

ECF Council Meeting June 2020 Minutes (Draft) -V2-0

The ECF Council met on Saturday 18th June via a Zoom meeting. The full agenda and all associated paperwork can be found here: <https://www.englishchess.org.uk/about/ecf-council-and-board/>

There were 47 Council Representatives in attendance as follows:

David Clayton	Leyland Rapidplay and Ribble Congresses
Julian Clissold	Non-executive Chair of the Board and Manchester Chess Federation
Paul Cooksey	Berkshire
Kevin Dalley	Derbyshire
Julie Denning	Non executive director, Sussex, Mid-Sussex league and Crowborough Rapidplay
Nigel Dennis	Chiltern Cup, Berks & Bucks Congress, English Primary Schools and National Chess Association
Gareth Ellis	Lancashire, Merseyside and Warrington & District League
Adrian Elwin	Director of Home Chess
David Eustace	Director of Finance
Michael Farthing	Chair of Council, Lancaster & Morecambe and Blackpool & Fylde
Nick Faulks	Chair of Finance Council and Bronowski Trophy
Chris Fegan	Director of Women's Chess and North Essex Chess League
Mike Forster	Chess Arbiters' Association
Angus French	Croydon & District League and Bronze Members' Representative
David Gilbert	Kent and London Public Service League
Mike Gunn	Past Non-Executive Chair of the Board and Surrey/Hampshire Border League
Charles Higgin	Bronze Members' Representative
Alex Holowczak	Director of Junior Chess and British Universities Chess association
Peter Hornsby	Chess 2020
Keith Jones	Silver members' Representative
Alan Leary	Herefordshire Chess Association
Steve Mann	Yorkshire, and Doncaster Congress
Alex McFarlane	Northumberland, Hastings International and Scarborough Chess Congress
Mark Murrell	Southern Counties Chess Union and Essex
Graham Neil	Nottinghamshire
Malcolm Peacock	Preston Chess Congress
Malcolm Pein	Director of International Chess and FIDE Delegate
Adam Raouf	Golders Green Congress, Hampstead Congress and King's Place Festival
John Reyes	South East Lancashire League, Stockport & District League, Stockport Rapidplay, Torbay Chess League and Silver Members' Representative
Mark Rivlin	London Chess League
Mike Salisbury	Leicestershire and Rutland
Paul Sharratt	Worcestershire, Dudley & District and Worcester & District
Paul Shepherd	Surrey
Peter Sherlock	Lincolnshire
Robert Stern	Chair of Governance, Central London League and Pimlico Summer Tournament
Claire Summerscale	4 NCL
Dave Thomas	Director of Membership
Nigel Towers	Warwickshire
Mike Truran	Chief Executive, Oxfordshire, Kidlington Congress, Witney Congress, Witney Rapidplay

Brian Valentine	Bedfordshire
Douglas Vleeshouwer	Hull & District
Tim Wall	Northern Counties Chess Association, Durham and Northumbria Junior Chess,
John Wheeler	Hampshire and Portsmouth & District
John Wickham	East Anglian Chess Union, Norfolk, Bury St Edmunds Congress and Platinum Members' Representative
Huw Williams	Thames Valley League
Rob Willmoth	Middlesex, Barnet Knights, Chess Coaching Services and Gold Members' Representative
Stephen Woodhouse	Non-Executive Director

Andrew Walker of the ECF Office was present to assist with the meeting.

Apologies- David Cole (*Cumbria, South Lakes Congress and South Tyne Chess League*), Tim Paulden (*Exeter and District Chess league*), Pete Kobryn (*Bolton*), Stewart Reuben (*ECF Life Members Representative*), Gary Willson of the *ECF Office*.

The meeting started at 1-30 pm.

1 Appointment of Chairman – Michael Farthing was confirmed as the meeting chair with support from Stephen Woodhouse as Zoom meeting host. Nigel Towers was taking the minutes.

2 Observation of a Minute's Silence to remember colleagues who have died since the last meeting. The recent passing of colleagues was recognised by a minute's silence including:

David Welch
Robert Richmond

3 Notices

- Location of printed lists of apologies for absence – As above;
- Members voting by individual proxy and members voting by proxy to the Chairman. - Noted and available;
- Announcement of others in attendance with the permission of the Chairman – It was noted that Andrew Walker was in attendance;
- Appointment of tellers – Andrew Walker was appointed as teller;
- Voting register – The voting register was noted and available to the Voting Registration Officer and tellers.

4 - Approval/ Correction of the Minutes of the AGM – The October 2019 AGM minutes can be found here: [ECF-Council-AGM-October-2019-Minutes-version-1-1.pdf](#) and were approved subject to amendments as follows:

- Three comments attributed to Paul Cooksey were re-attributed to Paul Shepherd;
- Steve Mann's representation to be amended as advised;
- John Wickham to be added to the attendee list.

