



Minutes of the UK Sport Board Meeting held on 19th March 2009

Present

Chair Sue Campbell

Attendees:

Philip Carling
Rod Carr
Philip Kimberley
Chris Holmes
Dominic Walsh

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	Director, Drug Free Sport
Chris Walker	Finance Director
Peter Keen	Performance Director
Simon LeFevre	Head of Operations - Performance

In attendance

Board Secretary

Jackie Freeman UK Sport

1. Introduction and Apologies for Absence

Action

The Chair received apologies from Louise Martin, Jennie Price, Jonathan Vickers and Nigel Walker. Chair welcomed Philip Kimberley as a new member of the Board.

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.

No members declared an interest.

3. Approval of Minutes

Members agreed and signed off the minutes of 29 January. Two matters of accuracy were reported and the minutes were amended accordingly.

4. Matters Arising

No matters arose for discussion.

5. Executive Team Report

Chair introduced the Executive Team report. LN confirmed that staff are pressing the Amateur Boxing Association to respond to the request for the return of the balance of the previous GB Boxing grant award funding.

Chair confirmed that the three new members proposed for the Major Events Panel (Rob Holt, Tanya Crook and David Collier) have all accepted their nomination for appointment.

It was agreed that UKS would circulate to Board a short biography on the panel members for their information.

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6. Board Events Calendar

Members accepted paper UKS 08.

7. Board Management

Chair opened a discussion on how UKS could improve the way it conducts business with the Board and to consider new ways of working to maximise the time available.

Members felt it was important that the agenda was strategic with matters for decision at the top of the agenda so as to enable sufficient time to be spent discussing the larger issues and priorities. Members would like to receive all papers, including those of a sensitive nature and powerpoint presentations, in advance of meetings so that they had time to fully understand the issues and were able to debate them at the meetings. If that meant receiving papers nearer to the meeting date than currently that would be acceptable. It was also decided that strategic objectives beyond 2012 should form part of the meeting.

It was agreed that SC would speak to Members individually to get any further feedback.

UKS

8. Finance and Commercial

8.1 Finance update

CW presented paper UKS 09 and gave a financial update to the meeting.

There are remaining uncertainties in 2008/09 around the lottery income and settlement of DCO Employment status. Key issues and risks have been shared with DCMS and considered by UK Sport Audit Committee. Moving on to the London Cycle, lottery balance was identified at the January Board as the only realistic option to fund the projected cashflow deficit. The impact would be to reduce the balance to less than £5million, representing one month cover. It was recognised that this was not a sustainable position and would leave UK Sport exposed to the significant variation in actual monthly lottery income and the lead time required to implement change. Board reiterated the principle that any additional funding raised must only be considered in this context and for investment against UK Sport's investment principles and in support of the overall 2012 Mission. In addition, any funding would only be given where there was a clear performance need.

CW invited Board to consider their response to a forecast deterioration in budget income assumptions.

The following triggers for action were proposed:

- Predicted reduction in lottery balance to less than 1 month average lottery expenditure for a given year;
- A reduction of more than £1m in DCMS Grant in Aid during the Cycle;
- Material deterioration in cashflow forecast.

Directors would then undertake the following action plan:

- Calculate the value of the shortfall;
- Within 2 weeks construct a plan to recover the shortfall by means of cuts in funding awards and/or savings in UKS expenditure;
- Determine any cuts in funding awards on the basis of the Investment Principles;
- Present a plan to Audit Committee/Board/EGM for sign off if a meeting is scheduled within 3 weeks of Directors becoming aware of the need to act.
- If no such meeting is scheduled, then the CEO will consult with the Chair of the Board and circulate other Board Members with the recommended course of action for their approval.

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In order that they understand the full nature of the financial risk faced by UK Sport in the next four years, it was agreed that UK Sport would organise a briefing of NGB CEOs and Financial Officers.

Board agreed to endorse the proposed action plan on the recommendation of the Audit Committee.

Moving on, CW outlined the Lottery balance policy together with proposed changes to the Delegated Authority Policy which reflected new roles at UK Sport and recent system changes. Both policies had been considered in detail and recommended to Board by Audit Committee.

Board agreed to endorse the Lottery balance and Delegated Authority Policies on the recommendation of the Audit Committee.

8.2 Commercial update

TH presented paper UKS 10.

Since the last Board meeting, a new fundraising partnership with LOCOG, the BOA and the BPA has been formed. The Heads of Terms for this new partnership – now called Team 2012 – have been finalized and were announced publicly on 25 February. UK Sport is now entering into negotiation on the long form agreement and this should be completed within three months. In addition discussions have commenced with potential commercial sponsors, and also the nature and scale of SME and Patron focused fundraising activity.

Despite the many benefits of Team 2012, there is also a risk to UK Sport that some NGBs and athletes will see this approach as conflicting with other commercial offers. UK Sport is seeking to mitigate this by providing additional educative information to NGBs and athletes about the Deed and the required rights.

Members commended the paper and welcomed the Team 2012 partnership, not only for its commercial potential but also the strategic benefit of a joined up approach with BOA, BPA and LOCOG. They highlighted the need for UK Sport to remain close to the negotiations with potential sponsors to

ensure that the rights being granted were deliverable by UK Sport. They also advised officers to consider more proactive communications with NGBs and athletes to further reassure around the Deed's impact.

9. Investment and Governance

9.1 Partner Investments

Noting the grant awards to partner bodies agreed at the Board meeting on 29th January 2009, LN asked for Board's approval to transfer funds up to the figures below from the performance directorate programme budget to partner organisations for the period 2009-2013. The proposals were in line with the agreed Investment Principles.

