

Report on ECF Finance Council meeting, 18 April 2015

In this report, I shall attempt to cover the principal decisions taken at the Finance Council meeting, adding a brief account of the accompanying discussions where this is likely to be of interest.

I am grateful for the responses that I received to my pre-meeting consultation paper. In almost every case, the views expressed were supportive of my preliminary stance, and where there were differences of opinion in individual cases, the majority view followed my paper. This was reflected in how I cast my votes.

The meeting

Attendance seemed lower than usual. I did not make a count myself, but it is being reported elsewhere that there were only 34 voting attendees, of whom 12 were Board members.

The meeting overran, finishing at 6.30 p.m. (i.e. five hours). This notwithstanding, some agenda items were dropped due to lack of time. Specifically, a discussion item first placed on the 2014 AGM agenda (and dropped due to lack of time) was omitted.

The other casualty was an AOB item concerning the Board's inadequate communications to members over the last year or so. Attempts to raise this at appropriate moments earlier in the meeting were rejected on the basis that it was to be considered specifically under AOB. The effect of this – and I do not imply that it was anything other than an unfortunate if deeply ironic accident – was that the Board was spared the task of communicating with Council over its past failures to communicate. Sometimes life exceeds the capacity of satire.

Membership subscriptions

This generated considerable debate. I made my points about the need to present a plan before asking for additional money from members. Paraphrasing the arguments of the Director of Finance, perhaps unfairly (but not excessively so), the Board cannot agree on how it should invest to develop the game and is in the meantime building up reserves in preparation for a future time when the ECF may stumble across people with ideas who would then be able to make a case for spending the money.

The result of the vote on membership subscriptions was very close. There were 104 votes in favour of the Board's proposed increases and 103 against. The motion was therefore carried.

Following this, the subscriptions for 2015/16 will be:

Bronze	Adults	£15	Juniors	£11
Silver	Adults	£22	Juniors	£16
Gold	Adults	£32	Juniors	£26
Platinum		£60 (no specific junior rate)		

The £1 discount remains for online purchasers and those who pay through their local member organisation by the relevant deadline.

It should be noted that the projections for the years 2016/17 and 2017/18 assume additional annual increases of £1 to Bronze and Junior Bronze, £1.50 to Silver and Junior Silver, £2 to Gold, Junior Gold and Platinum. These would need to be approved at the next two Finance Council meetings, but they indicate the Board's thinking.

An amendment to the original proposal, reducing the increases to £1 for Bronze and Silver and £2 for Gold was defeated comfortably. My assumption would be that this was the combined effect of those who supported the Board's wish for bigger increases and those who wanted no increases at all. Ironically, had those of us in the latter category supported the amendment, the ultimate cost to members would have been lower.

NB. The proposal to start narrowing the gap between Bronze and Silver memberships, with a longer term view to merge the categories was overwhelmingly defeated. (As far as I could tell, only the proposer and second voted for it.)

Game Fee

Having spent a very long time on the membership subscriptions, there was relatively little discussion about the proposed game fee increases and they passed comfortably.

The new Game Fee rates, therefore, are:

- *League, County and Club competitions* - £2.50 per half-game (standard play) and £1.25 (rapid play);
- *Junior-only events* – 60p per half-game (standard play) and 30p (rapid play);
- *Non-FIDE-rated Congresses* – a per-event fee of £7 (adults) and £5 (juniors) for Bronze members and non-members.

Budget

Once the question of membership subscriptions and game fee rates had been settled, the approval of the budget for 2015/16 generated little discussion. It passed easily.

FIDE-rated events

The proposal to introduce a per-event Game Fee (commonly known as the Pay-to-Play fee) for FIDE-rated events while abolishing the policy of delisting players who play in FIDE-rated events without being a Gold or Platinum member was amended so that only the removal of the delisting option was included.

The amended proposal was passed, which means that there are no negative consequences (financial or otherwise) for English-registered players who compete in FIDE-rated events. When I asked about the risk that the Gold member requirement might now simply be ignored, I was told that there was protection in practice because the most significant organisers of rated events in the UK – Mike Truran and Adam Raof – had both given an assurance that they would continue to ask for Gold membership or higher.

Strategy and planning

I made the points indicated in my consultation paper. The Chief Executive, Phil Ehr, acknowledged that the "Strategy Statement" was no more than a work-in-progress and talked vaguely of ongoing efforts to work on planning. Later in the meeting, the Director of Finance, David Eustace, used the argument in support of the proposed subscription increases that Council's agreement to paying more money would help them (i.e. Council) to feel empowered to press for the Board to present plans for future action. I did not understand why it was necessary to pay first before having the right to demand something as basic as a plan, but I must have been misunderstanding the point.

To my mind, there was confusion in the Board's arguments as to why the reserves were needed. At times, they were described as a "fallback in case of emergency", but this was also the description applied to the Permanent Invested Fund held by the BCF. The market value of the latter has risen to an impressive £315,000 (excluding the £524,000 managed by the separate John Robinson Youth Chess Trust). At other times, the ECF reserves were described as something to be built up in case ideas for new activities were hit upon, which does seem to be putting the cart before the horse.

There seemed to be more critical than supportive voices in the accompanying discussion, but the strategy statement was approved by a substantial majority on a hand vote. (This was later used as an argument in support of the budget, because the strategy statement includes ambitions to build up the ECF's reserves.)

