

Surrey Chess



To: Mike Truran,
ECF Chief Executive

15 March 2019

Subject: ECF Budget and Membership Fees

Dear Mike,

I am writing to you on behalf of the Surrey County Chess Association ("SCCA") in anticipation of ECF's expected proposals in relation to the above topics at the 27th April 2019 Finance Council meeting. I hope that this early communication gives the ECF Board ample time to consider the points made and address them, preferably in the pre-meeting papers for Council please.

Based on the information provided at the October 2018 AGM we are anticipating the following Fees proposal from ECF:

Membership Fees £ per annum	2018/19	2019/20	2020/21
Platinum	70.00	75.00	80.00
Gold	34.00	38.00	41.00
Silver	23.50	27.00	30.00
Bronze	16.00	18.00	20.00
Junior	5.00	6.00	6.00

Subsequent to the 2018 AGM, SCCA has undertaken a survey of its chess participants to ascertain their views on the long term ECF Budget proposals. Our datum was the helpful paper "Challenges for English Chess and the ECF" provided to Council. If you are interested in the details of our survey they may be found [here](#).

Key messages that arose out of the survey, relevant to the topic of this letter were:-

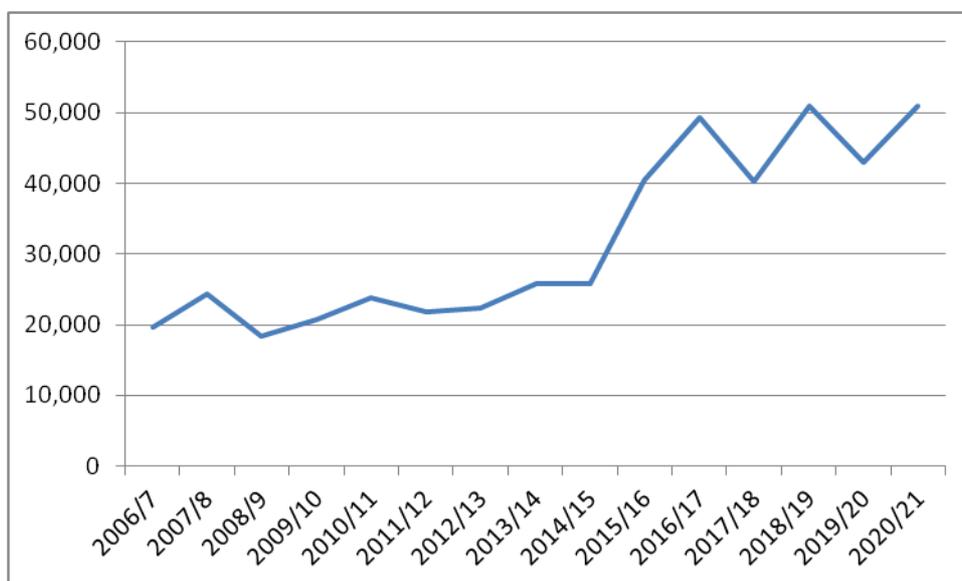
a) 77% of respondents care how much they pay for their ECF membership. SCCA Board should, therefore, properly scrutinise this topic on their behalf in order to verify that they are receiving value for money.

b) 90% of our respondents agreed with the principle that extra costs for new initiatives should be accompanied by quantified targets. That is in order that such new initiatives can be judged effective or otherwise in the future. In the context of the ECF Budget proposal SCCA request that ECF provide a clear target identifying how many additional female members they aim to attract over a given time period (i.e. XXX additional female members by [year]) please. That is to support the extra £5k per annum budget (19% of the total increase) requested from ECF members. To be clear, the SCCA Board supports the principle of trying to increase female participation. However, putting more money into that initiative should be supported by quantified targets of what is planned to be achieved through it.

c) 86% of our respondents agreed with the principle that extra costs that rely on analysis for their justification should only be committed to once that analysis is available and reviewed. In the context of the ECF Budget proposal SCCA requests that ECF provide an executive summary of the review of Office salaries, that was noted would be available "by the year end" (i.e. end 2018), in order to support the proposed £6k per annum budget increase (23% of the total increase) requested from ECF members please.

d) In the course of receiving feedback from our survey we have been asked why the Office resources were to be increased, requiring a further £6k per annum (23% of the total increase). This arises partly in light of the implementation of the new membership system in 2018 which had been understood directionally to lower the administrative burden of that function. Aside from mention of "increasing workload to cover the Junior and International events", which does not explain why that is happening or address the new system point, we have been unable to identify the answer in the material provided to Council. We would, therefore, be grateful if you would provide a fuller explanation to this question please.

e) 63% of our respondents did not agree that the ECF membership should support English International Chess financially without limit. It follows, therefore, that our constituents wish to see a limit placed upon the International budget. The question that arises is, what should that limit be? Below is a graph of historical and proposed forecast net ECF International expenditure in £.



