



# Minutes of the UK Sport Board Meeting held on 12th May 2009

## Present

**Chair** Sue Campbell

## Attendees:

Philip Carling  
Nigel Walker  
Rod Carr  
Louise Martin  
Jonathan Vickers  
Dominic Walsh  
Philip Kimberley  
Chris Holmes

## UK Sport Staff

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

## In attendance

Simon LeFevre  
Russ Langley  
Ben Calveley

## Board Secretary

Jackie Freeman UK Sport

## Introduction and Apologies for Absence

## Action

The Chair received apologies from Richard Lewis.

## 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.

## Approval of Minutes

Members agreed and signed off the minutes of 19th March 2009.

## Matters Arising

No matters arose for discussion.

## Executive Team Report

Chair introduced the Executive Team report. Updates were received on five items:

- **Cycling** - LN reported that since the report had been written, UKS had met with British Cycling to discuss how their sponsorship with Sky Television fits in with the World Class coaching programme. British Cycling stated that the two will work in synergy with each other and their sponsorship activities complement rather than conflict with the WCCP. To receive more detail on this, UKS has invited British Cycling to give a short presentation at the next Board meeting.
- **Boxing** – LN confirmed that a repayment of grant funding of £156,462 from the Amateur Boxing Association England (ABAE) to UK Sport was still outstanding. UKS have written to ABAE requesting repayment by 15<sup>th</sup> May or to agree alternative arrangements. UKS understands ABAE is working hard to clarify its accounts and its ability to pay. There would be a risk to UKS and to BABA if ABAE became insolvent for any reason. It was agreed that an update would be given at the next Board meeting.
- **Finance** – CW brought to Board's attention a deposit premium of £1.2m paid out for the athlete medical scheme in accordance with policies previously discussed at Board and a renewal of the drugs testing contract with Kings College at an estimate of £1.1m. Both were agreed.
- **BOA Olympic Coaching Academy** - Members asked for further clarification about the role of the Olympic Coaching Academy (OCA) prior to receiving any funding from Team 2012. JS reconfirmed that the OCA is a BOA programme and it is the BOA who are responsible for the funding of it and who will, therefore, determine how much money it spends on it. However, it is the Mission 2012 process which determines if the application of the OCA to a sport is appropriate.
- **Drug-Free Sport** - Short listing for the new Chair of the NADO had taken place and interviews will be held in June. Location of the new NADO is creating a risk to the project timetable and a lack of decision is creating concern to staff. Her Majesty's Treasury is currently analysing the location business case and project officials are doing everything to encourage a speedy response. **AP will send a copy of the consultation document to members plus details of four stakeholder forums which he encouraged members to attend. With respect to the location matter and the investment into the project by UK Sport, members asked for a summary of the project's major milestones to be provided at the next meeting.**

### 1. Performance

### 2. System

#### 2.1 DCMS Funding Agreement targets

Paper UKS15 was presented to the meeting for decision. LN pointed out that a new KPI relating to athlete progression would be introduced and would be agreed with each sport by September, rather than 30<sup>th</sup> June. This

amendment was accepted by Board.

## 2.2 Team 2012 – Potential for Funding Consequences

TH presented paper UKS16 for decision. He highlighted the progress made across the Team 2012 partnership, and the issues that remained to be resolved if private investment were to be raised to support the WCPP. He updated Members on the number of athletes that had signed the new Deed gifting rights to Team 2012. While the majority of NGBs and their athletes had completed sign up, there remained issues with the athletes in the higher profile sports (athletics, swimming, cycling, rowing and sailing). In particular athletes with Agents had been encouraged by them not to sign at this time as they were concerned Team 2012 represented a 'restraint of trade'. UK Sport had produced a 'Rights Schedule' to accompany the Deed that provided greater comfort and clarity, but this had not been finalised pending feedback from the Agents.

In discussion, Board recognised the vital need to ensure that private investment was made available and in particular the potential for a sponsor to come on board as Presenting Partner to Team 2012. They also acknowledged that for tax purposes, the Deed was a 'gift' that made imposing consequences on athletes not signing difficult, and that to do so was contrary to UK Sport's performance agenda. On this basis, Board agreed not to set a deadline for sign up at this stage, although that approach would need to be revisited if the issues had not been resolved by the next UKS Board meeting.

