

1. Introduction and Apologies for Absence

ACTION

The Chair welcomed members to the meeting. In particular, Dame Katherine Grainger was welcomed, with it being noted that she would be observing proceedings in advance of taking up the post of UK Sport Chair on 1 July 2017. Andrew Honeyman, Head of Sport at DCMS, was also welcomed to his first Board Meeting, having recently taken over from Nick Pontefract.

Apologies were noted from Neil Chugani.

Chair updated that the nominations of Sport NI Chair and Sport Wales Interim Chair to the Board are still yet to be approved by the Secretary of States, having been delayed by purdah. Chair was hopeful that the Chairs could attend the next meeting and be inducted into the Board in advance.

Chair also updated that approval has been given for a further two board members to be recruited to give Board the right balance of skills, experience and diversity. Recruitment is likely to go live in September.

Chair advised Board that this would be the last meeting for Sophie du Sautoy (Director of Finance, Investment and Business Services) before going on maternity leave and introduced Jonathan Bennetts (Head of Finance, Investment and Planning) who would take on the role in the interim and was attending the meeting as an observer.

2. Declarations 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.

The following declarations were noted in respect of the agenda:

- Sarah Springman and Triathlon and Rowing
- John Dowson and Boccia
- Nicky Roche and Canoeing and the Dame Kelly Holmes Trust with regards duty of care
- Nick Bitel and the LLBC Aquatics Centre
- Lis Astall and Equestrian

3. Chair's Introductory Remarks

Chair updated Board on a recent meeting of the Remuneration Committee, which met to agree the CEO's objectives for the year ahead.

4. Approval of the Minutes

The following amendments were requested to the minutes of the meeting on 23 March 2017:

- Under the 'Declarations of Interest' item, the Wimbledon Foundation to be referred to having been a donor to The Tennis Foundation in the past, not a beneficiary
- Under the same item, 'GB Boccia' to be corrected to its new name – 'Boccia UK'.

With these amendments agreed, the minutes were approved as a true

record of the meeting.

LN referred to the Board Workshop which had taken place on 17 May in place of a formal Board meeting and reported that whilst the meeting was not formally recorded, notes had been captured for suggestions on income generation and these would be taken forward by the executive.

5. Matters Arising

LN referred the Board to the action log, and provided updates on the items that were not already on the agenda to be addressed at this meeting.

LN advised of live issues in several sports and explained the remit of the newly created role of Head of Sport Integrity. It was agreed that, as these issues presented risks, any mitigating actions should be considered by the Audit Committee. LN added that the Minister had also been updated and is supportive of the action being taken, noting also the reviews underway relating to BAC and SRUK investment and suggesting that when appropriate, UK Sport and Sport England should give consideration to the 'sports ombudsmen' concept raised in the Duty of Care Report. Discussion was had on the merits and challenges of this.

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LN updated Board on two additional emerging matters. Firstly, a media event scheduled for the following day by eleven sports not funded by UK Sport who are collectively calling for funding for all. It was noted that KG would be responding via a media interview in the context of her arrival as the new Chair. Secondly, LN reported that UK Sport has been notified that British Cycling is facing a legal challenge which may raise a question as to whether athletes could be considered employees. It was noted that historically, a similar case had determined that athletes were not employees, nevertheless it would be important to note the outcome of the current challenge.

6. Executive Team Report

LN asked Board whether they found the current form of the ETR useful. Board noted the resources invested in producing a lengthy report and recommended a shorter version, capturing key headline information, going forward.

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7. Updates from HCSCs

MY (sportscotland) and NB (Sport England) updated on recent progress and challenges.

8. Finance Update – 2017/21 Financial Plan

SdS reported on the final 16/17 outturn and impact on the 17/21 financial plan. Key risks for the 17/21 plan have not changed, the most significant of which was any further decline in lottery income and risks around the DCMS underwrite not being available when it is required to be called on.

SdS updated Board on some recent research commissioned by the Gambling Commission into the variables that drive lottery income. Further work was required by the Gambling Commission and Camelot to agree the findings and reflect on what it means for both the forecasting and driving of lottery income for good causes and also for regulation purposes.

A member asked AH if UK Sport was the only organisation to have been

offered the DCMS underwrite, to which it was confirmed that it was. It was also asked whether there was a risk to exchequer funding due to the General Election outcome and AH responded that a spending review is not expected imminently.

9.1 UKS and EIS Annual Report and Accounts 16/17

SdS referred Board to the Annual Report and Accounts for both UKS and EIS, confirming that both had been reviewed by the Group Audit Committee. Ministerial approval had also now been received.

SdS confirmed that advice and options for the future of the pension scheme for employees would be brought to Board in December 2017, and that an evidence based decision would need to be reached about whether to keep the scheme open for new entrants.

