



Minutes of the UK Sport Board Meeting held on 24th September 2009

Present

Chair Sue Campbell

Attendees:

Philip Carling
Nigel Walker
Rod Carr
Philip Kimberley
Chris Holmes
Dominic Walsh

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 Le Fevre	Head of Investment & Governance
Simon Morton (part)	Senior Events Consultant
Tom Halsey (part)	Commercial Partnerships Manager
Ben Calveley (part)	Head of International Relations

Board Secretary

Jackie Freeman UK Sport

Introduction and Apologies for Absence

Action

The Chair received apologies from Louise Martin, Richard Lewis and Jonathan Vickers.

Chair informed the meeting of the appointment of David Kenworthy as the new Chair of UKAD and Andy Parkinson as the new CEO. On behalf of the UK Sport Board, she recorded her thanks to Phil Carling for his time and commitment as interim Chair of the transition project.

Chair also congratulated Chris Holmes on his appointment as Director of Paralympic Integration at LOCOG and Philip Kimberley on his as interim Chair of sports coach UK.

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.

Philip Kimberley (PKy) declared an interest under item 2.2 of the agenda.

Approval of Minutes

Members agreed and the Chair signed off the minutes of 30th June 2009.

Matters Arising

No matters arose for discussion.

Executive Team Report

Chair introduced the Executive Team report.

International Relations

Board was asked to consider extending the arrangements for contributing to the administrative costs of the Commonwealth Games Federation in London beyond the current 31st March 2011 expiry date; with UK Sport and the four Home Country Sports Councils each contributing an equal share. Members discussed this proposal and agreed with the Chair that this matter raised some important issues around influence and asked that the International Influence strategy for 2012 and beyond be presented and considered fully at the next Board meeting. In the meantime, officers agreed to fund the CGF for a further year to 31st March 2012, pending the outcome of the next Board meeting and an agreement to how future funding might be allocated from across all the sports councils.

Drug Free Sport

CW tabled a request for Board to approve a spend of £550,000 for installation of IT infrastructure under the BT contract for the NADO project, with £200,000 per annum maintenance thereafter. **The Board approved the proposal** noting the previous formal recommendation from the NADO Project Advisory Board, but requested that approval was also confirmed from the new Chair of UKAD.

1.1 Performance

PKn tabled a sports tracking spreadsheet which informed Board members of the current medals and placings targets for each sport and the overall Mission 2012 rating. Members felt it would be useful to have arrows on the traffic light system to indicate movement by each sport over the period covered. It was agreed that a more detailed session on Mission 2012 would take place at the next Board meeting.

1.2 Winter Investment update

PKn and LN presented paper UKS40 which contained a summary of performances over the last year, the most successful during the period of the last three Olympiads, with 4 World Championship medals won. A pilot 'Mission 2010' panel review had taken place and emerging themes were shared with the Board.

Board members agreed that it would be useful to introduce a formal Mission 2012 approach to winter sports in the 2010-2014 period. They also noted the timeline for post Vancouver investment decision and agreed the following high level principles:

- No 'in principle' funding awards or planning figures will be provided to Winter sports until actual results from the Olympics/Paralympics are known in March 2010;

- a 'no compromise' model, similar to that used for summer sports, be applied to those sports currently in receipt of moderate funding beneath Podium level and where systematic medal-winning potential has been developed; and
- a direct funding route to be investigated, along the lines of a bursary scheme, for sports unable to evidence a systematic approach to medal-winning but where individual or small numbers of medal potential athletes exist (noting the need for mutual athlete/sport governing body support).

2.1 Team 2012 update

Tom Halsey, Commercial Partnerships Manager, UK Sport joined the meeting.

TH updated the Board on progress since the last meeting, including confirmation of the Joint Venture agreement between the four parties, that HMRC had accepted the proposed tax framework and that structural issues around the programme had been positively resolved. He informed the meeting that the commercial programme was now finalised and VISA would be formally announced as the Presenting Partner at an official launch on 29th September. With regard to the Deed, there was still an issue over a small minority of athlete sign up with 3 sports, although he was confident that this would be resolved. Given the inability under current arrangements for UK Sport to take any action, TH requested that, on behalf of the Board, a letter is written to DCMS by the Chair requested that they investigate within Government the opportunity for UK Sport to be given the option to apply financial sanctions which would not affect the tax status of NGB grants or APAs.

Finally TH talked through the financial assumptions for Team 2012, based on predictions for the next three years for the Commercial Programme, Appeals and Donations elements of Team 2012.

The Board welcomed the fact that Visa would shortly sign as Presenting Partner, and agreed the approach to the DCMS, and the financial assumptions.

Tom Halsey left the meeting.

