



Minutes of the UK Sport Board Meeting held on 29th January 2009 at UK Sport

Present

Chair Sue Campbell

Attendees:

Philip Carling
Nigel Walker
Rod Carr
Louise Martin
Jonathan Vickers
Jennie Price On behalf of Sport England

UK Sport Staff

John Steele	Chief Executive
Tim Hollingsworth	Director of Policy & Communications
Liz Nicholl	Chief Operating Officer
David Cole	Business Support Director
Andy Parkinson	Acting Director, Drug Free Sport
Chris Walker	Finance Director
Peter Keen	Performance Director

In attendance

Vijay Parbat
Simon LeFevre
Russ Langley
Matt Crawcour

Board Secretary

Jackie Freeman UK Sport

1. Introduction and Apologies for Absence

Action

The Chair received apologies from Chris Holmes and Dominic Walsh. Chair welcomed Jackie Freeman as Board Secretary.

Vijay Parbat, Simon Lefevre, Russ Langley and Matt Crawcour joined the meeting.

2. Declaration of Interest

Members were reminded of the need to declare their interest in any items requiring a decision and to remove themselves from such decision making.

Rod Carr declared an interest in Item 9.1 as member of the Major Events Panel. Chair asked that he remove himself from discussion for the relevant sections of this item.

3. Approval of Minutes

Members agreed and signed off the minutes of 2 December with the amendment under Minute 10.1 which should read £3m not £1m.

4. Matters Arising

No matters arose for discussion.

5. Executive Team Report

- Board ratified proposed membership for the Major Events Panel and it was noted that Rob Holt is Chair of Ryder Cup Wales, 2010.
- Chair reported the resignation of a further member of the Independent Scrutiny Panel which means that the Panel is inquorate. Chair and the Chair of the Panel have discussed the situation and, given the movement towards establishing the independent NADO, agreed formally to wind up the Panel. To ensure that the valuable work undertaken to date is not lost from record, a final Annual Report will be made available to the March Board meeting. Chair agreed to write to the Panel to thank them.
- Board approved UK Sport's Research & Investment programme proposal to establish a Research Advisory Group (RAG) with the key purpose of providing advice on the research ethics of all confidential performance projects which involve elite athletes.
- Board approved, in principle, the removal of all non Olympic and Paralympic NGBs from the International Influence Programme, with CCPR being granted a budget to manage that element. It was agreed that UK Sport would provide a paper outlining UK Sport's wider International Influence Strategy to the Board later in the year.

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6. Board Events Calendar

Members accepted paper UKS 01 and it was noted that dates for UKS SportScotland, previously circulated, should be added.

7. Finance

7.1 2009-2013 budget

Chris Walker presented an updated 2009-13 financial plan to Members. Income now reflected the Secretary of State's proposals to December Board and there was no assumption of income from either sponsorship or End of Year Flexibility. Since the December Board, each 'above the line' sport had received confirmation of the investment decision; 'below the line' sports had been consulted about future funding. Plans for the separation of NADO had also been further developed.

Although £11.2m is available for 'below the line' sports, two issues remain:

- Cash flow- a deficit in years 1 and 2 which would be recouped in year 3. This reflects the phasing of income from DCMS, separation of NADO and phasing of Major Events.
- NADO separation - £1.8m allocation to transition costs was agreed by Board in December 2008. There remains a shortfall in incremental running costs.

Potential levers to resolve the cashflow issue were highlighted as: a drawdown on the lottery balance; additional income from fundraising; loan

finance; reprofile spend; reprofile Grant in Aid from DCMS

Chris Walker concluded by stating that the impact on lottery balance of the underlying cashflow issue would be a reduction to under £7m – representing less than 2 months cover. The rationale for using the lottery balance in this way was to maximise UK Sport investment. UKS would put in place additional measures to monitor the position closely and had the ability through the funding agreement to withdraw awards if income declined, in order to protect the overall Mission. **Board agreed to proceed on this basis.**

7.2 Commercial Sponsorship update

Tim Hollingsworth gave an update on Commercial Sponsorship.

