



Minutes of the UK Sport Board Meeting held on 26th September 2012

Present

Chair Sue Campbell

Attendees:

Laura McAllister
Jonathan Vickers
Mark Hanson
Philip Kimberley
Rod Carr
Chris Holmes
Richard Lewis

UK Sport Staff

Liz Nicholl	Chief Executive
David Cole	Chief Operating Officer
Sophie du Sautoy	Acting Finance Director
Debbie Lye	Director International Development
Vanessa Wilson	Director Commercial and Communications
Simon Morton	Director of Major Events and International Relations
Vijay Parbat	Legal Advisor
Vikki McPherson	Head, Performance Programmes
Paul Buxton (part)	Head, Performance Solutions
Michele Hammond(part)	Performance Advisor

Board Secretary Jackie Freeman UK Sport

1. Introduction and Apologies for Absence

Action

The Chair welcomed Members to the meeting. Apologies were received from Frances MacLeod, DCMS, Louise Martin of sportscotland and from Dominic Walsh of Sport Northern Ireland. Chair reported that since the last Board meeting, Dominic Walsh had stepped down from his position as Chair of Sport Northern Ireland and therefore would no longer be attending UK Sport Board meetings. An interim Chair has been appointed but he was unable to join the meeting. Chair asked to record her and the Board's thanks to Dominic for all the work he has done on behalf of UK Sport.

Board were subsequently asked to approve changes to the membership of UK Sport's sub-committees whereby Mark Hanson would Chair the Major Events Panel and Philip Kimberley would join Audit Committee. These changes were agreed.

Board Members undertook a scenario planning and prioritisation exercise in relation to the income assumptions for the forthcoming operational and investment decisions in December. The Executive were invited by Board to refine their planning in operational areas such as administration, governance, research and innovation, coaching and support services generally.

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. PKi indicated a conflict with regard to discussions around investment prioritisation and RL noted a conflict under item 5.1 of the agenda.

3. Approval of Minutes

There were no amendments to the minutes of the meeting of 27th June 2012 and they were approved as a true record of the meeting.

4. Matters Arising

LN gave an update on the funding request from the BOA. Since the last meeting, BOA were granted an award of £350,000 plus VAT towards the preparation of Team GB for the Olympic Games. The award was made on the basis of a significant number of rights to enable the acknowledgement and recognition of the National Lottery, and the use of images beyond the Games. In addition the BOA, by way of a side letter, had committed to engage with UK Sport to avoid duplication and to continue to acknowledge the positive impact the National Lottery is having on the performance of BOA member sports and their athletes. An assessment of the rights delivered by the BOA has been undertaken and it was confirmed these had been delivered.

With regard to the proposed Merger of UK Sport and Sport England, Chair informed the Board that DCMS is developing a paper on the latest proposals for the Minister to go forward through appropriate approvals. Chair had reiterated the importance of receiving clarity on the situation as soon as possible and Board would be kept informed. It was noted that the terms of appointment of both Chair of UK Sport will come to an end in March 2013. It was anticipated that, subject to the awaited approvals, applications for the post would be advertised by DCMS shortly.

LN updated Board on recruitment for the two director posts. Interviews for the Performance Director role were due to take place after the Board meeting and it is hoped that an appointment will be able to be made shortly afterwards. Rod Carr was the designated Board Member assisting with the process. Interviews had taken place for the Director of Finance and Investment role but further applications were being sought, due to lack of suitability. Mark Hanson was the designated Board Member assisting with the process. Members asked whether there could be a joint post with Sport England where the finance function was subsumed into the COO's role. LN said that this had been considered but she had concluded that it was not appropriate at this moment in time. However, there was potential for this to

be aligned in future as the appointment will be for a two year fixed term. LN reassured Board that the Acting Director of Finance and Investment (Sophie du Sautoy) was providing excellent interim cover.

LN reported that 30% of UK Sport staff had been seconded to Games time roles during the Olympic and Paralympic Games. The communications team had been very active throughout the Games and UK Sport's profile and credibility had been significantly enhanced. Additionally, the team had been charged with briefing the Government's Cobra emergency committee on the performance of TeamGB and ParalympicsGB twice a day throughout the Games. This work had been praised by DCMS. LN reported that staff turnover is currently at 9% with staff very positive about the four years ahead to Rio.