5 - Matters Arising from these Minutes and Not Otherwise on the Agenda – There were no matters arising.

6 – To Receive the Report to Council from the Chair of the Finance Committee - Nick Faulks

The report was received with commentary from Nick Faulks and noted by Council.

In response, Tim Wall asked whether the Finance Committee had met since the AGM.

Nick explained that he had spent some time contacting members of the committee and had discussed ECF finances by phone with Ray Clark who was the only committee member wishing to continue in an active role. The Committee had not met formally but there were plans for such a meeting in the near future.

The Chair asked for a show of hands to accept Nick Faulks' finance report.

The report was accepted with one vote against.

7 – Amendments to Regulation 2 – Directors and Officers (Robert Stern)

Robert asked Council to note a revised version of Regulation No 2 (The Directors and Officers Responsibilities Regulations). The change was to transfer responsibility for safeguarding from the Director of Junior Chess & Education to the Non-Executive Chairman of the Board.

The change was noted by Council.

8 – To Receive the Report to Council from the Finance Director David Eustace

David provided a summary of his report in presentation format. Key points were as follows:

ECF Accounts 2018/2019 – These are audited, but subject to final sign off. The loss for the year was £64.9k, compared to a planned loss of £50.4k as a result of increased spend on British Championships, Junior Chess (due to various reallocations) and Home Chess (English Blitz Championships). The reserves at 2019 year end (30 August 2019) were £34.6k

BCF Accounts 2018/ 2019 – The main item within the BCF accounts is the Permanent Invested Fund (PIF). The results for the period were much as expected. As agreed by Council the BCF donated £70,500 to the Chess Trust with the Chess Trust agreeing support the ECF over the three years 2019/20, 2020/21 and 2021/22, representing £23,500 pa for:

- £10,000 - Development Officer
- £8,500 - International chess
- £5,000 - Women's chess

The accounts were provided for information only. A copy will be circulated to the BCF Council when it is in a position to meet.

Chess Centre Ltd 2018/2019 – David noted that the Chess Centre Ltd is part of the PIF and results for the year were again as expected.

Management Accounts for the Current Year (2019/2020) - David noted key points as follows:

- The second half of this year has obviously been difficult with income reduced since March with membership income and game billing receipts affected;
- Discretionary expenditure since lockdown has been contained with any discretionary activities being self-funding aside from some minimal support for prizes for online tournaments;
- Expenditure reduction going forwards includes:
 - Staff reduced to two from September;
 - Move to a smaller physical office combined with home working;
 - Library to move to De Montfort University;

- Overall cost of bookkeeping/audit/company secretarial reduced;
- Board and Council costs – Expenses reduced significantly with more video conferencing;
- Hard copy yearbook production reduced;
- FIDE costs reduced based on lower activity rates and no payments for titles;
- Grading administration – OTB grading costs expected to reduce following initial rollout with move to new monthly grading;
- There has been an increase in supporter fee income for online tournaments;
- The ECF has received government grants up to June of £20.5k with staff furloughed for April, May, and June;
- Overall the outturn is expected to be at breakeven for the year based on the above measures with reserves of £36.6k expected at year end;
- The balance of Chess Trust funding remains available for Development Officer, International and Women’s Chess activities for 2020/ 2021,

The Chair asked for questions on David’s Report as Finance Director.

John Reyes asked how long the ECF could continue in the worst case were there to be no membership renewals.

David Eustace replied that the ECF could not continue much beyond the end of 2020 in the event of no membership income.

Tim Wall asked how many ECF supporters there were and whether more supporters or members could be attracted from Chess 2020 events in future.

David Thomas advised that there were now a total of 206 supporters.

Budget for 2020/2021

David Eustace presented a table with the 2020/2021 budget compared with the plan figures from the April 2019 Finance Council. The table shows that expenditure is being cut in line with the expected reduction in income.

	Proposed 2018/2019 2020/2021 Budget (£)	Planned budget as presented in April 2019 (£)	Change
Net Income			
Membership Directorate	140.9k	239.0k	less 41%
Expenditure			
Administration	111.1k	145.3k	
Home	0.6k	2.5k	

Junior	0.5k	18.8k	
International	13.9k	51.0k	
Women's	2.5k	9.1k	
Contingency	5.0k	5.0k	
Total Expenditure	133.6k	231.8k	less 42%
Result for Year	7.3k	7.3k	

David noted that the proposed budget was based on the 'most likely' outcome for membership renewals and included external funding support as follows:

- i. Chess Trust Funding:
 - Administration (Dev Officer) £18,833
 - International £6,123
 - Women's £7,998
- ii. Application to supplementary sources, probably the PIF' for additional funding if required for:
 - International £14,100
 - Women's £2,500

Membership Fees for 2020/2021

David presented the proposed membership fees for 2020/2021, which were unchanged from 2019/2020.