He stated that following the funding settlement in December 2008, UK Sport had agreed with DCMS to take a lead role in determining means by which private investment might be raised. Since the start of the year, a new approach was being discussed with colleagues from LOCOG and the BOA and BPA to enable a new structure for elite sport to be formed. The new Fund would be introduced as a sports activation programme for all 2012 sponsors, and would be formed from an aggregation of existing rights and an alignment of approaches, with UK Sport bringing the rights already developed for Medal Hopes.

TH outlined the basic structure of the Fund and how income would be both raised and allocated. He stressed that the principle of the new structure was that while the BOA/BPA (and LOCOG until 2012) become more responsible for fund raising, UK Sport retains sole and exclusive responsibility for determining how the funds raised would be distributed via the World Class Performance Programme. The ambition was to raise funds but also to create a simplified structure that would provide a legacy to elite sport beyond 2012.

He stated that a draft Heads of Terms would be agreed, subject to UK Sport Board approval and that of the BOA and BPA Executive Committees, with three months to formal agreement. He also highlighted the need to ensure that DCMS approved the scheme, and that within that there was a resolution of the current contractual position around Medal Hopes. He also highlighted an additional risk of VAT liability being incurred on the funding awards made by UK Sport because of the scheme, and the work being led by DCMS to ensure this risk was averted.

Members thanked UK Sport for its efforts in reaching this position. They welcomed the approach being taken, and in particular the opportunity it gave to clarify the commercial landscape for elite sport. In discussion members continued to raise similar points of concern to those held with Medal Hopes, including the difficulties faced in securing athlete days and in particular access to training centres.

Members were also categorical that any money raised by the new scheme should be available to be invested by UK Sport according to performance priorities and its investment strategy, and not be ring fenced in any way to support solely the 8 Olympic and 4 Paralympic sports currently underfunded on the WCPP.

Board confirmed that they supported the principle of the new Fund and the approach being taken by UK Sport. They reiterated the view that any money raised must be invested against the whole WCPP and based on clear performance need.

7.3 NADO funding

Andy Parkinson introduced a presentation on funding for the proposed new NADO.

Further work had been done on the funding projections following the last meeting. It was acknowledged that in order for the ongoing operating costs of the new NADO to be met for the remaining CSR period to the degree that would allow for the introduction of two extra functions (Case Management and Intelligence Management) and for progress to the new organization to be realized by the end of this year, there would need to be a further £2 million allocated by UK Sport (in addition to the £1.8 million for transition costs agreed at the December Board).

Notwithstanding this additional contribution, members were advised that this still left a shortfall in the operating costs for 2010/11 of £450k compared with the October 2008 Revised Business Case. Members expressed concern about being asked to authorise a deficit budget but AP stressed that should the core funding be secured the budget would be reforecast, taking into account possible cost efficiencies, to ensure there was no deficit budget before seeking final approval from the NADO Project Board on 4 February.

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AP agreed that he would send Members a paper explaining how the budget could be balanced and what functions NADO would be able to perform given the financial shortfall. The Board agreed that this could be approved by email, to enable an announcement to be made at the forthcoming NADO Project Board meeting and publicly thereafter. AP also said that he would report back to March Board with details of the revised NADO budget.

Following discussion, Members agreed that the ability to move forward with the announcement and planning of the new NADO was a priority, and that UK Sport should therefore release the sum of £2million, as a one-off payment, towards the operating costs up to 2010/11. Following instruction received from DCMS in December, it was agreed that this would be found from internal savings on a variety of budget lines and not be taken from funds allocated to NGBs via the World Class Performance Programme.

8. Investment

8.1 Investment principles

Neil Page joined the meeting.

Liz Nicholl took Board Members through a brief presentation on the previously agreed Funding Principles which set the context for funding recommendations.

1. CLARITY OF PERFORMANCE MANDATE TO LONDON 2012

UK Sport's primary role is to maximise the impact of public funding of excellence in our Olympic and Paralympic sports through strategic investment and targeted actions and interventions.