LN thanked the Board for considering and approving two Major Event applications that had arisen outside of the meeting. For the record, Board had agreed the following.

1.1 World Track Cycling Championships 2016 (London)

Members agreed that UK Sport provide a grant of up to £796,000 towards the staging of the World Track Cycling Championships 2016, subject to the following specific conditions:

- £236k is ring-fenced as the event's contingency fund which will only be released on UK Sport officers' approval.
- £240k is ring-fenced from the Royalties and Commission costs and will only be released on UK Sport officers' approval. British Cycling will negotiate with the UCI regarding the proposed UCI hosting fees and potential ticketing commission costs, and the ring fenced funding will only be used if needed. British Cycling to engage with UK Sport officers at all stages of the negotiation.
- Confirmation is received in writing of partners cash, VIK and underwriting of the event.
- The event to be hosted before the 2016 Olympic Games and to be part of the qualification process for the 2016 Olympic Games.
- British Cycling to explore a long-term strategy to its event sponsorship rights with a view to maximising income
- Technology provision in velodrome to be confirmed by LVRPA and assurances are received that changes in this provision will not negatively affect the budget.
- A separate sports development budget is created the events management board receive regular updates on the programme.

1.2 IPC World Athletics Championships 2017 (Birmingham)

Members agreed that UK Sport provide a grant of up to £450,000 towards the staging of the IPC World Athletics Championships 2017, subject to the following specific conditions:

- £108k to be ring-fenced as contingency and released on approval of UK Sport Officers, subject to demonstration of financial need.
- Written confirmation is received of Birmingham City Council's (BCC) £1m cash contribution, of which £240k to be contingency, in addition to confirmation of VIK support. Confirmation to be issued on BCC letterhead and signed by City Council Chief Executive.
- Written confirmation is received of BCC's underwriting commitment to the event budget
- £45k is ring-fenced as retention and only released upon UK Sport Officer's approval upon submission of final accounts that demonstrate a financial need.
- Confirmation is received of a named UKA representative to represent UKA on the event management board. This person will be responsible

- to UK Sport for overseeing this award
- UKA and BCC event organogram to be received and approved by UK Sport Officers
- Draft and final bid documents to be received and approved by UK Sport Officers prior to submission to IPC
- An updated business plan including revised KPIs is received to UK Sport Officer's approval
- A sport development plan is received to UK Sport Officer's satisfaction

Executive Team Report

LN introduced the Executive Team Report and there were no further additions or comments.

4.1 Olympic and Paralympic Performance Review

Paul Buxton and Michele Hammond joined the meeting.

LN introduced paper UKS 31 which reflected on Olympic and Paralympic performances at London 2012. At the Olympic Games, it was noted that 65 medals were won, 18 more than in Beijing and 17 sports won at least one medal compared to 11 in Beijing, this achieved the target of more medals across more sports. TeamGB finished 3rd in the medal table, against a goal of top 4 finish (exceeding the performance target of at least 48 medals). At the Paralympic Games, 120 medals were won, 18 more than in Beijing and 13 sports won at least one medal, compared to 11 in Beijing, exceeding the performance target of at least 113 medals. Despite this, ParalympicsGB finished 3rd in the medal table, against a goal of 2nd. LN reminded Board that the medal table position formed the performance objective agreed between UK Sport and DCMS.

It was acknowledged that medal outcomes in London represented a huge achievement for the UK high performance system and Chair thanked everyone for the pivotal role they had played.

Board discussed the outcome of the Paralympics and MH highlighted the notable improvements in performance from Russia, Australia, Ukraine and the USA. The margins between places in the medal table had reduced significantly with only 5 gold medals separating 2nd and 6th place (compared to 21 in Beijing). MH also informed the meeting that although there had been no issues over classification of British athletes, there were concerns about the classification system as a whole which would need further work in the next cycle with the IPC. One of the difficulties for Paralympic sport was the lack of suitable competition and MH stressed that this area would need to be addressed along with coaching and improved talent identification so that support is focussed on the right coach, right athlete and the right environment.

It was acknowledged that some sports failed to meet their performance target range and the reasons behind each case will be examined through specific post games reviews and will feed into Rio planning. VM confirmed that Rio Panel meetings will commence with an opportunity for the sport to discuss any key information relating to their performance in London. Any emerging new themes will be highlighted and brought to Board's attention. LN confirmed that officials will also be meeting with the BOA and BPA to share observations post-Games. One further noteworthy point was that China did not maintain its position from Beijing in the Olympic medal table. This reinforces the view that maintaining performance after a home Games through to the next Games is very ambitious.