To help the process reach resolution, it was agreed that the Chair would meet as soon as possible with both the Agents and with the five sports highlighted above to address the issues, clarify and reassure on any remaining points and gain the necessary commitment.

## 2.3 Athlete Funding – Eligibility

Russ Langley joined the meeting.

LN introduced paper UKS17. Members discussed the paper and agreed that where UK Sport becomes aware of evidence indicating that any athletes have breached the terms and conditions of their Athlete Personal Award, with regard to information about their financial circumstances, then: :

- **the athletes concerned are to be given a formal reprimand and/or a final warning by UK Sport and required to make information available so that more stringent checks can be carried out on current and future applications;**
- **UK Sport will seek to claw back any evidenced APA overpayment that has not been otherwise rectified (e.g. by claw back of benefit overpayments through the Department for Work and Pensions); and**
- **that the sport will be expected to take appropriate action within the context of their Code of Conduct or NGB/Athlete Agreement or supporting policies as appropriate.**

Chair reaffirmed that the management of APAs lies with UKS but the implications need to be understood by the NGBs.

Taking note that this was the maximum sanction under current procedures, the Board further agreed that UKS would draw up a range of potential sanctions for athletes for the future, ranging from the existing formal warning to complete withdrawal of funding, depending upon the nature of

the offence. Officers were requested to present the policy to the next Board meeting for confirmation of the relevant details.

Russ Langley left the meeting.

## **2.4 Capital Investment – Boxing**

Following an invitation from the Chair, Derek Mapp, Chair of the British Amateur Boxing Association (BABA) joined the meeting to address the Board in advance of its discussion and decision on paper UKS 18. BABA had approached UKS with a proposal for the acquisition of dedicated freehold accommodation in Sheffield. Boxing is currently using local hotels but this arrangement is not ideal for the athletes. This proposal would entail investment from the WCP funding into a capital asset, and DM emphasised the application was not for additional funding but rather a re-phasing of the existing London Cycle award. This would result in lower revenue costs on accommodation with a payback period by the end of the London Cycle. The proposal required £550k additional UK Sport grant in 2009/10, offset in later years of the 09/13 cycle.

Following his presentation DM then left the meeting and Members discussed the proposal, taking in to account both his arguments and those put forward by Officers in the paper. Officers had opposed the proposal because, whilst the performance advantages of the approach were acknowledged and supported wholeheartedly, it took UK Sport into new territory with regard to capital investment and also presented new and further risks to UK Sport's cashflow position over the Olympiad. Officers instead recommended a revenue-based solution, with the proposed property being leased by BABA rather than purchased.

If the proposal went ahead, the Finance Director stated that there would be an adverse impact on UKS cashflow in the region of £250,000 in 2011. He advised that Board should consider that it may need to defer payments to organisations accordingly. Board acknowledged that BABA would need to accept that such a risk could also impact programme spending on GB Boxing.

Members debated the issue thoroughly and views from all sides were expressed. It was clearly acknowledged by some that a move to use WCPP funds for capital investment would mean a new approach for the organisation, and would take UK Sport into an area of business in which it had no experience and expertise. It would therefore set a precedent that other sports might follow and which could be damaging to UK Sport's remit and financial position. It was also acknowledged that the risk to cashflow created by the expenditure might have implications at the point of the mid-cycle review of all investments next year, with reduced flexibility and/or overall funding available.

Against that, other Members expressed their strong wish to support a performance based solution for a sport with particular challenges with regard to the demographic profile of the athletes and nature of the programme. The arguments put forward by DM were persuasive and the sport had a strong need for the facility to maximise its medal potential for 2012. It was also considered that by investing in a capital project, rather than a leased option, sport would have an asset that could be beneficial in the future; and that the precedent being set was only with regard to use of existing funding, with no additional funding being provided. JS stressed that as Accounting Officer he recognises the performance case but cannot endorse any decision that further increases UK Sport's cash flow risk. He also reminded members of views expressed by Audit Committee and Board at previous meetings urging caution around pressures on cash flow.

In conclusion, the majority of Members wished to support the option proposed by BABA and seek to support a capital investment in a freehold property. To seek to mitigate the risk, it was agreed that BABA should investigate other potentially creative purchase solutions, including the opportunity for a PFI type arrangement. Dominic Walsh (DW) agreed to meet with DM to discuss this and examine what options might be available. If this led to a new or different approach DW would return to the Board in writing in advance of the next meeting on 30<sup>th</sup> June, when he and officers would update the Board on progress.