Since I am no longer to be your ECF representative after our next AGM, my scope to bang this particular drum is limited. I do think that it is an important issue, however, so I have made one final effort in the form of an e-mail to the two ECF Non-Executive Directors, as follows:

To: *Julian Clissold, Non-Executive Director*
John Foley, Non-Executive Director

cc. *Mike Truran, Chairman of the Finance Committee*
Phil Ehr, Chief Executive
Chris Fegan, Strategic Advisor

Dear Julian and John,

I am dismayed that it is now three years since the ECF produced a business plan and presented it to Council. It is my conviction that no responsible organisation can operate effectively without a coherent plan, and I have repeatedly urged the ECF Board at Council meetings to rectify this situation. My consultations prior to the Finance Council meeting confirmed that this view is supported by the organisations that I represent at Council, namely the Midlands Counties Chess Union, Worcestershire Chess Association and Worcester & District League.

Previously, I have received assurances at Council but nothing substantive has materialised. My efforts yesterday succeeded only in obtaining an acknowledgement from the Chief Executive that the one-sheet "Strategy Statement" was not an adequate substitute for a strategic plan (and was a work-in-progress) and a non-specific assurance that work would continue on planning.

Given your responsibilities as non-executive directors to monitor the executive directors and their decision-making processes and to ensure that the views of the ECF's constituents are properly considered at board meetings, I am writing formally to ask for your assistance in ensuring that this matter is not allowed to languish unactioned. I understand that your scope of action may be limited in practice, but I would ask that as a minimum it would be appropriate for you to insist that 'strategic and business planning' be included as a standing agenda item at board meetings. This will only have value if it is seriously discussed at each meeting, with progress reported and actions allocated to the appropriate individuals. I am sure that you would wish to ensure that the Board is mindful of this.

With best wishes,

Andrew Farthing

*Past Chief Executive Serving on Council
Chairman and ECF Representative, Midlands Counties Chess Union
Secretary and ECF Representative, Worcestershire Chess Association
Secretary and ECF Representative, Worcester & District Chess League*

It is impossible to say whether any good will come of this, but I feel better for having tried.

Olympiad budget

The Director of International Chess, David Openshaw, had put forward a proposal seeking firm approval of a budget of £36,000 for the 2016 Olympiad teams, i.e. in the financial year **after** the one being considered by Finance Council in its budget deliberations.

Initially, David explained that the proposal was necessary because the ECF financial year-end had changed from 30 April to 31 August. This was incorrect, because the change had no effect on the timing of the Finance Council meeting deciding the relevant budget. I pointed this out and my point was accepted.

David then said that the proposal was necessary to allow time to book flights, etc. When I asked what had changed to make the situation unworkable now when it had operated adequately in the past, this point was also withdrawn.

Finally, the argument was made that it would be useful to be able to begin negotiations and sign up players before the April Council meeting of the Olympiad year. This may be a reasonable argument, but its persuasiveness seemed reduced by the fact that it needed the refutation of two previous justifications for it to be aired at all.

Another Council member sought to question the make-up of the £36,000 proposed budget. This produced a flurry of keyboard activity on David Openshaw's laptop before he replied that he could not find the information and could not answer the question.

The proposal passed comfortably.

ECF Academy

During the discussion on the strategy statement, the Director of Junior Chess, Traci Whitfield, gave a short presentation on the planned ECF FIDE Academy. This proved to be useful (albeit potentially more helpful if communicated to members **before** the meeting).

A few key points:

- Total cost in the first year will be £21,500, to be funded from a mixture of John Robinson Youth Chess Trust grants, parental contributions and ECF money. The contribution from the ECF will be £5,000 in 2015/16.
- Any Junior Gold member will be able to participate in the academy at no extra cost. Others would have to pay.
- The initial focus will be on developing the elite international junior players already representing England in competitions and the tier of juniors approaching that level.
- There is a plan for development of a local/regional tier within the academy structure, but this will not be in the early phases. For now, Traci indicated that juniors up to County level were often “already very well provided for by local organisations”.
- The academy will be ‘virtual’, i.e. no physical building as such.
- There will be a 3-year rolling programme available for eligible juniors, including:
 - coverage of the FIDE syllabus;
 - four training weekends per annum, with ten hours of coaching from GMs with a ratio of 10 pupils per coach);
 - access to an expert panel for ongoing support;
 - a 5-day training tournament to give experience of standard-play time controls;
 - a website with learning resources;
 - access to FIDE trainers;
 - activities for parents.
- Elite players identified in the first 12 months will be eligible for financial and/or other support.
- The initiative will be run across the Junior, International and Commercial directorates.

National Chess Library

Council voted overwhelmingly in favour of the cheaper option, namely to box up the library and place it in storage pending a better long-term solution.

Yearbook and Diary

Council voted to cease provision of the ECF diary (hand vote: 15-7). The hand vote on discontinuing the yearbook proved so close that a decision was postponed. It had been proposed to produce a final celebratory yearbook in 2016 anyway, so it was felt that there was time to revisit the topic at a future meeting.

Other business

The meeting ended with an effusive expression of thanks from the ECF to David Anderton (not present), who has announced his retirement from ECF activities after five decades of supporting the federation and English chess in a host of ways. Speaking for myself, David was an invaluable

source of information, wisdom and sanity during my time on the ECF Board, and I am sure that his contribution will be greatly missed.

The meeting was given the very sad news of the death of International Master Colin Crouch, well known both as player and as author of a number of excellent chess books. Council stood for a period of silence as a mark of respect.

Andrew Farthing

19th April 2015