

Dear ECF Bronze member,

2016 ECF AGM

I am writing to you to tell you about the ECF AGM which takes place on Saturday 15 October and to seek your input on how, as your representative, I should vote.

(For some background on the workings of the ECF and its Council meetings, please see the section below. Also below is a brief report of last April's Finance Council meeting.)

The agenda for the AGM is [here](#). Supporting papers can be found [here](#). Also relevant is discussion on the EC Forum (<http://www.ecforum.org.uk/> - see the 'ECF Matters' section). Documents relating to representation of Bronze members can be found [here](#).

My guess is that the issues likely to be of most interest to Bronze members are:

1. The Board's report to Council;
2. The election of directors and senior officers;
3. The draft Strategy Statement; and,
4. The Five-year Plan (essentially a request for a steer on how the ECF should be funded which includes suggested increases in membership fees).

Taking each of these in turn...

The Board's report to Council

- The report, which replaces the individual director reports of previous years, can be found [here](#).
- In contrast to recent years, Board members appear to be working well together and it seems to me that the ECF has had a good year.
- The papers for the AGM have been published in good time.
- The report introduces the Board's thoughts on future funding (see the section below on the Five-year Plan for further comment). Included in this, I notice, is the statement "*The ECF should not rely on sponsorship, which is by its nature uncertain and ephemeral, to fund development projects which may in some cases be of many years' duration*". I am not sure I agree and the Board's draft strategy statement (more on this below) appears to say something different: "*Use sponsorship to support development projects and initiatives...*".
- Since new expenditure was approved at April's Finance meeting, I think it would have been useful to report on what progress has been made on, for example, Publicity with its new £11.5K budget. (By the way, I have enjoyed reading, Publicity Manager, Mark Jordan's informative newsletters which can be found [here](#).)

The election of directors and senior officers

- All elections but one are uncontested and all directors and senior officers are standing for re-election albeit Julian Clissold is standing for the new position of Non-executive Chairman rather than for Non-executive Director.

- There are four candidates for two Non-executive director positions. Julie Denning is standing for re-election and I think she has done an excellent job (for example, in heading the committee to oversee the implementation of the Pearce Report recommendations on governance and also in chairing Council meetings which is no easy task). Peter Hornsby is young and enthusiastic and has written a good election address but for a NED I would prefer someone with experience who I can be sure will be able to scrutinise and offer different perspectives. John Foley has an interesting background and was previously an ECF NED. However, when a director, John got entangled in Board disagreements and was, in my opinion, unwise to challenge Alex Holowczak for the Home Director position last year. This leaves Stephen Woodhouse who has an excellent professional background and is, I think, just the sort of candidate the ECF should be looking for. **Those are my views and I'm keen to hear yours: which two candidates should I vote for?**
- Malcolm Pein is standing for re-election as International Director and I'd like to comment on this. Malcolm has raised significant sponsorship revenue - he said at April's Finance meeting: £15,000 for the British Championships and £5,000 for International chess (curiously [Board meeting minutes](#) have the same figure for the British Championships but £6.5K for senior chess). Who else could do that? This said, expenditure on international chess has increased significantly and looks set to increase significantly further (more on this in the section on the Five-year plan below). And Malcolm did write a strongly-worded [election address](#) for last year's AGM in which he set clear expectations.

The draft Strategy Statement

- This can be found [here](#) and I think it's an improvement on the previous version approved by Council 18 months ago. I can see the document has been restructured and expanded (it now includes, for example, sections for each of the Directorates).
- However, the statement seems to me to be a list of goals rather than strategy per se. There isn't analysis of where the ECF is or a plan for getting from where it is to where it wants to be. Without the discipline of analysis and planning, can you be sure you're headed in the right direction?
- There is now a headline goal: "*Work to re-establish England as a significant force in international chess*". How can this be achieved and what will it cost? I have a concern that the ECF is spending more and more on International chess while receiving less and less sponsorship support. Who foots the bill for increases in expenditure? Another headline goal is "*Seek to understand and meet the requirements of our members...*" and I think it would be a good idea if the ECF conducted a survey of its members to find out what they want.

The Five-year Plan

- As John Philpott, the ECF's Financial Controller, is retiring, the Board is asking for approval to hire a two-days-a-week bookkeeper at a cost of £10,000 a year. I think this should be supported. The ECF has been very fortunate to have John as a volunteer - and an excellent volunteer at that.