2.2 Sports coach UK update

PKy summarised what he had tackled following his appointment as chair of scUK in early July. In the first instance he had reviewed the circumstances of Dr Duffy's departure following a Board meeting in May. He had interviewed all board members, senior staff and read through three years of board minutes, as well as interviewed Dr Duffy. In addition, a UK Sport senior officer had reviewed two years of finance committee minutes. Philip's conclusion at the end of this detailed work was that the Board of scUK had taken the correct decision but that the process followed had been poor. As to the second part of his brief, he had reviewed the governance of scUK (with outside legal advice) and had concluded that this was soundly based though one or two small issues needed attention. He reported that the Board of scUK is now working with the executive team to clearly define scUK's operational strategy in the context of the UK Coaching Framework. Philip also mentioned that he had embarked on a Board effectiveness and skills review. He stated that work was now needed to rebuild the confidence of scUK's various stakeholders. Finally he mentioned that he had commissioned search consultants to find candidates for the Chief Executive's position; the issue of the Chair's role was under discussion.

Pky left the meeting.

LN presented paper UKS 41 to the meeting in which Board were asked to consider changes to the current investment of £8.22m. This investment was to support both UK Sport's high performance objectives and also those relating to the functions of sc UK relating to the Coaching Framework at UK level.

LN reported that, in this period of change and following discussions between UK Sport and sc UK, it had been agreed that:

- high performance coaching activity, relating to the support of elite athletes on the World Class Programme, will be delivered by UK Sport in the period up to the London 2012 Olympic and Paralympic Games, and sc UK's High Performance Coaching Development Manager will be seconded to UK Sport to be part of the delivery team;
- high performance coaching activity, relating to the broader GB/UK level outputs/outcomes that form part of the UK Coaching Framework, will be delivered by sc UK;
- UK Sport and sc UK will work together, and with other relevant partners, to scope out the future development of the UK Centre for Coaching Excellence and any other entities that may be appropriate and needed for high performance coaching activity in the UK; and that
- sc UK will set out its proposed future strategic business and operational plan to UK Sport, Sport England and other partners after the plan's completion in December 2009.

Members expressed concern about certain sports' misgivings around the popularity of the UK Coaching Certificate, and it was felt that UK Sport and the Home Country Sports Councils should consider engaging directly with governing bodies to ascertain their views on the UK Coaching Certificate. Officers agreed to report back to the next Board meeting.

Given the above the Board discussed the recommendations for adjustments to funding for high performance coaching activities, and agreed the following:

- **retention by UK Sport of £2.45 million for the period 2009/13 (previously approved on 19th March 2009 for transfer to sports coach UK, but not yet actioned);**
- **de-commitment from the £8.22 million 2009/13 grant award to sports coach UK (previously approved on 29th January 2009) of up to £5.32 million; leaving a grant award of approximately £2.90 million for the one and three quarter years' period from 1st April 2009 to 31st December 2010 (noting that the exact amount of the high performance coaching element to be returned to UK Sport for the period will depend on the amount of budget already spent or committed by sc UK for these activities); and**
- **sports coach UK to be given a planning figure of £3.22 million for the two and a quarter year period from 1st January 2011 to 31st March 2013, with confirmation of that figure being subject to UK Sport's assessment of the sports coach UK strategic business plan and also the general mid-cycle review of UK Sport grants.**

The UK Sport Board also noted that, with reference to the grant funding award, a set of KPIs had also been agreed with sc UK for the 2009/13 cycle, which:

- aligns with KPIs agreed with Sport England, where the activity funded by UK Sport relates to the GB/UK aspect of programmes being delivered also for the Home Countries;
- retains relevant KPIs for areas of high performance coaching activity that are remaining with sc UK, such as developments for UK Coaching Certificate Level 4;
- and includes a KPI related to the completion of the sc UK Board's new strategic business and operational plan by end December 2009.

and that:

- sc UK had informed UK Sport that it will make available £417,000 during 2009/11 (£267,000 in 2009/10 + £150,000 in 2010/11; with both amounts inclusive of VAT) to taper down the series of grants to certain sports for their coaching development programmes. This had been part of previous 'ring-fenced' funding from UK Sport.

PKy rejoined the meeting.

2.3 Finance update

CW presented paper UKS42 and also gave the meeting a verbal update. He reported that Lottery income for the year to date was ahead of expectation and consequently the outcome for the year now looked more secure. However, the DCMS projection for Lottery Income remained at budget level and no change has been made to the full year forecast. CW referred to discussions with DCMS on a proposed clawback of Grant in Aid as part of wider departmental efficiencies and the Chair reported that she had received advice from the Minister that the issue had been deferred for 09/10. Accordingly, there was no further discussion on this matter. It was noted that funding for basic funded sports who elected to receive their awards over 2, rather than 4, years will come to an end in April 2011.

2.4 Investment approach

LN reminded the Board that the Funding Agreements with each sport included conditions relating to Annual and Mid-Cycle Reviews. The Mid – Cycle Review had been positioned as more significant for three reasons:

- the awards for this cycle only commenced in April of this year;
- a number of sports had been given two year awards to the end of March 2011 and then two year planning figures to March 2013; and
- a number of sports on basic funding had brought forward their awards to use the resource over the first two years.

