

**Minutes of the 137th Board Meeting of the English Chess Federation  
Friday 22nd May, 2020  
Zoom Meeting  
2-30 to 5-00 pm**

**Members:**

|   |           |    |
|---|-----------|----|
| President, Dominic Lawson                     | Apologies | DL |
| Chief Executive, Mike Truran                  |           | MT |
| Director of Finance, David Eustace            |           | DE |
| Director of Junior Chess, Alex Holowczak      |           | AH |
| Director of International Chess, Malcolm Pein |           | MP |
| Director of Home Chess, Adrian Elwin          |           | AE |
| Director of Membership, David Thomas          |           | DT |
| Non-Executive Chairman, Julian Clissold       |           | JC |
| Non-Executive Director, Julie Denning         |           | JD |
| Non-Executive Director, Stephen Woodhouse     |           | SW |
| Director of Women's Chess, Chris Fegan        |           | CF |

**Invited: Observers and Guests**

|  |    |
|--|----|
| Chairman, Governance Committee, Robert Stern | RS |
| Chairman, Finance Committee, Nick Faulks     | NF |
| Meetings Secretary, Nigel Towers             | NT |

**1. Apologies for Absence**

Absences were noted as above.

**2. Appointments**

JC was appointed as Chair with SW running the Zoom meeting.

**3. Approval of the Agenda**

The agenda was approved.

**4. Minutes of 136th Board Meeting**

The minutes were approved subject to amendments as follows:

- Confirmation that DT was present for the meeting;



- Correction to relevant paragraph to read 11,800 rather 11,600.

It was noted and accepted that the Zoom meeting was to be recorded to support preparation of the minutes.

## 5. Financial Plan and Budget for 2020/21 (DE)

David summarised key points in the financial reports and accounts as follows:

- a) Draft financial accounts for the ECF for the year ended 31<sup>st</sup> August 2019 - Last year's accounts showed a loss of £64,915 which is in line with the accounts presented at the January Board meeting. Reserves were £34,383.

The Board approved the ECF 2018-2019 accounts subject to audit. DE noted that there were some audit points to resolve and that he was expecting to submit the accounts to Companies House by the end of August with a waiver from Companies House given the exceptional circumstances.

- b) Draft financial accounts for the BCF for the year ended 31<sup>st</sup> August 2019 - The BCF accounts cover the activities within the two Permanent Invested Funds (No 1 and No 2) held for the BCF and managed by the PIF Trustees. The funds also hold the shares of Chess Centre Ltd. The total value of the funds was £183k as at 31<sup>st</sup> August 2019 following the donation to the Chess Trust of £70k.

The Board approved the BCF accounts subject to audit sign-off.

- c) Draft accounts of Chess Centre Ltd for the year ended 31<sup>st</sup> August 2019 for information.  
- The draft accounts were noted.

- d) Management accounts covering the year ended 31<sup>st</sup> August 2019 and for the period to 31<sup>st</sup> March 2020 - The management accounts cover the year ended 31<sup>st</sup> August 2019. The actual loss against budget was £14.5k higher, with the main variances as follows:

- Membership – FIDE fees were higher by about £6k;
- Junior – costs were higher by £5.75k due largely to handover issues;
- British Chess Championships - £9k loss against a breakeven target.

The additional income received from membership and game fee was not enough to compensate for the above.

- e) Current year - DE pointed out that for the current year, the management accounts cover the period to the end of March. With the decline in chess activities since March the



assumption has been made that there will be no further significant expenditure on discretionary items until September. That means that the outturn for the year for most directorates will be the current forecast. The only exception will be the sum set aside for prizes for online tournaments and the payment of outstanding commitments. With a tightening of expenditure and with the benefit of the HM Government's business support grants the result should be close to breakeven for the year.

- f) Budget proposals for 2020/21 - DE indicated that the budget for 2020/21 is problematic and the key assumption is that the number of members renewing for 2020/21 will fall. The proposed budget was based on three scenarios provided by DT:
- No change (i.e. current membership levels and increases with 241k membership income and 13k game fee income) This had been circulated previously to Board members;
  - Realistic (£158k membership income based on an extended period with no OTB chess); and
  - worst case (Collapse in membership income to £48k).

DE said that it was mainly the “realistic” scenario that would be considered at this meeting.

DE indicated that the worst case scenario would require an immediate reduction in the ECF's remit including cutting of core services, changes to the operating model and staff cuts.