Paul Buxton and Michele Hammond left the meeting.

4.2 Rio Planning

VM introduced paper UKS 32 and reported that the Rio Investment Panels would be starting on 4th October with two sports per day for the following five and half weeks. The Panels are executive led and will comprise UK Sport officials plus one independent member, where possible. Officers at UK Sport have evaluated each of the business cases and this evaluation has been shared with sports, along with the current view on the sports' position within the eight priority bands covering prospects for Rio 2016. Final banding positions will be confirmed to the sport after the Panel meeting. It was not planned for Board to receive minutes of the Panel meetings or revisit the full deliberations of the Panel (as this would duplicate the role of the Panel). Board would be provided with information on any major issues for consideration. The role of the Panel will be to judge each sport's business case on merit before UK Sport's Internal Investment Board reviews the overall picture. Investment recommendations will then be put forward to the Board in December.

The Board agreed that it would like to receive the investment recommendations the evening prior to the Board meeting in December along with detailed background information in support of the recommendations to allow plenty of time for consideration.

4.3 EIS Governance

LN introduced paper UKS33. At the last Board meeting, Board considered proposals for EIS to move to being a more technically focussed organisation leading frontline delivery with the key enabler being the proposed transfer of the R&I function from UK Sport to EIS. This would enable UKS to focus on the overall group strategy for both UKS and EIS. Board had raised questions about the governance of EIS and its relationship with UK Sport and paper UKS 33 detailed proposed changes to the governance of the EIS with the aim of strengthening the connectivity across the wider Institute network; and simplifying the governance relationship between UK Sport and its subsidiary. LN took the Board through the recommendations. The Board felt that the link with Home Country Institutes should be formalised and progressed in parallel to the proposed changes as it was an opportunity to streamline particularly in areas where Institutes are delivering UK wide functions in support of the high performance system. LN agreed that this would be a priority as improving connectivity across the Institutes would give an opportunity to strengthen the EIS relationship with UK Sport and to consolidate the system and streamline the processes.

Once this had happened, it was felt that it would then be appropriate to address the transfer of the R&I function to the EIS.

In conclusion, Board agreed that the next step would be to formally notify the Board of the EIS of its intentions and notify them of the process to be followed. The following recommendations were approved:

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1. A clearer focussed scheme of delegation to EIS;
2. The make-up of the board be revisited to ensure that there is a blend of executive and non-executive members with an emphasis on technical expertise (including a UK Sport Board Member representative and also the Performance Director)
3. An independent non-executive director be appointed to Chair EIS who would have non-voting UK Sport Board Member status;
4. Existing UK Sport processes be extended and aligned with EIS to ensure effective assurance (e.g. a single audit committee with one internal audit programme);

5. Formalised and properly constitute relationship be developed between the Home Country Sports Institutes, subject to consultation at the staff level in the Institutes, and reviewing the name of EIS; and
6. As and when it is appropriate the R&I team of UK Sport be transferred to EIS.

5.1 British bid to host the 2014/2015 Tour de France

SM introduced paper UKS 34 to the meeting asking Board for approval for an investment towards the costs of hosting the opening four stages of the Tour de France across Britain in either 2014 or 2015. Due to the timing of the request, UK Sport's Major Events Panel had not had a meeting to discuss the proposal in full but had received the paper for their comments. MEP Members were broadly supportive to invest in the event but had not had the benefit of a full debate on the proposal. Board had received the business case for consideration and a discussion took place around the value of the investment, the links to performance given the teams competed as professional teams and not national teams, there was no identifiable delivery organisation set up to lead on the delivery of the event; there was no guarantor/underwriter to the event; although the event is part of UCI's tour series the tour is a privately owned and run and, there may be a negative impact on other events taking place at the same time. It was also acknowledged that the event is high profile; it would attract high spectator numbers as it is free; and there is a reach across England, Wales and Scotland. SM clarified that the budget to support the event can come from the Major Events Supporting Programme which is for major high impact events.