- At its Finance meeting six months ago Council approved increased expenditure in a number of areas with funding coming not from increases in membership and game fees (as the Board had proposed) but from Reserves. If expenditure is to continue and, in some cases, increase then a more sustainable basis for its funding is needed. Council is now asked to consider the Board's Five-year Plan (described [here](#) with figures [here](#)) and provide guidance in respect of: i) Increases in Membership and Game fees; ii) Funding of the ECF from the funds in the Permanent Invested fund and the John Robinson Youth Chess Trust; and iii) Transfers from the Permanent Invested Fund to the Chess Trust. I'll try to explain what I think this means...
- The suggested increases in membership fees are £1 on the adult Bronze rate (and pro-rata on other categories of membership and game fee) in 2017/18 and the same in 2019/20. These are smaller increases than those put forward at the April's Finance meeting... The Permanent Invested Fund (PIF) and the John Robinson Youth Chess Trust (JRT) are independent trust funds which provide additional funding for the ECF. Currently the trusts limit the funding they provide to the income they receive on their investments. The proposal – which would be subject to the approval of fund trustees – is to use some of the capital of the funds as well as the income. For more details of the rationale for this, please see the Finance section of the [Board's report to Council](#). The additional funding would amount to between £30,000 and £40,000 a year, with more than half of the money going to support junior chess... The Chess Trust is a newly created Charity which is tax efficient but limited in the support it can provide; it is not able to support professional chess. **What are your views on the proposals and the suggested fee increases?**
- I have some concern about expenditure on international chess. This has increased significantly this year and is set - according to the Five-year Plan - to increase significantly further. For the nine years between 2006/7 and 2014/15, net expenditure in an accounting period was between £18K and £25K. Now for 2015/16 it is forecast to be £40K. The budget for 2016/17 is for £50K and the projections for 2017/18 and 2018/19 are, respectively, £65K and £70K. See [here](#) for the figures and their sources. Responsibility for funding of the bulk of the net cost of international chess falls, and is set to fall, on members of the Federation and game fee payers. **I am keen to hear whether or not Bronze members are happy to support this expenditure.**
- It seems to me that there are discrepancies in the figures for the financing of the Junior Academy. If I am right then this *may* impact the five-year plan. I've made [an enquiry](#) about this.

Please let me know your views on the above - and anything else on the agenda - so that I cast my vote as your representative accordingly and possibly ask questions at the meeting. The more responses I get, the greater the weight of your (collective) opinion. **I would also urge you to express your views to the ECF representative(s) for the league(s) in which you participate** – especially if you feel strongly about any of the items on the agenda. Leagues including those run by county associations have, in total, 191 of 321 Council votes and potentially a huge say in decisions.

PLEASE send replies to angusmisc@angusf.myzen.co.uk.

Finally, there still remains a vacancy for a second Bronze Members' representative. If you are interested in applying for this position, please write to the ECF Company Secretary, John Philpott at company.secretary@englishchess.org.uk. Having two representatives and two votes would give Bronze members a bigger voice on Council.

Background on the workings of the ECF and its Council meetings

Most ECF decisions are taken by the Board and Officers but the more important decisions are taken by ECF Council. ECF Council meets twice year:

- in October for its AGM, to receive reports from Board members and senior officers, to consider proposals and to elect a new Board and senior officers; and,
- In April for its Finance meeting, to approve the previous year's accounts, to set a Budget for the following year and to consider (typically finance-related) proposals.

For the most part, Council is made up of representatives of the leagues, tournaments, unions and other groups which organise the playing of graded chess. Each membership category also has up to two representatives. Board members and senior officers are also members of Council. Council meetings are usually attended by forty to fifty individuals (some acting as proxies for other representatives) with, in theory, over 300 votes at their disposal. Bronze members' representatives have a single vote each to cast.

I have been a Bronze Members' representative since early 2015. I also represent the Croydon & District Chess League and have attended the last 10 Council meetings. I was briefly (for five months in 2014) a Non-executive Director of the ECF. Since May I have been a member of the ECF's Governance Committee.

2016 ECF Finance Council Meeting

This took place in April. The minutes are available [here](#). The Southern Counties Chess Union report is [here](#). Council representative, Ben Edgell's, report is [here](#).

I asked for feedback on two issues in particular: which of the two Budget options presented was preferred; and, whether card voting should be transparent.

I received 69 responses which are summarised [here](#). On balance the preference of respondents was for Budget option B (no increases in expenditure and no increases in membership and game fees) over Budget option A (increases in expenditure supported by increases in membership and game fees). All of those who expressed a view were in favour of transparent card votes.

At the meeting, Malcolm Pein announced that he had raised £15,000 sponsorship for the British Championships and £5,000 for International chess.

The meeting decided (by circa 20 votes to 3 on a show of hands) to approve all additional expenditure but to fund it from the Reserves which, it was anticipated, would reduce to £91K (from a forecast £106K). There would be no membership or game fee increases for 2016/17. I was one of those who voted against (with my combined Croydon league/Bronze members' representative vote). I did this because I would like to have seen some reductions to the proposed expenditure increases.

The meeting finished before it was able discuss the proposal on transparent card voting.

Angus French, Bronze Members' Direct Representative

PLEASE send replies to angusmisc@angusf.myzen.co.uk