



**Minutes of the UK Sport Board Meeting held
on 1 February 2017
at
UK Sport, 21 Bloomsbury Street, WC1B 3HF**

Present

Chair Rod Carr

Attendees: Nicky Roche
Nick Bitel
Lis Astall
Mel Young
John Dowson
Neil Chugani
Sarah Springman

Nick Pontefract DCMS
John Steele Observer

UK Sport Staff

Liz Nicholl	Chief Executive
Simon Morton	Chief Operating Officer
Chelsea Warr	Director of Performance
Vanessa Wilson	Director of Commercial & Communications
Sophie du Sautoy	Director of Finance, Investment & Business Services
Paul Buxton	Head of Performance Policy and Investment
Robert Morini	Head of International Relations
Rebecca Edser	Head of Major Events
Vijay Parbat	Head of Legal

Board Secretary Jordana Wicks

1. Introduction and Apologies for Absence

ACTION

The Chair welcomed members to the meeting. Apologies were received from Brian Delaney and from Lis Astall for a late arrival.

Chair explained that the Sport Wales Board is still currently suspended, therefore it continues to have no representation on this Board until further notice. It was noted however that Board papers are still being sent to the CEO of Sport Wales, giving the opportunity for review and comment prior to the meeting and to keep lines of communication open. It was noted that some input had been received for this meeting and that it would be referenced by LN where relevant.

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.

NB declared a potential conflict in his appointment as a Trustee of the Wimbledon Foundation, which had been a beneficiary of The Tennis Foundation in the past. He also reminded Board that he acted as a Lawyer for the All England Lawn Tennis Club.

3. Chair's Introductory Remarks

Chair congratulated NB on his re-appointment as Chair of Sport England for a further four years.

Chair announced that NC had been offered a re-appointment to this Board for a further three years.

Chair updated that recruitment for the next Chair of this Board was due to go live the following week and that delays had meant that timelines were now tight. He stated that should there be no permanent Chair in place by the end of April, it is proposed that as the Senior Independent Director on the Board, LA, would stand in as Interim Chair. Chair stated that high calibre candidates were needed for the role and asked members to encourage suitable individuals within their own networks to apply.

Chair reported that NR would become the third member of the Remuneration Committee, alongside himself and JD, following the departure of Board Member Louise Martin. The Committee normally meets just once a year, hence the delay in confirming this change.

Chair reflected on the work of UK Sport, noting the enhanced role in terms of impact and system development and also the ever increasing focus on accountability and transparency.

4. Approval of the Minutes

The following amendments were requested:

- The addition of the phrase, "By a majority following a vote", with regards the decisions made on WCP and EIS Tokyo Investment to reflect a Board member had abstained from the decisions

- That the following statement be added to the item on EIS investment - "A member questioned the need for increased staffing that the plan required"
- That declared interests are referred to as 'potential' conflicts
- That the times at which NC left and returned to the meeting to take a call be corrected
- That it be referenced that Board requested Camelot to present their National Lottery Strategy at a future meeting.

With these amendments agreed, the minutes were approved as true record of the meeting.

Discussion followed on the style and level of detail of the minutes going forward.

5. Matters Arising

LN referred the Board to the action log. There was not anything material to draw the Board's attention to.

LN explained that no Executive Team Report had been provided for this meeting, but gave the following key updates:

- Mission East Induction Event – 16 March
This will be taking place at the Business Design Centre in Islington, London and will be attended by significant numbers from sports and partners. The programme will set the scene for the Tokyo cycle across all areas. **Board Members were invited to attend and were advised that further information would be sent to them.** UKS
- World Athletics Championships 2017
LN outlined discussions that have been held across the funding partners of the 2017 World Athletics Championships to explore the scope for some potential savings from that event to be used to enhance the delivery of the 2017 World Para Athletics Championships. **Board agreed with the principle of the support outlined but asked the executive to confirm the formal mechanism by which it would be agreed.** UKS

LN referred to a number of live issues and reported that the key areas the Directors' Team would be focussing on this year would be;

- Long-term financial sustainability of the high performance system. DCMS require this to be fully explored and reported back on by March 2018 and plans will be brought to Board for input beforehand.
- Culture and Duty of Care. Addressing the outcomes of the various reviews. Board will continue to be engaged and updated.

LA joined the meeting at 9.50am.

6. Finance Update

SdS outlined UK 75, which updated on the exceptional DCMS underwrite arrangements and the progress in presenting a balanced budget.