**Decision: UK Sport should support BABA's proposed capital investment in a freehold accommodation facility in Sheffield using existing WCPP funding. This support is subject to discussions held between DW and DM to consider other purchase solutions, such as a PFI approach, that might mitigate the risk to UK Sport going forward.**

## **2.5 Appeal – Deaf Sport**

LN informed the meeting that the hearing by the Independent Appeals Panel, scheduled for 11 May, had been cancelled. UKS had been advised that the panel had enough written information and therefore did not require a hearing to take place as well. A finding was expected by the end of May and an update will be given at the next Board meeting.

## **2.6 Commonwealth Games**

LN presented paper UKS19. A letter received from the Commonwealth Games Council had asked Board to consider its position on support for the Commonwealth Games and paper UKS19 was presented for Board discussion. UKS can advise, recommend and influence sports but not instruct them on how to approach the Commonwealth Games, as this is outside of a UK focus and the significance of the Games is sport specific and had to be decided by each sport. However, Members felt that the Commonwealth Games should be seen as part of the performance pathway and should be considered where appropriate as a major event in the sporting calendar.

It was agreed that:

- UKS would present a formal policy statement which would be considered at the next Board meeting and UKS would seek the views of the sports;
- accreditation to the Games would be sought for UK Performance Directors;
- clear messaging is sent to PDs of the NGBs around the significance of the Commonwealth Games, in particular those from non-Commonwealth countries.

## **2.7 Finance Update**

CW introduced paper UKS 20. CW informed the Board that Lottery income for March was at the top end of expectation and as a result no adjustments to the 09/10 budget would have to be made.

A letter from the Secretary of State regarding potential UK Sport contribution to wider DCMS and Government efficiencies, and the initial reply from UKS, had been previously circulated to the Board. CW reported that the rationale for a proposed reduction was not entirely clear at this stage and that meetings with DCMS had been arranged to discuss the

matter and Board would be informed once all the issues had been clarified.

### **3. Climate**

### **4. International Development**

### **5. Drug-Free Sport**

#### **5.1 NGB Compliance with the 2009 World Anti-Doping Code**

Nicole Sapstead, Head of Operations Drug-Free Sport, joined the meeting and introduced paper UKS 21.

3 NGBs had been granted an extension to 1 July 2009 to have 2009 WADC compliant rules in place, notably The Football Association, Football Association of Wales and the Scottish Football Association. Failure to produce WADC compliant rules by then may lead to suspension from the testing programme which in turn may have possible funding implications for the sport. Whilst the delay primarily revolves around the introduction of individual whereabouts requirements for the purposes of no advance notice out-of-competition testing it is possible that there may be other issues of non-compliance within the drafting of their rules. These have yet to be communicated fully to UK Sport. Discussions are ongoing and in order to try and resolve matters, the Chair proposed that a meeting is set up between the UK Sport Chair and the Chair of the FA.

Board agreed:

- **That should WADC compliance not be achieved by the agreed deadlines, that NGBs be temporarily removed from the Testing Programme, in accordance with the National Anti-Doping Policy, until such time as they are compliant.**
- **Notice will be provided to the applicable Home Country Sports Council and DCMS should any suspension be imposed.**
- **A full compliance status report on all NGBs will be provided to the UK Sport Board and each Home Country Sports Council at a future date.**

### **6. For information**

#### **6.1 Board processes update**

#### **6.2 Board events calendar**

One minor amendment was noted in that the NADO Modernisation Project Board meeting would be taking place on 21<sup>st</sup> May not 28<sup>th</sup> May.

#### **6.3 Equality Action Plan**

Paper UKS 23 was presented for discussion and members agreed to:

- **Endorse the paper and the achievements of the 2008/2009 Equality Scheme**
- **Agree the objectives and key actions for the 2009/2010 Equality Scheme and consider if any other objectives/actions should be included.**

#### **6.4 UKAD Update**

This was covered under the Executive Team report above.

## **6.5 International Influence**

Paper UKS 24 was presented to the Board for information.

## **7. Any Other Business**

There were no items raised for discussion.

## **8. Date of Next Meeting**

The next meeting will take place on 30<sup>th</sup> June at 9am.