- In applying this, the investment focus is in those Olympic and Paralympic sports in which Team GB will compete in London 2012 and investment levels are derived from the performance funding model
- #### 2. WCP PROGRAMME FUNDING IS A PRIVILEGE, NOT A RIGHT

No compromise funding only available to sports achieving or striving to achieve excellence in Olympic/ Paralympic arena. Where sports fail to evidence this significantly, lower funding will be considered. There will be 3 tiers of funding – Podium, Emerging and Basic, the last providing only minimal funding to cover core staff and basic preparation

- Basic funding is now being applied in the context of limited resources. It is derived from (= a percentage of) the performance funding model.

8.2 2009-2013 investment in non sport specific organisations

Liz Nicholl introduced paper UKS 02 which had been circulated prior to the meeting seeking approval of the award recommendations for non-sport specific organisations in 2009-2013.

After discussion, the Board approved:

- **The recommendation that Sports Aid receives a 3 year award of £2,225,000 per annum be confirmed for the period 1 October 2009-30th September 2012 to administer the TASS scheme.**
- **The recommendation that Sportscoach UK (scUK) receives a four year award of £8.22m for the period 1st April 2009-31st March 2013.**
- **The recommendation that the British Athletes Commission (BAC) receives a four year award of £275k for the period 1st April 2009-31st March 2013.**
- **The recommendation that Sport Resolutions UK receive a four year award of £900k for the period 1st April 2009-31st March 2013.**
- **The recommendation that the British Paralympic Performance Services (BPPS) Ltd receives a four year award of £1.8m for the period 1st April 2009-31st March 2013.**
- **The recommendation that the English Institute of Sport (EIS) receives a four year award of £27,775,200 for the period 1st April 2009-31st March 2013.**
- **That the EIS receives an additional four year award of £5,626,000 for the period 1st April 2009-31st March 2013 which included a ring-fenced element to support Paralympic specific science and medicine posts.**
- **That in line with the funding principles there is additional investment through EIS relating to Performance Lifestyle Advisers. These amounts to be proposed at the March Board meeting.**
- **That the Scottish Institute of Sport receives a four year award of £650k for the period 1st April 2009-31st March 2013 plus funding for a Performance Lifestyle Adviser.**
- **That the Welsh Institute of Sport receives a four year award of £350k for the period 1st April 2009-31st March 2013.**

8.3 NGB investment

Non-optimally funded sports - NGB Investment 2009/2013

An amount of £11.2m is available over 4 years (compared to optimal funding of £42.1m over 4 years) to support the 8 Olympic and 4 Paralympic sports awaiting investment decisions.

Meetings had taken place with the sports concerned to ensure that:

- o all parties understood the resource implications and challenges;
- o sports could be confident that UK Sport had sufficient information to make informed decisions on their 2009-13 award;
- o sports could receive a planning figure, understand how it had been arrive at and discuss the implications with UK Sport
- o sports could explore opportunities with other partners.

All sports came to the meeting with thoughts about options for reduced cost programmes, some of which were accompanied by high level budget summaries.

It was noted that in the majority of cases an option to bring forward four year funding to up to two years would provide just over 50% of optimal funding each year. If this option could be made available, each sport would have carefully to consider the risks and the opportunity as there could be no guarantees of additional funding being available or allocated at the annual or mid-cycle reviews. At these review points, investment in all sports would be considered on the basis of relative performance merit.

Members discussed the risk to sports and agreed that a bring forward option should be offered to sports for their consideration. It was noted that work was underway to revise all funding agreements to ensure that wording was aligned with the Investment Principles.

CW advised that the offer to front load funding to the non-optimally funded sports in this way would have a significant impact on UK Sport cashflow and would only be possible with external support. The Chair informed members that DCMS had recognised this risk and offered to underwrite the proposal by a matching acceleration of the £9m additional funding announced by the Secretary of State in December. Board considered the offer from DCMS and agreed to proceed on this basis.

The following investments were recommended to Members.