Even in the realistic scenario, economies would need to be made in expenditure with a focus on preserving the core activities including an Office function (not necessarily a physical office), provision of a grading function, and continued presence in the chess world including membership of FIDE and other important chess bodies. All other activities were discretionary and the proposed budget had reduced all net discretionary expenditure to zero. The main assumptions are:

- Membership income 158k;
- Game fee 7.9k;
- Staff reduced to 2 in the Office with smaller physical office;
- Reduction in Council and Board expenses – more video/teleconferencing;
- Other reductions in administrative costs;



- Continuation of the grading system and its administration;
- Government support grants will effectively cease after June for the ECF;
- Discretionary net expenditure in Home, Junior, Women's and International reduced to zero.

DE proposed that the above realistic budget should be presented to Finance Council for its approval subject to a revised budget being tabled at the October AGM if the financial situation should be different from that anticipated. The Council meeting would also be provided with the no change and worst case scenarios if appropriate.

CF stated that an emergency situation required emergency measures and asked that money be taken from the PIF to cover the shortfall of membership income as a result of the current situation.

DE indicated that it would be necessary to approach the BCF Council to agree the request for PIF funds in order that Council could direct the PIF trustees accordingly, and RS indicated it would not be clear how much the ECF should request. A withdrawal of £80k per year would mean the PIF funds would go to zero within two years.

JC suggested that the ECF should focus on cost saving measures first and only then approach the PIF when the membership out-turn was clearer.

DE proposed that approval should be sought from Council for a range of budgets contingent on the membership renewals out-turn including:

- No change;
- Realistic;
- Worst case

The three scenario approach was agreed unanimously.

CF stated that he would not accept zero funding in the Women's budget in any scenario with any out-turn. DE pointed out that both CF's and MPs budgets would be not be set to zero as they would include funds from the Chess Trust.

The Board agreed that further discussions with the various Directors needed to be held, with further discussion of what should be presented to Council at the next Board meeting.  
Action DE



## 6. Membership Fees for 2020/21 (DE)

DE outlined the options for membership fees as follows:

- Continue as planned with the increased membership and game fee rates;
- Continue with the planned membership and game fee rate increases, but allow all members joining by 31<sup>st</sup> August 2020 to join at the 2019/20 rates – a reduction of about 10%;
- Offer a free period of membership e.g. Join now, free period to December and membership runs from January to December 2021. Member receives four months free membership.

After some discussion the Board agreed that membership fees and game fees should be maintained at 2019/2020 rates for budget purposes.

An action was agreed for NT and DE to review two alternatives for online membership including:

- Online chess to require Bronze membership to support retention levels;
- Online chess to continue to require Supporter membership, with an increased Supporter fee from £5 to £10 per annum to support revenue growth based on new online-only memberships.

## 7. Finance Council Meeting

There was some discussion of the best timing for the Finance Council meeting to approve the budget and membership fees.

SW proposed that the Finance Council meeting should be convened for mid-July. Board members voted in favour by a large majority.

The Board confirmed its view that holding the Finance Council meeting by Zoom was clearly the best option given the prevailing circumstances.

It was agreed that a mid-July date would allow for membership renewals to go ahead at the end of July with membership fees as approved by Council.



## 8. AOB

### a) Appointment of Officers

CF proposed that a post of Manager of Women's Online Chess be created reporting to CF and that Jo Hutchinson be appointed to take on this post.

The creation of the post and Jo's appointment were agreed unanimously.

NT proposed that a post of Manager of Online Chess be created reporting to MT and advised that he would be willing to be appointed to take on this post.

The creation of the post and Nigel's appointment were agreed unanimously.

### b) Online Fair Play

NT presented a detailed report on policy options and recommendations for encouraging online fair play. This was based on a focussed review commissioned by MT and carried out by a small panel of fair play experts over the previous two weeks.

NT explained that the review had considered options and preferred approach for:

- Fair play guidelines;
- Anti-cheating measures;
- Sanctions;
- Appeals processes.

MP asked that the fair play arrangements and rules be made clear to anyone playing in events within the ECF's jurisdiction and made a condition of entry where possible.

There was agreement that the proposed approach represented an effective way forward and the Board agreed the policy recommendations unanimously.

An action was agreed that the existing fair play policy document should be updated to align with the recommendations in the report and that this should be published on the web site.

Action NT

## 9. Next Meeting

There being no other business the Board meeting closed at 5.00 pm. It was agreed that the next meeting should be scheduled for 19<sup>th</sup> June as a Zoom meeting and would focus on finance actions arising and agreement of proposals and papers for the Council meeting in July.

