



Minutes of the UK Sport Board Meeting held on 13th July 2005 at Holiday Inn Kings Cross

Present

Chair Sue Campbell

Members Connie St Louis
Laura McAllister
Nick Bitel
Julia Bracewell
Patrick Carter
Louise Martin
Eric Saunders
Huw Jones

Alternate for Philip Carling

UK Sport Staff John Steele Chief Executive
Liz Nicholl Director, Performance
Neil Shearer Director, Corporate Services
Tim Hollingsworth Director, Policy & Communications
Peter Keen (Item 5) Performance, UK Sport
Emyr Roberts (Item 5) Performance, UK Sport
Andy Van Neutegem (Item 9) DFS, UK Sport
Nicole Sapstead (Item 9) DFS, UK Sport
Janet Carter (Item 9) Performance, UK Sport

Board Secretariat Aimée Wells UK Sport

1. Introduction and Apologies for Absence

Action

Chair welcomed members to the meeting and apologised for the late change of venue due to the London incidents the previous week.

Philip Carling, John Scott & Nikki Roche had sent apologies to the meeting. Huw Jones attended on behalf of Philip Carling.

Chair introduced and welcomed Julia Bracewell as the new Chair of Sport Scotland and extended congratulations on her appointment. John Steele was also introduced as the new Chief Executive of UK Sport.

2. Declaration of Interest

Members were reminded of the need to declare their interest in any transactions requiring a decision and to remove themselves from such decision making. This would be formally reported in the minutes and on a register completed at the meeting.

3. Minutes of the Board Meeting held on 17th May 2005

Board Secretariat was reminded not to use the term 'Independent' when referring to Members in the minutes.

Item 5.1 – Agreed that the term 'British' should be deleted.

UKS

The minutes of the meeting of the 17th May 2005 were approved and signed by the Chair as an accurate record.

4 Approval of Agreements

Chair advised Members that sufficient responses had been received after the last Board meeting from those who sent apologies to make the decisions quorate, therefore all agreements were approved.

5. Executive Team Report

John Steele tabled and took members through the Executive Team Report on Activity.

He informed Members that both posts for the Major Events Consultant had been filled with expected start dates of September and October. Thanks were given to the two employees leaving for their contribution and hard work.

Members noted the 'no assurance' rating of the BPA draft Management Audit report and the exceptional release of first quarter payments. The BPA had challenged the report and further urgent discussions were scheduled with the BPA Chair and Chief Executive. Liz Nicholl was leading on this.

6 Matters Arising

6.1 Board Members

Chair informed Members that she is scheduled to be on the interview panel to recruit the additional two Board Members on Friday 15th July 2005 at DCMS. Of the six short listed, 3 have Olympic and 3 have Paralympic and nominations have been received from both the BOA and BPA. Members will be matched to the competencies detailed in the Board Member Matrix from the Governance Review to determine the best skill mix.

Following their recruitment the Chair advised she would have separate discussions with the remaining members to discuss their future position from November when their current terms are scheduled to end.

Chair

6.2 Calendar of Events

As requested at the last Board Meeting a Calendar of Events was included in the Board papers. This was welcomed and will be updated on a bi-monthly basis with the Home Countries feeding in any significant dates to be included.

HC's

6.3 Scrutiny Panel Update

Chair advised of the recent appointment of the Scrutiny Panel members. A Chair and four panel members have been appointed with the first meeting scheduled to take place in the next couple of months. The Chair is David Kenworthy, former Chief-Constable of North Yorkshire Police. Positive feedback had been received regarding the appointments.

Some Members advised they had not received the e-mail notification of the recruitment so this will be distributed again. UKS

6.4 Lottery

Tim Hollingsworth updated Members on the work of the consultation document for the Lottery post-2009. He thanked everyone for their contributions and advised that UK Sport's input was very well received as we had highlighted key areas for DCMS regarding the impact of lottery funding.