Sport (Olympic)	2009/2013 Award
Fencing	£1,259,746
Handball	£1,448,327
Shooting	£1,225,350
Table Tennis	£1,207,848
Volleyball	£1,359,203
Beach Volleyball	£394,607
Water Polo	£1,450,895
Weightlifting	£680,023
Wrestling	£717,650
Sport (Paralympic)	
Fencing	£273,127
Goalball	£327,832

Volleyball	£382,430
Wheelchair Basketball - Women	£491,761

Board agreed to approve the investments as set out above. Chair asked LN to convey the Board's thanks to the sports for their understanding.

TH informed the meeting of the communications plan which would involve the communication of the decision taken to NGBs and to the media immediately following the Board meeting.

Matt Crawcour and Russell Langley left the meeting.

9. Major Events

Simon Morton joined the meeting.

Rod Carr left the meeting due to conflict of interest.

SM introduced paper UKS 03. Members had received copy of the minutes of the Major Events Panel of 14 January.

Board agreed to endorse the following recommendations:

2010 FITA Archery World Cup Final

1.1 Members agreed to recommend that UK Sport provide a grant of up to £150,000 towards the staging of the FITA Archery World Cup Final 2010, of which £38,000 is ring-fenced as the event contingency and £20,000 is ring-fenced for venue fit out, both to be released on approval of UK Sport Officers and the standard conditions of award and the specific terms and conditions as recommended in Paper 03 should met.

2010 UCI Mountain Bike Cross Country World Cup

1.2 Members agreed to recommend that UK Sport provide a grant contribution of up to £123,750 towards the staging of the UCI Mountain Bike Cross Country World Cup 2010. The following conditions would be added to those stated in Paper 4:

1.2.1 No part of the UK Sport grant may be used to pay hotel costs at over £125 per room per night without UK Sport consent

2009 World Championship Series Triathlon

1.3 Members agreed to recommend that UK Sport provide a grant contribution of up to £280,000 towards the staging of the World Championship Series Triathlon 2009. The following conditions would be added to those stated in Paper 05 with the exception of the condition referring to a contribution from London which members agreed should not be a condition of award:

1.3.1 The recommendation is subject to Officers satisfying the UK Sport Chief Executive and Major Events Panel Chair that the split in budget between the Elite and Non-Elite events is justifiable and clear

1.3.2 The award is for one year only, after which the event will be reviewed to assess potential support for 2010, with the hope that there will be support from additional public funders for this event

1.3.3 The award is subject to legal advice regarding the validity of an award to an event with associated mass participation activity as outlined in the application

2009 Sail for Gold

1.4 Members agreed to recommend that UK Sport provide a grant contribution of up to £225,000 towards the staging of the Sail For Gold 2009 of which £45,000 is ring-fenced as the event contingency

and the standard conditions of award and the specific terms and conditions as recommended in Paper 06 should be met.

2009 English Open Table Tennis Championships

1.5 Members agreed to recommend that UK Sport provide a grant contribution of up to £150,000 towards the staging of the English Open Table Tennis Championships 2009. The following conditions would be added to those stated in Paper 07:

1.5.1 £25,000 is ring-fenced for TV Broadcasting to be released on approval of UK Sport Officers

1.5.2 No UK Sport funding will be used towards the Prize Money for the event

Members are asked to note the following awards made by the Chief Executive and under the authority delegated by Board:

that UK Sport provide a grant of up to £50,000 towards the staging of the IFDS World Sailing Championships 2011, in Weymouth

Simon Morton left the meeting.

10. Drug Free Sport

10.1 NADO Project Governance

Andy Parkinson took Members through paper UKS 04 which was for the Board's information on the governance structure of the NADO. He also thanked the UK Sport Board for their support.

Liz Nicholl and Peter Keen left the meeting.

10.2 Scrutiny Panel Intelligence Testing Report

Chair introduced paper UKS 05; the report of the Independent Scrutiny Panel follow up report on Intelligence Testing. Chair thanked them for the thoroughness of the report and noted that the following recommendations should be noted and sent to the interim board for their consideration.