Activity	Home country Sports Institute EIS	HCSI Wales	HCSI Scotland	Sportscoach UK
Sports science medicine	£2.6m			
Talent ID	£2.8m			
Performance Lifestyle and Training	£3.2m	£170k	£316k	
Coaching				£2.45m

PK further explained that that the sports science and medicine transfer to the English Institute of Sport related to the Fast Track Practitioner scheme which would remain as a UK wide initiative under the leadership of EIS. The talent investment was to expand the talent team of specialist staff to include Paralympic specific posts and to drive high profile UK wide campaigns. The Performance Lifestyle support was to expand the service to support all WCP funded athletes and to ensure that there was proportional investment in the Institutes in Scotland and Wales. The Coaching investment is to position scUK to be the strategic developer and deliver of world class training and development opportunities for current and future coaches working with funded athletes and programmes.

Board approved the proposed internal budget transfer.

9.2 Funding agreements update

LN informed the meeting that the NGB/Athlete Agreements and the NGB Funding Award Agreements had been completed and were in the process of being issued. There were three variations of the latter to cover 4 year awards, 2 year awards plus 2 year planning figures and 4 year Basic funding Awards. Each included a significant number of documents including Standard Terms and Conditions, an Acknowledgement and Recognition schedule and a Confidentiality Agreement. The Awards included references to the monthly payment schedule, Annual Review, Mid-cycle review, and the potential for changes to awards with at least 3 months notice if budgeted income did not materialise and any additional investment decisions being made in line with UKS investment strategy and principles across the totality of the M2012 sports. Key Performance Indicators included Generic Governance Indicators and Sport Specific Performance Indicators to be finalised by 30 June 2009. At this stage only medals targets for the most significant competition in 2009 had been formally agreed and embedded. Members noted the challenge that the essential documentation would present some of the smaller Governing Bodies and

suggested that in future consideration might need to be given to how they might be supported.

9.3 Athlete funding eligibility in circumstances relating to offences

SLF introduced paper UKS11 and the Board discussed issues regarding athletes' eligibility to receive Athlete Personal Awards and other funding in such circumstances. The Board asked UK Sport to investigate further certain matters of fact and principle for the Board's consideration at its meeting on 12 May 2009.

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10. Drug Free Sport

10.1 Scrutiny Panel report

Chair presented the final annual report of the Independent Scrutiny Panel. In their absence, she thanked them for their thoroughness and agreed that a copy would be sent to the Minister. It would also be put onto the UK Sport website. The panel wished to point out that the current DFS staff will be spending considerable time and effort in setting up the new organisation in addition to their existing DFS roles. They felt it was important that this additional responsibility is recognised, together with any associated risk. It was confirmed that the Integrity Policy, which would have been the highest priority for the Panel, would be reviewed at the time of separation.

Board also wished to thank the panel for all their hard work and Jerry Bingham for his support during the lifetime of the panel.

Board accepted the report.

10.2 NADO Project update

AP informed the meeting that United Kingdom Anti-Doping (UKAD) is proposed as the name for the new stand-alone NADO. DCMS is involved with establishing UKAD as a legal entity. An advert for a Chair would be appearing in the Sunday Times and once this position was filled, it was hoped to proceed quickly with the appointment of a Chief Executive and Board. Premises for UKAD were being sought and transition planning with UK Sport was being discussed.

Chair asked AP to pass on Board's thanks and appreciation to staff who have remain focussed and on task despite the challenges of the UKAD negotiations and transition.

11. International

11.1 International Development

DL joined the meeting.

Chair tabled a letter from DCMS asking the Board to examine the scope and nature of UK Sport's involvement in international development work.

After discussion, Board agreed that the Chair would reply to the Minister's letter:

- To confirm the Board's endorsement of its involvement with International Inspiration and international development work as a whole.
- That International Inspiration is 'cost neutral' to UK Sport with costs to UK Sport being met by the programme's own income and not by

UK Sport resources;

- Ceasing these activities would also incur reputational risk and deprive the UK of opportunities to share best practice and to demonstrate our world leadership in Physical Education, school sport and coaching;
- To ask for approval to establish a wholly owned charitable subsidiary of UK Sport, called the UK Sport International Foundation (UKSIF).

12. Performance

12.1 M2012 Panel

JS gave an update from the two M2012 panel meetings that had taken place recently.

- Internal development – a strategic review within UK Sport has taken place so that the organisation is aligned behind the 2012 agenda;
- Panels – the role and composition of the Panels were in the process of being reviewed;
- Themes – discussions were underway to progress strategies for leadership development, induction, succession planning;
- Governance:
- British Cycling – JS informed the Board that UK Sport had received a letter from British Cycling about the creation of Team Sky. UK Sport will be meeting with British Cycling to discuss further.
- Olympic Shooting – LN reported that the Olympic M2012 Panel had agreed to recommend that Clive Woodward, in his BOA/OCA role, spends some time with shooting to scope how he might lead or review, plan, recommend, deliver process to help the sport through its current challenges. Shooting had agreed and a report was expected at the next Panel meeting.
- Paralympic Classification – an internal project group was in the process of being established.

13. AOB

TH distributed a copy of the 2008 UK Sport Annual Review.

Chair tabled a letter from the Commonwealth Games Council for Wales asking the Board to confirm that they see the Commonwealth Games as a 'marque' event and that UK athletes 'be released back to their countries to compete in the Commonwealth Games in Delhi 2010'.

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LN explained that the current position taken by officers in the absence of an agreed formal policy is that the significance of the Commonwealth Games, from a performance perspective, is sport specific and decided by each sport. It was agreed that it would be helpful to have a discussion paper on the subject for consideration at the next Board meeting. LN would lead this work and, in doing so, would consult with the Home Country Sports Councils.

15. Date of Next Meeting

The next meeting will take place on Tuesday, 12th May 2009 from 9.30-3pm.