LN explained that the Annual and Mid-Cycle Review processes would be identical. What was anticipated to be different was the significance of the outcome. She gave an outline of the Annual Review process. Board will be asked to consider the outcomes of the Review and funding revisions, as appropriate, at the next Board meeting.

JSt expanded on this, referring to the current environment, the deteriorating economic climate since December 2008, the need for stability within the performance programmes and the critical strategic focus on 2012 planning and preparation. He shared the emerging thinking within UK Sport's executive team and proposed bringing forward the more significant funding decisions from the Mid-Cycle Review in 2010 to the forthcoming Annual Review point.

As Team 2012 income will soon be available for distribution there is an opportunity to take away as much uncertainty as possible in the run up to 2012 for as many sports as possible. This could include considering funding the 'basic sports' up to the same level as the first two years of the current Olympic/Paralympic cycle. The benefits of this approach would mean more planning certainty for all sports through to 2012, especially those on basic funding, and would also offer UK Sport greater flexibility under its 'no compromise' approach around allocating any additional future Team 2012 income.

PKn highlighted that the reality of the cycle means that sports are already having to engage with the BOA and BPA in planning both selection processes and the operations of Team GB for 2012 Games.

The Board endorsed the approach, but it was agreed that it was important to manage how this was explained and communicated to sports, government and the media. It was agreed that the Board would aim to confirm investments for 2010/2013 as far as possible at the December 2009 meeting.

2.5 Major Events Strategy

Simon Morton joined the meeting.

As Chair of the Major Events Panel, NW recorded his thanks to SM for paper UKS 43 which had been circulated to Members.

Members discussed the paper at length.

Board approved the proposed mission for the 2013-2018 Events Programme to establish the UK as the leading host of major international sporting events in the world.

Board approved the 2013-2018 Programme Objectives:

- **To support and profile elite success;**
- **To create high profile opportunities for people to engage with sport;**
- **To use and demonstrate the legacy of London 2012 and Glasgow 2014; and**
- **To drive positive economic and social impacts to the UK**

Board endorsed the delivery considerations around:

- **Strategic support;**
- **Financial support; and**
- **Technical support**

Board approved the proposal that the scope and focus remains as Olympic, Paralympic and Commonwealth Games programme sports disciplines.

The Board suggested that consideration could be given as to whether some limited financial support could be provided to sports outside of this scope but which may be able to contribute towards the programme objectives; and SM agreed to look at including Paralympic sports at demonstration events. These considerations will be reviewed once the likely financial implications of the 2013-18 programme are understood.

Board noted that in principle strategic and technical support could be provided to major events in sports outside of this scope. However, these events would have to be able to contribute towards the Programme objectives and meet some basic due diligence.

All events will be profiled and prioritised against the programme objectives.

The next stage will be to develop a long list of event hosting targets that deliver against the programme objectives which will be discussed at a subsequent Board meeting.

SM agreed to look at including paralympic sports as demonstration components of events on the 2009-2012 Programme.

SM left the meeting.

3.1 Major Events Panel – minutes of last meeting

Board received the minutes of the Major Events Panel held on 2 September 2009 and endorsed the following recommendation:

- That UK Sport provides a grant of up to £87,000 towards the staging of the Disability Shooting World Cup 2010 of which £16,000 is ring-fenced as the event contingency and a further £11,000 is ring-fenced as an underwriting contingency, both only to be released on approval of UK Sport Officers.

Board also noted the provision of a grant of up to £162,000 towards the staging of the UCI Track Cycling World Cup and UCI Paracycling Track World Championships 2009 in Manchester.

3.2 Board Events calendar

Paper UKS 45 was accepted.

3.3 Board meeting dates 2010

Paper UKS 46 was accepted.

4. AOB

CW informed the meeting that UK Sport has agreed to provide the financial systems and services Team 2012 Ltd, including operation of the bank account. In respect of the bank account:

Board agreed that

(a) The individuals within UK Sport authorised to approve financial transactions and execute financial instruments on behalf of Team 2012 are as follows:

- John Steele
- Tim Hollingsworth
- Chris Walker
- Harry Panagiotidis

(b) For transactions up to a value of £10,000, authorisation should be required by any two of the above and for transactions valued at more than £10,000, authorisation should be required by any two of the following who must be employees of different organisations:

- Any of those named in (a) above
- Any of the directors of Team 2012 Limited

It was confirmed that the accounts for Team 2012 would be subject to public scrutiny although Board minutes would not be published.

Paper UKS 47 was tabled at the meeting which clarified the tax treatment of payments to individuals with regards to committee fees and expenses. These payments were discussed with Deloitte and CW proposed to maintain

existing practice and pay Fees after the deduction of income tax and to reimburse expenses gross.

5. Date of next meeting

The next Board meeting would be an Away Day starting with an evening reception at Bisham Abbey on 7th December, followed by the Board meeting on 8th December at England Hockey's offices at Bisham.