- **The UK Sport Board reviews the process so far of the development of the Intelligence Testing Programme and agrees and reviews timelines for the roll out to more athletes in the National Registered Testing Pools in the five sports subject to the Intelligence Testing Trial and then to additional sports.**
- **The UK Sport Board reviews the current level of resources (finance and staffing) to ensure it is adequate for the timely and effective development and implementation of the Intelligence Testing Programme prior to the establishment of the independent NADO.**
- **The UK Sport Board reviews the relationship between DFS and performance Directorate to explore whether a controlled exchange of information would assist the development of the Intelligence Testing Programme.**

AP and PC were happy to pass these on to the interim Board. Members asked whether the recommendations a fair reflection of the state of intelligence testing. AP stated that although the Panel has not been sufficiently involved in the day to day operations to fully understand the complexities of programme, he felt that the recommendations were a fair reflection of what the Panel had observed.

11. International

11.1 International Inspiration Update

DL gave members an update on International Inspiration:

- An MoU, setting out the Governance arrangements for II through the new foundation has been drafted and is awaiting approval from the IOC.
- The interim Shadow International Foundation Board will meet at the end of March chaired by Sir Keith Mills and UKS will be providing the Secretariat. This meeting will agree the process for the appointment of a Chair and 4 independent members.
- The Foundation Memorandum of Articles and its charitable objectives will be drafted with legal advice as soon as the MOU has been cleared. UK Sport is co-ordinating this process amongst the programme partners.
- DL informed Members that although the IPC supported the programme, it had expressed concern about sponsorship. DL assured the meeting that they were working hard to make sure that there would be no clashes with the Olympic branding or with the newly formed commercial sponsorship of TTGB. The COO of the IPC would be visiting DL in February.
- Three more country plans have been approved (Jordan, Mozambique and Bangladesh). The aim is to have five country plans for approval by the June/July meeting with 13 countries on board by September.
- A study visit of senior officials from Trinidad will be taking place in March.
- Members felt that home countries should be engaged more, especially since schools throughout the UK were being linked to schools in International Inspiration countries. It was agreed that DL would meet with all home countries to discuss further and would ensure that Board Members are invited to events for visiting country delegations.

DL left the meeting.

12. Performance

12.1 UK Deaf Sport Funding Request

Peter Smith joined the meeting. Phil Carling left the meeting.

Simon Le Fevre introduced paper UKS 06, which summarised the circumstances of UK Sport's 2005 decision to phase out funding for UK Deaf Sport by 31st March 2008 and included a request from UK Deaf Sport for new funding. The Board reviewed the situation and discussed current duties with regard to disability equality legislation.

Board agreed:

- that the application by UK Deaf Sport for a grant of £181,500 to fund the performance programme of GB Deaflympics is rejected on the grounds that:

- **it does not satisfy UK Sport's funding Investment Principles, as the request falls outside the 2012 Olympic & Paralympic**

Games focus of UK Sport grants;

- **UK Sport is not acting in a discriminatory way by taking a decision not to fund UK Deaf Sport; and**
- **taking account of UK Sport's currently reduced levels of income, there are insufficient reasons, nor any overriding exceptional grounds to otherwise fund the GB Deaflympics performance programme.**

- and that UK Deaf Sport be advised accordingly, and asked whether they wish to make use of UK Sport's appeals procedures with regard to this funding decision.

Lee Taylor left the meeting.

13. Policy

13.1 UK Sport Appeals Policy

PS introduced paper UKS 07. He invited members to take note of the current UK Sports Appeal Policy and advised that the common complaints process has been revisited. UK Sport is looking to strengthen membership of the Appeals Panel and if Members were interested, they should contact him through the Chair.

Members noted the paper. Following discussion, Nigel Walker, Jonathan Vickers and Rod Carr all volunteered to be members of the Panel.

Peter Smith left the meeting.

14. AOB

1. A confidential minute from SL/VP(legal adviser)
2. Chair offered congratulations to Liz Nicholl and Peter Keen on their appointments as Chief Operating Officer and Performance Director respectively. She also thanked Aimee Twine, who was going on maternity leave, for her role as Board Secretary.
3. Chair thanked Members for their input to the meeting and as there was no further business, the meeting closed at 1pm.

15. Date of Next Meeting

Thursday March 19th 2009, 0930-1500

