

April 2020 meeting, deferred to July 2020

My period in office started normally enough. Having attended my first Board meeting at the end of 2019, in January I visited the office in Battle. I was shown the accounting system now in use, and was greatly impressed. I believe that in past times Finance Directors have on occasion faced difficulties in constructing timely and accurate information as to the Federation's financial position, but if so this is evidently not now the case. I was also shown the library, which was in excellent order. I hope it will be visited by more people when it moves to its new home.

I was unable to attend the the January Board meeting, at which there was discussion of the Budget to be provided to Finance Council and it was agreed that steps to improve the reserves position would be taken. However, before these could be confirmed the whole question was put on ice when all organised chess came to an abrupt halt because of the measures taken in response to Covid-19.

The normal procedure is that Finance Council approves a Budget for the coming year and the Board is then under an obligation to deliver it. However, it is evident that at the time of writing it is simply not possible for this pattern to be followed. Looking towards the 2020/21 season we have no idea when, or even whether, over the board chess will resume. Nor do we know how many players will be inclined to take part when permitted to do so. We do not know how many clubs will be able to open, even if they have keen players. Because of all these considerations, we cannot be at all confident of how many players will renew their memberships. Of course, we hope that many will do so as an expression of support for the ECF.

A Budget is being presented to Finance Council based on what is considered to be a central estimate (or a best guess) of income, and you are requested to grant the Board discretion to amend it as new information comes to light. While this approach should not become a habit, it does seem reasonable in the current circumstances.

It seems likely that additional funding will need to be sought from the Permanent Invested Fund. When considering making such a request, it is plausible to argue that the PIF is intended precisely for such special circumstances as presently obtain. On the other hand, these funds are finite and not necessarily renewable, so caution should be exercised when contemplating running them down. The Board and Council will need to consider how these conflicting requirements can best be reconciled.

There will be an early opportunity for Council to review progress at the AGM in October. By then there may be some clarity on traditional renewals and income from online chess. We may also have a better idea of which international events will be taking place, with implications for that budget. Finally, and most importantly, we may be able to judge the extent to which 2020/21 will be a normal season.

I should like to thank David Eustace for his quick and helpful responses to the questions I have asked relating to the various sets of accounts and budgets. I am also very pleased that Ray Clark is fully involved with the work of the Finance Committee, and expect his experience as a past FD to be invaluable.

Nick Faulks
23.06.2020