the Voting Register and for the possible suspension of voting rights where membership fees were in arrears. Specifically:

- the register of voting entitlement will be produced no later than 10th September each year on the basis of graded games played in the 12 months up to the end of June and that the register applies to meetings held in the 12 months from 1st October onwards.
- there is a clear procedure to be followed where game fees are assigned by nonMember organisations.
- the Chairman of the Council has the power to suspend the voting rights of a Full Member where that member is in arrear in paying game fees by three months or more.

As this involved amendments to the Articles of Association, the proposals constituted a Special Resolution, requiring a 75% vote in favour to be passed.

David Sedgwick asked if a new organisation joining on the 1st July would have to wait till the October Council meeting of the following year to be given a vote. Michael Farthing responded that the organisation would be granted a vote immediately upon joining.

Motion: “That the articles of association of the Company be amended by:

“(i) deleting the first sentence of article 22 and replacing it with: “The Chairman of the Council shall by no later than 10th September in each year, or such other date as Council may determine by ordinary resolution, publish a register of voting entitlement for all General Meetings to be held in the twelve month period commencing on the next succeeding 1st October.”

“(ii) deleting the existing wording of article 31 and replacing it with:

“(1) The calculation of votes under Article 30(1) for each Full Member shall be based upon the relevant payments received (including Game Fee

payments assigned pursuant to (2) below) and deemed payments (where liability or Game Fee has been waived) in respect of that Full Member in the reference period of 12 months ending on 30 June in the relevant year, or such other date as Council may determine by ordinary resolution, prior to the publication date of the register. Qualifying games shall be deemed to be those included in the grading list (as revised, where applicable) published in respect of the period up to the relevant 30th June or such other date as Council may determine by ordinary resolution. (2) Organisations submitting games for grading but which are not Full Members may allocate their game fees to a Full Member of their choice. Such allocation shall be made in writing by an official of the organisation to the Chairman of the Council (or as the Chairman of the Council may direct) and shall become effective on publication of the next voting register, this authority being carried forward to successive registers unless rescinded in writing or replaced by a new allocation, or the organisation becoming a Full Member.”

“(iii) deleting the existing wording of article 35 and replacing it with: “A Full Member shall not be entitled to vote at a General Meeting if (a) that Full Member is in arrears by three months or more in respect of Membership Fees and (b) the Chairman of the Council, having been informed of such arrears by the voting register officer or otherwise having become aware of the same, resolves to suspend the relevant Full Member’s voting rights.””

On a hand vote: passed nem con.

(b) Changes to Regulation No. 2, The Directors and Officers Responsibilities Regulations. The Board notified Council of their decision to rescind the changes.

The meeting adjourned from 15:23 till 15:56.

8. **County Championships.** Alex Holowczak (Director of Home Chess) had carried out a consultation on a range of possible changes to the Final Stages of the County Championships. Based on the responses he received he had discontinued consideration of a number of the possible changes, but 3 remained that were put to Council for decisions.

(a) Number of boards.

Motion: “That all County Championship to have the following numbers of boards:

- The Open (and Minor) section will remain at 16 players per team.

- The Under 180, 160 and 140 sections will be reduced to 12 players per team; thus all of the grade-restricted sections will be 12 players per team”

Views amongst Council members were very divided, with some in support, noting difficulties in getting sufficient players out, while others wished to see no change to the existing team sizes.

On a hand vote: 6 in favour, 15 against.

The Chairman acceded to a call from John Reyes for a card vote.

**On a card vote: 96 in favour, 129 against, 35 abstentions.
Motion lost.**

(b) Elimination of the Minor competition.

Motion: “That the sections of the 2019 County Championship will become:

- Open**
- Under 180**
- Under 160**
- Under 140**
- Under 120**
- Under 100”**

**On a hand vote: 2 in favour, numerous against.
Motion lost.**

(c) FIDE rating of the Final Stages of the Minor and Under 180 competitions.

Motion: “That in addition to the Open, FIDE-rate the Final stage of the 2019 County Championship:

- Minor section**
- Under 180 section**

**On a hand vote: 5 in favour, numerous against.
Motion lost.**

Following these votes David Sedgwick made an impassioned statement in support of the County Championships. He noted that one reason for the formation of the BCF in 1904 had been to enable Union champions to compete for national titles. He dedicated his remarks to Cyril Johnson, who as Counties Championship Controller had been a devoted servant of the County Championships.

9. Merger of Bronze and Silver levels of membership. Proposal from the NCCU.

The NCCU presented a paper setting out in detail perceived advantages of merging the Bronze and Silver levels of membership. Principal amongst these were simplification of the membership scheme and the opening up of ECF graded congresses to all players without any need to upgrade their level of membership or face a pay-to-play fee. At a rate of £20 for adults the paper calculated that the proposal would be cost neutral to the ECF.

Motion: “That the Bronze and Silver levels of membership be merged to form a standard membership.”

On a hand vote: 10 in favour, 20 against.

The Chairman called for the motion to be put to a card vote.

On a card vote: 63 in favour, 233 against, 10 abstentions.

Motion lost.

10. Funding request from Casual Chess.

This item was put on the agenda by the Chairman of Council, in response to a request from Amanda Ross, the founder of Casual Chess. Amanda Ross presented a paper setting out the basis of the request for £6,000 in funding. She noted that Casual Chess had been established in London in 2015 by women “to create a friendly and inviting playing space for women”. Casual Chess did not charge membership fees and had so far been maintained purely by voluntary effort that was becoming unsustainable.

Motion: “That the ECF makes a grant of £6,000, payable in May 2018, to Casual Chess.”

Note that whilst the paper was worded as requesting the sum of £6,000 become a regular annual grant, Amanda Ross clarified that she was only seeking a one-off grant.

With discussion indicating that Council agreement was unlikely an amendment was suggested to halve the sum requested.

Amendment to Motion: “That the requested grant be reduced to £3,000.”

On a hand vote: 10 in favour, 9 against.

Amendment passed.

Amanda Ross indicated her agreement for the motion as now amended to proceed.

Amended Motion: “That the ECF makes a grant of £3,000, payable in May 2018, to Casual Chess.”

On a hand vote: 7 in favour, 21 against.

Motion lost.

There being no further business, the meeting closed at 17:50.