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JD confirmed that from an Audit Committee perspective, he was happy to recommend approval of the Annual Report and Accounts by the Board. **Some minor amends were provided by members, as well as suggestions and considerations for next year. Board approved the Annual Report and Accounts.**

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9.2 Recommendations from the Major Events Panel

Board was asked to consider and approve the Major Event Panel's recommendations on two events; the ITU World Triathlon Series Leeds 2018 and the FINA Diving World Series 2018.

SS left the meeting whilst the ITU World Triathlon Series Leeds 2018 was discussed due to a conflict. SM outlined the wider benefits of this event as well as operational delivery challenges from the 2016 event. **Board approved the Panel's recommendation of a grant of up to £250k, on the condition that any costs related to exiting the IRONMAN contract are considered ineligible for public funding.** SS returned to the meeting.

NB left the meeting whilst the FINA Diving World Series 2018 was discussed due to a conflict. SM highlighted the potential performance benefits of considering the event and NR outlined the reasoning behind the Panel's decision to recommend not to fund the event, essentially relating to the uncertainty of achieving the proposed budget and the level of revenue that would be required to deliver a balanced budget. The Panel would encourage British Swimming to consider hosting the 2019 and 2020 events once their new CEO is in position, and when further discussion with FINA has taken place with regards to the financial model of the event. **Board approved the recommendation of the Panel not to fund the FINA Diving World Series 2018.** NB returned to the meeting.

A member proposed that the Executive produce guidance for those presenting to the Major Events Panel. It was agreed that this would be done.

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9.3 Governance Code Update

Jane Purdon, Head of Governance and Leadership, attended the meeting for this item. SM stressed the size, scale and impact of the work that was underway to implement the Governance Code.

It was reported that Governance Action Plans are now in place for all Summer Sports and that the level of risk of non-compliance from sports

will become clearer in due course. JP reported that the matter of how to address non-compliance is being carefully considered and that further information would be brought to Board for consideration in September.

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JP referred Board to a heat-map of sports and a discussion was had on some individual sports. LA left the meeting when Equestrian was discussed, temporarily handing over Chair duties to JD.

A member asked that an additional colour code be added to the heat map – black to indicate 'will not comply by end of October 2017'.

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JP reported that work has begun to assess other organisations in different funding cycles and situations. Gap analyses are underway for Winter Sports. The Governance Team has also begun to consider how to assess major events funding that is routed through special purpose vehicles.

The discussion moved to UK Sport's own Governance Action Plan which had been delegated to the Executive to complete. Discussion followed on one item assessed as not yet met relating to '*Each organisation shall develop a strategy for engaging with, and listening to, its stakeholders (including elite athletes where appropriate) which the Board shall contribute to and review at least annually*'. This assessment was on the basis of the opportunity to improve direct athlete engagement. Board agreed that this could be revisited with the new Chair.

Having already gone through the Audit Committee, Board agreed to endorse the UK Sport Governance Action Plan.

Finally, the EIS Governance Action Plan was considered. JS left the meeting for this discussion. A member felt that the phrase '*to be considered*' had been over-used and should be changed to ensure that action is taken. **Board approved the EIS Governance Action Plan.** JS returned to the meeting.

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9.4 Performance Update

CW introduced items on Winter Sports which would be presented as part of a Performance Update.

The first focussed on the high level outcomes of the Mission 2018 Review, with CW explaining that this centred around the likelihood of the sports reaching their targets. CW clarified the Mission process to Board, explaining how UKS work with sports each year, with outcomes being predominantly self-assessed by the sports. It was noted that a new version would be implemented for the summer sports in September, with Culture Health Checks feeding in. CW outlined each sport's dimension ratings on the Mission 2018 dashboard and confirmed that there is confidence in the forecasting methodology for PyeongChang.

Paul Buxton, Head of Performance Investment Policy, then presented the PyeongChang Annual Investment Review recommendations and invited Board to accept or challenge the outcome for each winter sport. He reiterated that the published investment principles for PyeongChang were still aligned to those for Rio 2016, not Tokyo 2020 which Board had more recently been considering. Each sport was then discussed and considered by Board in detail. It was noted that the recommendations were within the envelope earmarked within the financial planning for the Winter annual review and therefore within budget. **Board approved the recommendations of the PyeongChang Annual Investment Review.**

PB provided an update on the Beijing Investment Process, noting that it was launched with sports on 25 May and would follow the investment principles of Tokyo - as was approved at the previous meeting. Currently in Phase 2, PB stated that the Senior Leadership Team had recently met to review and moderate the recommendations relating to targets and athlete numbers to communicate to sports and went on to explain these decisions.

Discussion was had about how best to handle communications where there are funding risks i.e. for those with no or low medal potential. PB clarified that whilst sports would be made aware of the risks to future investment for those sports that were provisionally allocated into Priority Band 4 (i.e. where a medal is considered a stretch target), these sports would be given the option to continue pursuing a case for investment, on the basis that performances in PyeongChang may result in changes to the provisional targets.