As had been reported to the December Board, the underwrite from DCMS was subject to DCMS having generated sufficient underspend within the department. Whilst the Department was confident that they would have the capacity to meet the underwrite, it was critical that UKS knew what

action it would take in the event of it not being met.

UKS would be writing to DCMS by the end of February to confirm the plans to generate additional efficiencies and income in the Tokyo cycle to help to offset any underwrite request. The letter would also set out the efficiency assumptions that had been built in to the planning for the Tokyo cycle already, including the assumed savings relating the World Athletics investment.

UKS

Discussion was had regarding broader communication on the current financial position in order to manage expectations while acknowledging Government's extraordinary support. It was noted that this would feature on the agendas of the Mission East event, next week's UKS Chairs' Lunch and be fed into the PD Forum.

A member requested an update on the current National Lottery forecast. SdS responded that there was no further update since the previous meeting, but that it is expected that there will be significantly less income available for good causes in the short to medium term. The Lottery distributors are however working together to increase awareness of the good cause benefits and Camelot, DCMS and the Gambling Commission are discussing more strategic matters.

SdS spoke about the need to bring the 17-21 Financial Plan into balance and it was confirmed that this would be brought to the next meeting. Detail of the 17/18 budget would be brought alongside this.

UKS

Board discussed the potential outcomes from the Representations and the options for financing a further programme should it be identified that medal potential in one or more sports was greater than Officers had previously assessed. Board agreed that they should hear the Representations with a focus on medal potential to ensure that the programmes have been correctly placed on the meritocratic medal table. Once the representations have been heard and the scale of any further investment known, then further options would be discussed at the March Board as it would require a re-prioritisation of resource.

7.1 Tokyo Investment – Wheelchair Tennis

SM reported to Board on the Tokyo Investment Panel held with the Tennis Foundation on 17 January following Board's deferral of its funding decision until this meeting in order to provide the executive with the opportunity to seek and present further information.

The Panel considered the following questions:

1. What is the relationship between the LTA and the Tennis Foundation, and therefore should the resources available to LTA be taken into account when evaluating the Tennis Foundation's access to co-funding?
2. What resources are available to LTA and the Tennis Foundation, and are these sufficient to cover the costs of delivering the Wheelchair Tennis WCP?

The conclusions and recommendations of the Panel were summarised and in depth discussion was had by Board on the salient issues and considerations.

It was noted that Board had received copies of correspondence received from both the Tennis Foundation and LTA on 29 November, 20 January and 31 January and had fully considered the points made in each.

A member raised the issue of whether the Tennis Foundation, as a Charity, could provide APAs to athletes. It was agreed this would be looked into.

NB left the meeting due to a potential conflict on an area of discussion and returned when this discussion had concluded.

Board agreed to defer the decision on co-funding tier classification once again, to be considered again at the next meeting. This additional time will be used to carefully consider the facts presented and the implications so that Board can be confident it is making the right decision. In recognition of the delay the Board agreed to extend the current funding to the Tennis Foundation and APAs for a further 3 months to the end of June 2017.

UKS

7.2 The National Lottery: UK Sport's Additionality

SdS outlined UKS 77, which explained that when National Lottery funding was first introduced, the premise was that funding for good causes was for "additional" streams of activity above and beyond what was already supported through Exchequer funding and that each Lottery Distributor be required to have a policy on "additionality" that sets out what is funded through each source.

Board were asked to agree a statement to formalise this, as proposed:

'Lottery funding is distinct from Government funding and adds value. Although it does not substitute for Exchequer expenditure, where appropriate it complements Government and other programmes, policies and funding.'

UK Sport has regard to the principles of additionality and this definition when progressing its investment strategies and programmes. Where appropriate, Lottery funding complements investment strategies such as the World Class Performance Programmes, which are geared to achieving long-term Olympic and Paralympic success.'

Awards for the World Class Performance Programmes are committed at the start of each Olympic and Paralympic cycle using a combination of Exchequer and Lottery funding. In the event that additional exchequer funding is made available to UK Sport or there is a reduction in planned exchequer financed activity elsewhere in the business then the Awards may be adjusted to reflect a greater proportion of Exchequer funding.'

Board approved the Additionality policy including the statement.

7.3 2017-21 International Relations Investment Principles

Robert Morini outlined UKS 78 which provided information to enable Board to consider the International Relations (IR) Investment Principles for 2017-21.