It was agreed to report back to the Board (who agreed to make the decision, on a simple majority basis, urgently through written correspondence if necessary) once the following had been explored:

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- A break-even budget is developed, to the satisfaction of UK Sport's accountable officer, prior to contracting with Amaury Sport Organisation (ASO)
- A delivery vehicle is established into which UK Sport can invest, and which can sign the hosting contracts with ASO
- Written confirmation is to be received from EventScotland and the Welsh Government of their investment, in addition to any other regional or national public partners' contributions that become part of a balanced budget.
- UK Sport to ring-fence any contingency costs within the centralised budget pro-rata to its final contribution.

6.1 Standards in Sport – Eligibility

DC presented paper UKS 35 as a timely opportunity to undertake a review of UK Sport's policies regarding conduct (including areas such as doping, corruption (such as actions arising from sports betting), crime, disrepute and false statements etc.). In line with UK Sport's Royal Charter and National Lottery Directions Board felt it appropriate that UK Sport promotes good conduct from those who benefit from public funds. Further, those who do not conduct themselves in a manner that is befitting of someone in receipt of limited public funding and publicly funded benefits and shows unethical or immoral behaviour should not benefit from public resources when there are others who are more deserving. This was particularly important if they benefit from coming on to or being on the World Class Performance Programme and ultimately may go on to represent the country. This was consistent with UK Sport's Investment Principles that funding is a privilege and not a right and that funds should be invested in

the most deserving of beneficiaries.

The Board felt it appropriate that UK Sport develop its own policy conduct to assist UK Sport in determining who should benefit from public funding and publicly funded benefits.

The Board considered how such cases if and when they arose should be decided. In assessing an athlete's or athlete support personnel's eligibility for funding or publicly funded benefits, it was agreed that each case should be considered and decided on its individual merits (i.e. on a case by case basis). There should be scope to take into account mitigating factors such as rehabilitation (including taking into account the legal time limit of rehabilitation for crimes which Board were content that athletes or ASPs should not benefit from funding until such time as the rehabilitation period had expired) when considering consequences to apply. However, Board requested if a scheme of automatic consequences could be developed to assist decision making in this area.

At previous Board meeting held in December 2011, Board committed to reviewing UK Sport's Lifetime Funding Ban policy in light of the Court of Arbitration of Sport case WADA v BOA regarding the BOA's bye-law. Board noted the rationale set out in January 2005 when it reaffirmed the ban in that it was designed to discourage and prevent cheating, protect the health of the athlete and athlete support personnel. The decision made by the UK Sport Board then does align with the key investment principle that public funding is a privilege and not a right.

Board confirmed its wish to retain the Lifetime Funding Ban policy for athletes and athlete support personnel (ASP) guilty of 'serious' doping offences. Board reaffirmed that by serious it was meant athletes or ASPs who committed doping offences and receive a period of ineligibility from their sport for 2 years or more. The Board agreed to keep the lifetime funding ban as there was no compelling case to change it. However this was subject to the lifetime ban being subsumed into wider conduct policy (which should include other possible consequences that could apply) and there being no further developments in this area in which case it should be brought back to the Board for further review. In line with its investment principles, UK Sport reserves the right and retains the discretion to determine who should receive the limited public funding UK Sport is responsible for and to ensure funding is distributed to the most deserving beneficiaries. The Board agreed this fundamental principle also applied to the wider conduct issues.

The Board considered the position of applying any consequences including the lifetime funding ban in relation to when athletes later become ASP and the effect of UK Sport funding or publicly funded benefits not being made available to them. Board agreed this area should be examined further when developing the policy. In principle the Board were content that consequences including the lifetime funding ban should apply to athletes who later became ASPs.

The Board agreed that the documentation setting out the policy and procedure should be clearly communicated to athletes and NGBs.

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Officers clarified that the number of issues in this area raised with UK Sport were not significant, the development of this policy would be in line with steps being taken across the sporting landscape to address wider conduct issues. It was further clarified that there would be a right of appeal against

decisions made in this area and a panel appointed by Sport Resolutions (UK) who administers UK Sport's appeals process.

The Board agreed with the general direction of policy development in the wider conduct area. A consolidated policy and supporting documentation would be sent to Board for approval in December.

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7.1 Remuneration Committee – Terms of Reference

Terms of Reference had been provided at the previous meeting but Members had asked for an amendment to be made to the section referring to the frequency of meetings. This had been made and the revised Terms of Reference were approved by Board.

7.2 Board Events Calendar

This was noted.

11. Any Other Business

12 Date of next meeting: 12th December 2012