He advised that the next stage in the process is for DCMS to read all the submissions from the distributors and create a consultation document that will be the basis of the public consultation later this year / early 2006. All submissions will be published on the DCMS website to support the consultation document. UK Sport is now creating a summary of its initial submission for inclusion in this consultation document. In addition UK Sport will work with colleagues in the Home Countries to put together a joint paper to guide the Department's thinking on this issue, in particular with regard to the impact of London 2012. This work will be concluded by the beginning of September. UKS

6.5 2012 Outcome

Chair advised members of how privileged and proud she and John Scott had been to be members of the bid team in Singapore. UK Sport will formally write to the bid team to congratulate them on their win. Members discussed how UK Sport needs to capitalise on the successful announcement and Chair advised she had already met with DfES to discuss how they can add weight to the Games. UKS

Nick Bitel discussed with members how the Private Securities Industry Act was more pertinent now we had won the bid. He advised he had met with John Shawcross of the Home Office as well as DCMS and CCPR Major Sports Division. Some progress had been made as they do agree that the rest of sport should have an exemption but are struggling with the implementation process. Case studies highlighting the impossibility of complying with Act were shared with the Home Office who are beginning to understand the implications.

It was agreed that UK Sport should retain a 'holding position' with regard to the Act, supporting the CCPR in its representation on behalf of the rest of sport. The Home Countries should feed any further information that emerges further down the line regarding the impact of the Act into Tim Hollingsworth. It is possible that the London bombings will also have an impact on how it is introduced.

7. Investments

7.1 Performance – APA Review

Peter Keen & Emyr Roberts joined the meeting.

Liz Nicholl set the context for the review, explaining that the APA scheme was reviewed early in the last Olympic cycle but no changes were implemented due to affordability issues. There had therefore been no increase in the level of awards since their introduction. The aim now is to take inflation into account and set the awards at the right level for the next four years to provide the appropriate support and incentive to athletes.

When the APA's were first introduced, work was undertaken to reach agreement with the Inland Revenue on how awards should be positioned to ensure there were no tax implications, both in terms of their level (assuming the APA is sole income) and in terms of Paralympic funding (that would not impact on disability allowances).

New proposals had been formulated for discussion and agreement subject to:

- DCMS approval of end-of-year flexibility to carry over funds
- tax/NI assurances
- ministerial consultation via a briefing note - as APAs had been part of the Cunningham review
- further athlete consultation on disregard levels within a tightly defined framework of options both affordable and acceptable to UK Sport.

UKS

Peter Keen took Board members through the detail of the recommendations as outlined in the supporting paper.

Means testing will be simplified by moving to a single disregard for all sources of income including the APA, above which a pound-for-pound reduction in APA will be made.

The current proposal for this is £32,400. An in-depth athlete consultation will be undertaken to gauge support for the proposed maximum award and means-test disregard level. Given the finite budget available the two figures are interdependent. If this disregard is raised, as many feel it should be, the awards must reduce to balance the budget. Following discussion it was further proposed that if the disregard is set such that some currently funded athletes with high incomes would receive smaller awards, then that they should continue to receive their current award until such time as it would be advantageous for them to transfer to the current system (e.g. a change in category or income).

The proposals were agreed subject to further consultation as outlined above.

Huw Jones asked that recommendations be formulated for D level awards and discussed with home country sports councils. This was agreed. It was also agreed that further work would be undertaken to explore trust funds, a sponsorship funded bonus scheme and refining the GPTS package.

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Peter Keen left the meeting.

7.2 Winter Sport Review

An update paper on current performance and Turin prospects was presented by Emyr Roberts. Liz Nicholl explained that the Olympic targets for Turin had now been reduced to 2-3 medals and 2-3 top 8 places. These were still ambitious but possible with curling and bob skeleton offering the strongest prospects. The Paralympic target was one medal for wheelchair curling.

It was agreed that in broad terms the Winter sport investment strategy should follow the same principles as the summer Olympic and would be considered at the October meeting. It was also agreed that the joint funding arrangement currently applied to Curling should continue into the next cycle with UK Sport, SportsScotland and Scottish Institute of Sport officers working together to agree their support levels.

7.3 Bob Skeleton

Emyr Roberts also introduced the paper on Bob Skeleton 2005-06 Investment and the following recommendations were agreed:

- ***The British Bob Skeleton Association to receive a WCPP award of £93,345 for the period October 2005 – September 2006.***
- ***The British Bob Skeleton Association to receive a World Class operations award (exchequer) of £109,655 for the period October 2005 – September 2006.***

Emyr Roberts left the meeting

8. Events

8.1 Major Events Strategy

Nick Bitel took members through the paper on the Major Events Strategy for the UK 2005-2012.