It was explained that the planned reductions to the IR budget, as previously outlined in the four-year financial planning process, meant that

financial provision had not been made to support basic IR funding in the Tokyo cycle. As a consequence, the 2017-21 IR Investment Principles focused on sports with a funded WCP and/or an agreed major event target.

Basic IR funding (to support core representation at the annual decision-making congress of each International Federation) is therefore not planned to be available to any Olympic or Paralympic sport. Enhanced IR funding is currently planned to be only available to sports with funded WCPs and/or an agreed major event target.

Board discussed a number of issues, including the merits of whether UK Sport's IR work should be focused exclusively on those sports with funded WCPs and/or an agreed major event target, and the scope of support for individuals seeking to attain senior international leadership positions.

It was agreed that UK Sport should not provide basic IR funding (to support core representation at the annual decision-making congresses of International Federations) for any sport. A decision on the 2017-21 IR Investment Principles would be taken at the next meeting, following a full review of the IR Programme and its performance in the Rio Cycle.

UKS

7.4 Major Events Panel Recommendations (Canoe and Wheelchair Rugby)

Rebecca Edser introduced UKS 79 which summarised the key recommendations from the Major Events Panel meeting held in January 2017 and a postponed decision from its meeting in May 2016.

With regards to the 2019 Canoe Slalom World Cup (London) and the 2020 European Canoe Slalom Championships (London), the Board noted that the GLA had not approved investment into these events. **It was therefore agreed that UK Sport would invest up to £263k to support the 2019 Canoe Slalom World Cup, and up to £473k to support the 2020 European Canoe Slalom Championships, but on the condition that British Canoeing present a credible plan to bridge the funding gap. If this cannot be achieved, the Board would only support investment into one event, this being the event that was considered to have the greatest performance merit.** These awards to be subject to the conditions outlined in the recommendation paper.

UKS

With regards to the 2019 European Wheelchair Rugby Championships (Manchester), it was noted that this event had been considered in May 2016, when the Major Events Panel had recommended that it not be formally considered by the Board until more information was known about affordability (both for the NGB and for UK Sport). The Board was advised that the recently agreed reduction to UK Sport's future major events budgets meant that the event could no longer be afforded within the organisation's financial projections for hosting events. **It was therefore agreed that UK Sport should not invest into the event.**

7.5 Major Events Panel Recommendations (Swimming)

Rebecca Edser introduced UKS 80, which summarised an application for support towards hosting the 2019 European Short Course Swimming Championships (Glasgow), which was considered at the Major Events Panel in January 2017.

The Board considered and discussed a number of factors including officers' recommendation to the Major Events Panel, the Panel's subsequent recommendation to the Board, the views of Sport Wales that had been shared with LN, and the views that had been expressed by the event partners during a conference call that had taken place the previous day.

After weighing up the various considerations, including an assessment of the performance merits of hosting the event, and the strength of the relationship with the proposed partners in hosting previous major events, **the Board agreed that UK Sport should invest up to £300k to support the 2019 European Short Course Swimming Championships, and that any further shortfall against the event budget be found from British Swimming, EventScotland or through further discussions with LEN regarding their requirements.** UKS

8. Updates from HCSCs

MY (Sport Scotland) spoke about cuts that are being made to their budget by government. This, and the reduced TNL income, would impact significantly on their investments. Dialogue with Government continues. . MY also reported that BBC Scotland had aired a television programme entitled 'The Medal Myth' which purported that those achieving medals from Scotland were predominantly rich and that funding would be better spent on public health generally. Chair (RC) confirmed that he is looking to arrange a visit to meet Scottish Ministers next month.

NB (Sport England) spoke about the findings of the Active Lives survey, which showed a link between low levels of activity and low socio-economic status, which the Sports Minister has shown great concern about. NB also reported that most of Sport England's core funding decisions would be made at the Board Meeting the following day.

9.1 British Cycling Independent Review

LN confirmed that Board Members had now received a draft of the Cycling Independent Review (CIR) report, the British Cycling (BC) Action Plan and actions proposed by UK Sport. It was noted that delivery against the BC Action Plan would be a condition of grant and, additionally, there would be a yet to be agreed BC Governance Action Plan and the Grant Funding Agreement was such that additional conditions could be added by UKS as required.