Areas for Consideration by Council

David put forward a number of proposals for Council to consider including motions to:

- Adopt the draft accounts for the ECF;
- Agree the proposed budget for 2020/2021;
- Agree that the Board may revise the budget depending on the membership renewals outcome;
- Approve membership and game fees for 2020/2021 as presented.

Angus French said that he was concerned over the lack of Board review of decisions taken at previous and recent finance meetings and against the approved Strategy Statement. He then asked how the money allocated for Development Officer and Women's Chess support had been spent.

Angus also stated that he felt the projected membership renewals numbers looked optimistic for 2019/ 2020 at just over £160k compared with the original forecast of just over £200K for the current year.

He asked how expenditure would be reduced should that prove necessary.

Mike Truran replied that a Development Officer had been recruited and had taken on the post for two months before resigning, and that he wished to put on record that this had been a very difficult experience and plans for spending on this post had been put on hold for the time being as there were higher priority matters to pursue.

Chris Fegan replied that he had underspent his budget for the current year but had still achieved what he had planned in encouraging additional female participation including support for the Women's championships in Hull, the Women's Section of the 2019 English Blitz, the World Seniors Team Championships Women's team and a number of smaller local events.

Angus French asked how many new female members had joined as a result of these efforts.

Dave Thomas agreed to provide these figures and subsequently advised that female membership had increased from 7.3% in 2019 to 7.8% in 2020.

In response to Angus French's question about further cost reductions David Eustace stated that if further reductions were required then it would be necessary to stop all discretionary spend, reduce operations to core services only, and look to the PIF for further support.

Douglas Vleeshouwer asked if it was worth a straw poll amongst members to gauge likely renewal levels. David Eustace pointed out that renewals emails would be going out shortly which should provide an early indication of expected renewals volume. Paul Shepherd suggested that the renewals emails could be used as an opportunity to ask members to renew at their previous levels in order to support the ECF in its hour of need.

Malcolm Pein pointed out that the International budget had been reduced for this year and halved for next year given present circumstances. He also noted that England would be participating in the Online Olympiad with a competitive team funded entirely from third party donations.

Tim Wall suggested that hybrid chess should be considered to support a return to some form of OTB chess based on localised events with each team gathering at a local club and playing online against a remote opposing team or opponent. He felt that if such hybrid events could be ECF rated then there would be more of a case to renew. He also asked if the ECF could provide guidelines for local organisers to support a return to OTB chess.

The Chair ruled detailed discussion of Tim Wall's proposals as out of order for the meeting, the primary purpose of which was to review the ECF's finances and budgetary proposals, and invited Tim submit any suggestions to the board for initial consideration.

David Eustace said that he would discuss Tim Wall's hybrid chess proposals with Mike Truran and the Board.

Mike Truran said that the ECF had provided comprehensive guidance on the measures that should be taken in the event of clubs and congresses wishing to return to OTB chess on the website including provision of material made available by the English Bridge Union. Malcolm Pein indicated that he has been in contact with HM Government in relation to what could be regarded as COVID-secure OTB chess.

David Gilbert pointed out that a recent meeting of the London league had indicated 85% of members would not be confident to play OTB chess again at this time.

Julian Clissold said that it would be difficult to provide centralised guidance for when and how to return to OTB chess as the situation might be very different around the country and that there were parts of the Manchester area which were close to going into a second lockdown. He felt this suggested that the return to OTB chess should be locally based and driven.

Mike Gunn said that he was not comfortable with a motion allowing the Board to change the budget as it saw fit if circumstances changed and asked if another Council meeting could be arranged to approve any changes to the budget.

Nick Faulks pointed out that there would be a further Council meeting in October in any event, which should be sufficiently soon to review any proposed changes to the budget. Paul Shepherd said that he felt the Board should be allowed to exercise its discretion on further expenditure as required over the next three months.

The Chair asked that the various motions should now be considered.

9 Acceptance of the Finance Director's Report

The motion to accept the Finance Director's report was put to Council as follows:

Council is invited to consider and, if thought fit approve this resolution: Council receives and accepts the draft financial accounts for the year ended 31 August 2019.

The report was received and accepted with 47 Council Members were present for the vote, 43 in favour, 1 abstention, 3 not voting and none against.

10 Agreement of Membership and Game Fees

There was some discussion of the proposed membership and game fees.