As the strategy paper had been through an extensive consultation process with all partner organisations, the Board approved the Major Events Strategy.

9 Drug Free Sport

9.1 NGB Agreement

Andy van Neutegem, Janet Carter & Nicole Sapstead joined the meeting

Nicole Sapstead took members through the paper advising that the purpose was to formalise the relationship between UK Sport and the NGB's regarding the National Anti-Doping Policy. Members were advised of the consultation process that the agreement had been through with all partners and that it was hoped to be formally in place from 1 August.

Chair advised that as the Home Countries had not responded to the request for any comment and that it was important they be happy with the agreement before signing. UK Sport will extend the deadline to 1st August and send a reminder.

UKS

The situation in football remains unclear with no communication from FIFA to its member national bodies. It is understood FIFA will debate whether to accept the WAD Code in full at its Congress on 11th September. If it fails to do so WADA is likely to pass the issue to the IOC for consideration of their continued recognition as an Olympic sport. Chair advised that she and John Scott will meet Brian Barwick of the FA on 21st September to discuss the implications.

9.2 Suspension of Services to Athletes

The Board approved the following recommendations presented by Janet Carter:

Athlete Medical Scheme

- *UK Sport funded athletes suspended on the basis of an anti-doping case to answer are eligible to receive AMS cover and medical treatment until final determination of their case or up to a maximum period of 6 months from the date of a case to answer being established.*
- *Where an athlete is found guilty of the offence and receives a ban from competition and funding, that individual will be able to continue any existing course of treatment already agreed under AMS until completion or a maximum period of one month, whichever is the lesser period.*

Performance Lifestyle Scheme

- *Any athlete found guilty of an anti-doping offence who is banned from competition and funding either for a short period or for a lifetime is offered an exit interview by a Performance Lifestyle Adviser.*

Members noted an error in the paper regarding athlete access to AMS and medical support whilst in the process of a hearing and this will be amended before being circulated to Home Country Sports Councils.

UKS

10. Corporate

10.1 2004/5 Year End Accounts

Neil Shearer summarised the key elements of the statutory accounting process. It was confirmed that both the NAO and PWC had approved the final accounts. The PWC management letter had been provided for the Board - there were no significant findings

The Audit Committee had been involved in the process throughout and had approved the accounts at the June meeting.

The Board formally approved both the 2004/05 Lottery Accounts and the 2004/05 Grant in Aid Accounts for signing by the Chair and CEO.

It was confirmed that the Accounts would be formally signed by the Comptroller and Auditor General on 15th July and laid in the House in the week commencing 19th July.

10.2 Revised 2005/6 Budget

It was confirmed that the budget and plan had been updated. The principle changes were:

- Incorporating latest position and phasing of NGB grants

- Incorporating the effects of the Athlete Personal Awards Review.
- Reflecting revised employer pension costs following receipt of the 2004 fund valuation

The Athlete Personal Award Review had subsequently added a further 0.8m, which will be reflected in the next revision of the plan numbers.

The DCMS intend to seek approval for the 2004/05 End Year Flexibility carry forward. The plan numbers assume this to be the case. At the same time approval was being sought for end year flexibility throughout the plan period up until April 2009.

11 Policy & Communications

11.1 Commercial Sponsorship

Tim Hollingsworth introduced the paper and advised it was a follow-up to the previous paper on Commercial Strategy submitted to the Board.

There followed a discussion regarding the risk matrix and in particular the type of companies that are deemed suitable as partners. It was agreed that while some companies would be considered high-risk according to the matrix, they may still be ones with whom we wish to undertake a relationship. The issue would therefore be ensuring that the high risk was managed down carefully so that it became categorised as medium risk to UK Sport. TH

Subject to small wording changes discussed at the meeting, and recognition of the strategic point regarding high risk companies, the Risk Matrix was agreed by the meeting.

12. Minutes of the Audit Committee

These were circulated for information

13. AOB

Members agreed to hold the 11th October Board Away Day meeting at a London Venue and the 2012 offices was suggested. UK Sport to advise of venue and timings UKS

Neil Shearer advised Members of the office situation due to the London bombings and stressed that staff would return to the office as soon as clearance had been given by the Met Police.

As there was no further business the meeting closed at 1.10pm