10.1 Sport Case Management, Culture Health Checks and Performance Dashboards

Michael Bourne, Deputy Director of Performance Services, came to the meeting to present on how the Performance department will case manage sports.

MB referred to the British Cycling Independent Review, noting that some findings reinforced the need for UKS to further evolve the way in which it oversees its investments in sports. He spoke about balancing compliance with innovation and a commitment to continuous improvement. The enhanced process was explained, with note being given, for example, to System Support Forums, a Mission Triage, escalation procedures for Performance Advisors (PAs) and future Board reporting. Discussion was had about how best to ensure warning signs and issues in sports are identified, with MB outlining the processes now in place to improve in this area, eg System Support Forums, Peer Review and training and development programme for PAs, increased levels of case management, PA portfolios being more balanced, increased focus on who within sports should be engaged, the introduction of the Integrity Unit and Athlete Insight response rates. It was agreed that the above should all be articulated to demonstrate how indicators and early warning signs will be identified going forward. A member added that a whistleblowing culture should be encouraged.

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A member enquired about the continuation of the Mission Panel. It was explained that this has now been separated into the Mission Triage and Mission Reviews and is therefore not needed. It was agreed therefore that this should be formally acknowledged and that those who were involved be thanked for their participation.

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Sam Timmermans joined the meeting to speak about the development of performance dashboards which present collated intelligence on both the progress of the WCPs and UKS investments to bring relevant insights from across the system together. It was agreed that these would be reported to Board in January and June each year, and Board agreed that this was a major step forward and could develop and improve as they progress. Board members suggested the following additions to the dashboards; an executive summary with Top 5 issues and critical dates and a clearer representation of the red/amber/green ratings on the dashboards itself.

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10.2 Eligibility Sub-Committee

SM referred to Paper UKS 21 which reviewed the composition of the Eligibility Sub-Committee (ESC) and considered options for a permanent membership, noting that this was an action from a previous meeting and had received input from NB.

Board agreed that the ESC should have a permanent composition of five members, with four of these coming from the Board, plus an independent member. The quorum would be three members. It was also agreed that a Terms of Reference would be drafted to effect this change, and that training for members be provided. UKS

10.3 2020 Team GB Event Series

Esther Britten, Head of Major Events, came into the meeting to discuss work with the British Olympic Association (BOA) to consider the feasibility of creating a Team GB Olympic Event Series. Members highlighted the importance of ensuring that the event would not compromise performance preparation and selection, and stressed the need for commercial upside to help reduce reliance on public sector investment into the high performance system. Board was comfortable that officers continue to engage in feasibility work, with any formal proposal regarding UKS involvement to be brought to the Board for decision UKS

10.4 World Athletics Championships Update

SM provided an update on preparations for the event. NR advised Board that UK Sport's internal London 2017 Assurance Group meeting would take place the following day and noted that UKS would need to seek clarity on decision-making processes during the event. UKS

10.5 Cyber Security

SdS presented on Cyber Security and the ever-present and daily threats, not just to UK Sport's IT systems, but with regards to protection of information in its various forms. SdS summarised the completed and ongoing work in this area, including obtaining the Cyber Essentials Plus accreditation and it was agreed that as a pivotal issue, Cyber Security would be brought to Board regularly going forward.

Board were reminded that they too could be targets and discussion was had about ways of, for example, distributing board papers more securely to protect the integrity of often very confidential and sensitive information. It was agreed that the Executive would implement a solution. UKS

SdS stated that she would welcome feedback on any recommended board paper online systems and engaging training on cyber security that could be deployed to staff. BOARD

11 Information

Pressure of time meant that the various information items were not discussed individually, but having read all the papers, Board were given the opportunity to raise any questions if they had them. The items were:

- Tokyo 2020 Olympic Sports Programme Changes
- Sports Tracker/Triennial Review Recommendations Tracker
- UKS Group Audit Committee Annual Report

- Athlete Alumni Project
- Communications Strategic Planning
- Latest Audit Committee, Major Events Panel and EIS Board minutes

On the Communications Strategic Planning item, MY expressed the importance of continuing to convey the values of sport to improve the way it is perceived. It was agreed that this should be a standing item on the agenda.

UKS

12 Any other business

On behalf of the Board, JD expressed thanks to LA for ably performing the role of Interim Chair and wished KG well for her time in the post.

NB reminded the Executive of the need to appoint a Board member to the Diversity Working Group that UK Sport and Sport England are jointly involved with. With no Board members currently having capacity to take this on, LN and SM agreed to cover until the two new Board members have been appointed.

The meeting concluded at 15.20pm.

Date of next meeting: 27 September 2017