John Reyes asked if the ECF had considered a three year membership option to encourage renewals. David Eustace replied that this option had been considered but it had been rejected due to the accounting difficulties of deferring revenue income for minimal / unpredictable impact on renewals and the ECF's reserves position.

Paul Sharratt expressed a concern over how members would react to paying at normal levels for the curtailed seasons for 2020 and 2021 and asked if there could be some explanation to members as to why there had been no rebate or deferral options for membership fee payments.

Mike Truran pointed out that a large proportion of the ECF costs were fixed costs and not geared to the level of chess activity which explained why rebates or deferral of fees would not be feasible. David Eustace outlined his view that the ECF services could be compared to local shops and pubs where the ECF could only continue if people were willing to provide their support.

There was general agreement that the position and need for support in the ECF's hour of need should be communicated to members as part of the renewals process and more generally. Mike Truran asked Council members to support the Board in explaining the ECF's position to their constituencies and encouraging members to renew at the same level as before if at all possible.

The motion to agree the proposed membership and game fees was then put to Council as follows:

Council is asked to consider, and if thought fit, approve a resolution setting membership and other fees for 2020-21: Council resolves that ECF membership fees for direct members and member organisations and the game fee for 2020-21 shall remain the same as for 2019-20 as shown in the fee table.

	Senior	Junior
Platinum	£75.00	£75.00
Gold	£39.00	£19.50
Silver	£27.00	£6.00
Bronze	£18.00	£6.00
Game Fee - Rated events	£11.00	£11.00
Congress Pay to Play	£9.00	£2.50
Non Member Game Fee	£18.00	£6.00
Member Organisation	£64.00	

The membership and game fee motion was now put to Council.

There were 46 Members of Council present for the vote with 43 voting in favour, no abstentions, 3 not voting and none against.

11 Acceptance of the Budget

The motion to accept the budget for 2020-2021 was put to Council as follows.

Council resolves to accept the budget proposals for 2020-21 as set out in the Finance Director's report and spreadsheet (documents C32.8(1) and C32.8(2) respectively).

The proposed budget was agreed by show of hands with 46 present, 40 voting in favour, 1 abstention, 5 not voting and no votes against.

12 Agreement to Budget Flexibility

A further motion was discussed in relation to agreeing that the Board could vary the budget if necessary as follows.

Mike Gunn repeated his view that any changes to the budget should be agreed at a further extraordinary general meeting of Council if required.

John Reyes proposed an amendment to limit the period of flexibility to 17th October when the AGM was expected to take place. After some further discussion John withdrew this amendment.

Mike Truran explained that the Board had no intention of changing planned spend except in response to a different outturn on membership renewals from that budgeted. Julian Clissold said that the point at issue was a matter of trust and in particular whether Council was willing to trust the Board not to take extreme measures before October unless required by events. Malcolm Pein said that the Board had put forward a conservative budget, which was as it should be, and in his view the Board should be given the flexibility to manage this budget as it felt appropriate in line with and responding to volatile and rapidly changing circumstances.

The resolution on budget flexibility was put to Council as follows:

Council is asked, in the current uncertain environment, to give the Board freedom to vary the budget by approving this resolution: Council resolves that the Board may revise the budget in the light of circumstances as they develop during the summer period and beyond.

The motion was passed with 46 participants present for the vote, 37 voting for, 4 against, 1 abstention and 4 not voting.

13 Any Other Business

Return to OTB Chess – Paul Shepherd asked how the ECF would plan to support the return to OTB chess. He felt that the ECF website guidance was helpful and consistent with HM Government guidance. At the same time he noted that the requirements would be onerous for most clubs and asked whether the ECF could review the guidance and update as circumstances changed.

Chris Fegan indicated that a return to OTB chess seemed unlikely in 2020 but that the Board would follow up with ongoing review of the guidance as the situation developed.

Tim Wall asked that the ECF consider adding more detail to its guidance – for example, would two boards be recommended or would one be sufficient, and asked if the ECF could survey member organisations to get their views and to help collate best practice.

David Eustace said that the Board would look at these proposals with Tim Wall.

Finance Director Position – The Chair advised the meeting that David Eustace would be stepping down as Finance Director in October in accordance with the Pearce Commission's recommendations on term limits, and that finding a replacement was not proving easy. He asked if delegates could approach their treasurers to see if anyone would be willing to step forward.

Direct Member Representative – The Chair indicated that there was a vacancy for a direct member representative at Platinum level and invited delegates to consider if they knew of a suitable candidate to take on the role.

The time and date of the next meeting was noted as 17th October in Birmingham with a fallback of meeting again via Zoom.

There being no other business the meeting closed at 4-05 pm.