The average net expenditure, including projected figures for the final three seasons, from 15-16 to 20-21 is £46k per annum. That is a 100% increase in net expenditure rate relative to the seasons 06-07 to 14-15 spend of £23k per annum. RPI inflation would have given rise to an increase of about 25% to just under £30k per annum.

It would appear that the higher projected budgets from 2018-19 onwards are driven by the assumption of zero sponsorship or other income for International. However, since the ECF membership scheme was introduced in 2012, income for International has never been lower than £17k in any season. Hence it is not clear to us why the assumption of zero income is reasonable and, in any case, why the assumed absence of income should be made up by ordinary ECF members. The historic understanding has been that elite International chess should be at least part-funded by sponsorship and that obtaining such sponsorship was one of the functions of the Director of International Chess.

We have heard an argument that the International budget helps support elite players who act as role models and so encourages participation in chess. However where is the evidence that supports that argument? We find it very difficult to support the proposed increased International costs of £9k per annum (35% of the total increase) for ECF members absent better supporting arguments than we have heard thus far.

Another Way for International

We recognise that the issue of justifying the International Chess budget is not straightforward and there may be an argument put forward along the lines of "it's a leap of faith". Such an argument would not be sufficient for the majority of our constituents. However we have observed, through our survey, that around 5-10% of our constituents either do not care how much they pay for ECF membership and/or are supportive of increased International Chess costs without limit. While they are much too small a minority to drive how SCCA represents its constituents as a whole they may still be a key to the solution, assuming a similar minority view prevails around the country.

Platinum membership is a form of patronage. If ECF continues to insist upon a higher International budget then, if just 2.5% of the current ECF membership were persuaded to upgrade to Platinum, that would raise at least £9k per annum. That way ECF would get the money it sought, ordinary members would not have to pay for a leap of faith, and those who believe that ECF International budget should be allowed to rise without limit and don't care what they pay can play a positive role as patrons of a cause that they believe in.

I suggest that ECF could make such an appeal for patrons upgrading to Platinum status in its excellent Newsletter. That's pretty much what charities do all of the time. They appeal to those in their ranks with the larger resources to pay more for what they believe in.

In summary, the relevant principles SCCA believe should be applied to ECF Budgeting are:

- a) Provide quantified targets for new initiatives requiring new funding
- b) Commit to budget increases relying upon analysis only once that analysis is available.
- c) Strike a fair balance between ordinary members and sponsors or patrons when funding elite level chess by placing a limit on the contribution from ordinary ECF members.



Grading Consultation

While writing I note that ECF is currently consulting on potential changes to the grading system. I understand that ordinary members are being asked if they would like to change or not.

I should like to point out that this process is causing considerable anxiety amongst the people in leagues and clubs who are actually involved in doing the work to send grading results to ECF. Practical issues that worry them include resource requirements for more frequent monthly submissions, managing absences, possible disruption of league fixtures processes if grade publication is delayed and impacts on the current league management systems. Those current systems deliver not just results but are also set up to manage the bespoke rules of the leagues. Chess administration resources are, as I am sure you know, not easy to come by and so any increased demands upon them generate great concern. This is not merely a theoretical concern as we have already had indications from people working the Surrey systems that they would step down from their role if their administration tasks increased significantly because of a change to the grading system.

This anxiety mentioned above is perhaps partly driven by not having a clear understanding of exactly how ECF envisages any new grading system would be implemented. The key message I should like to convey at this juncture is that, if the result of the initial consultation suggests that change is desired, there needs to be a further detailed consultation with the people, including our county, who actually do the work to provide the grading submissions to ECF please. It needs to be verified that whatever is being proposed is actually deliverable before a final decision is taken.

Yours sincerely,

(Signature on file)

Paul Shepherd,
SCCA President, for and on behalf of the SCCA Board

cc.
SCCA Board and Officers involved in Grading
SCCU Executive Committee