CW summarised the key learnings for UK Sport and how these would be addressed. She referenced the plans for a cultural health check that would be considered in the next item. Board were asked whether the UKS proposed actions met their expectations. Feedback was given to refine the actions.

It was agreed that there are lessons to be learnt and that a strong focus on culture would be pivotal in this cycle; prioritisation would be important with regards British Cycling's Action Plan and all actions should be assigned appropriately; there is a need for the new British Cycling PD to connect with UK Sport's actions including the planned work on the Cultural Health Check and for prioritisation of the actions that fall within his responsibility.

Beyond Cycling, it was agreed that a risk based approach should be taken to working with sports on cultural matters and the opportunity should be

taken at the Mission East event on 16 March to outline expectations and requirements.

It was agreed that British Cycling's award should be heavily conditioned including Board approving annually that sufficient progress has been made against the award conditions.

LN spoke about the potential for British Cycling to appoint an independent Chair and gave an update on discussions with the CEO of Sport England and the current BC Chair who had indicated that he would be stepping down. Board noted and welcomed this as it would enable the sport to transition towards full compliance with the Governance Code and open recruitment of an independent Chair.

It was noted that both UKS and Sport England were involved in the recruitment process for a new BC CEO and the position has now been offered to the successful candidate.

LN reported that the CIR Panel had asked whether UKS and BC would indemnify Panel members against any action they may individually face as a result of publication of the final report in full if this were a step taken. At present the terms of reference commit to publication of the key finding and recommendations. **Board agreed that it would indemnify the Independent Review Panel members.**

Discussion moved on to consider publication plans but, before this could be confirmed, Board considered legal advice and agreed that the CIR Panel needed to be commissioned by both UKS and BC to undertake a 'Maxwellisation' process. This was to allow individuals or organisations to respond to criticisms in what must be considered a draft report that remains open to change when responses are received and reviewed by the CIR Panel.

UKS

In agreeing this, Board acknowledged that it would unavoidably delay publication but it was an essential step to protect those who have contributed to the review and so as not to deter others from contributing to reviews of this nature in future.

Board requested that their thanks be passed on to the Panel for their excellent work on this review.

UKS

VW reported that there is a great deal of interest from the media as to when the report will be published and therefore an explanation as to why the process has been delayed would be provided to British Cycling and the media.

9.2 Ethical Issues in High Performance Sport

SM stated that some of the Board Members had met in November to have an initial discussion on how best to oversee ethical issues in performance sport. The key action from this meeting was for the Executive to produce a heat map of the types of ethical issues and current arrangements to identify where UKS should direct its focus. This task had been undertaken and the most pressing issue identified was around culture – particularly in respect of World Class Programmes. This is seen to be the area with significant risk, where UKS has a responsibility.

Board were asked for their thoughts on the document produced and whether this fulfilled the initial brief. General discussion followed on the

proposed development of a cultural health check. It was noted that this matter would also be of interest to the HCSCs.

It was agreed that this was good work and the Executive should return with a follow up at a future meeting.

UKS

9.3 Commercial Strategy Proposal

VW reported on the review to inform UK Sport's Commercial Strategy for the Tokyo Cycle and the role of the Commercial Partnerships Team in delivering that which was being proposed to Board for approval. VW stated that the review had provided the opportunity to look at the structure and resource of the Commercial Partnerships Team going forward. Recognising that the Commercial Strategy was in itself not the silver bullet to the long term financial sustainability of the system, it was noted that the Commercial Partnerships Team had a part to play in bringing options to the table.

The following were recommended to Board as priorities for the Commercial Partnerships Team for the Tokyo Cycle :

- Enhanced promotion of The National Lottery and sharing learnings with other distributors;
- Enabling NGBs to fulfil their commercial revenue generating potential;
- Maximising UK Sport's commercial revenue and value generation by pursuing value driven partnerships and commercialising UKS's expertise;
- Evidencing and maximising the wider socio-economic that investment into Olympic and Paralympic success delivers for the nation through for example the Athlete Inspire and Athlete Volunteer Appearances programmes.

VW confirmed that there would be no additional cost in delivering these priorities.

A member asked how the HCSCs could be engaged and VW stated that representatives would be sought for the Steering Group (next Board paper) to drive the work to support NGBs forward.

It was suggested by a member that VIP hospitality at those Major Events that UKS supports should be used to target individuals to maximise commercial opportunities.

SS left the meeting at 14.35.

VW moved on to discuss a proposal for an **NGB Programme of Commercial Support**, which proposed:

- The creation of a Steering Group representative of the sector to drive collaboration and momentum in generating income across the sector;
- Closer more formal working with Sport England in this area to support the sector as a whole;
- Development of expertise and sharing of knowledge across the sector, for example with regards to exploring alternative revenue sources beyond sponsorship, maximising live streaming opportunities, maximising the use of data, increasing and better servicing of membership databases; and exploring philanthropy opportunities.
- Exploring collaborative commercial opportunities such as multi-sport event sponsorship, exploitation of data and campaigns.

A member made the suggestion of exploring micro-philanthropy (crowd-funding).

Board were asked to approve the strategy. A member expressed concern that the Executive has limited capacity and made a suggestion that big players in the industry be approached, some of which may be open to Value in Kind relationships.

Board approved the proposal, commenting that this area needed to be progressed in line with the bigger priority of the repositioning of UKS finance base.

10.1 Update on planned Representations re 2017-21 WCP Investment

Board noted the contents of UKS 85 regarding representations being made by sports on 6 and 7 February. Board Members attending representation meetings were to be briefed on the process following the Board Meeting.

10.2 English Institute of Sport (EIS) – Key Performance Indicators and Case Management Approach

JS left the meeting temporarily due to a conflict of interest on this item.

CW reminded Board that they had approved recommended investments into the EIS at the December Board Meeting, subject to further information on case management and KPIs being presented at this meeting.

CW reported the following progress:

- A Strategic Change Board has been established and is chaired by the Independent Director of the EIS Board. Terms of Reference have been produced.
- Dr James Bell will act as the Performance Advisor for EIS going forward
- EIS will review their VMOST quarterly and Board will be notified of their progress
- EIS SMT have spent a day and a half drafting KPIs which was received feedback from the EIS Board. These will be cascaded to the UKS Board at the next meeting.

A member requested that UKS investment into IT be highlighted more.

JS returned to the meeting.

10.3 Yorkshire 2019 Ltd – Governance Arrangements

LN introduced UKS 87 which advised that in October 2016, the UK was awarded the right to host the 2019 UCI World Road Cycling Championships in Yorkshire with the main bid partners being British Cycling, Welcome to Yorkshire, DCMS and UK Sport. The event is being funded principally through DCMS and UK Sport, with the balance coming from local authorities and commercial income. DCMS will channel their funding through UK Sport, and will rely on UK Sport to provide assurance of that investment, and of the event more generally. DCMS is also underwriting the event.

LN explained that Yorkshire 2019 Ltd has been incorporated as a subsidiary of UK Sport through which to deliver the event, and that the Board of Yorkshire 2019 Ltd now needs to be constituted with UK Sport having the right to nominate a Director on the Board. LN proposed that SM be nominated, as he has worked on the bidding and planning of the event to date, and fully understands UKS' perspective. It was also noted that other partners have nominated comparable executive team members. Discussion followed with one member expressing a preference for UKS to use SM to oversee UKS' assurance of the event outside of the Yorkshire 2019 structure. After further discussion **Board agreed that UKS should nominate SM as a Director on the Board of Yorkshire 2019 Ltd.** UKS

A member asked if local authorities had confirmed their commitment. SM replied that the process is ongoing but there is no indication that they will not make the necessary commitments. This would most likely focus on be budget-relieving value-in-kind support, rather than cash.

A member asked how risk would be managed. SM responded that this would be through the Yorkshire 2019 Board in the first instance, then via Assurance Group Meetings that should then link into the UK Sport Audit Committee.

A member raised the issue of legacy expectations for British Cycling. LN confirmed that early engagement would be had with the new CEO when in post.

NC left the meeting.

10.4 Mega Events Framework

SM reminded Board that at the meeting in October 2016 the Mega Event Policy Framework was shared for approval. Board had previously agreed the Framework, but asked that a final version was presented to Board, which is UKS 88.

It was confirmed that all the home country organisations and their respective ministers had agreed to support the Framework, however some further discussions were required with Scottish partners prior to confirming the next steps. UKS

10.5 Major Events Panel Minutes – 11 Jan 2017

Board received and noted the minutes.

10.6 Audit Committee Minutes – 23 Nov 2016

Board received and noted the minutes.

11. AOB

There was no other business.

The meeting concluded at 15.10pm.

12. Date of next meeting: 23 Mar 2017