



**Minutes of the UK Sport Board Meeting held
on 23 March 2017
at
UK Sport, 21 Bloomsbury Street, WC1B 3HF**

Present

Chair Rod Carr

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

Francesca Broadbent 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 Investment Policy
Jane Purdon	Head of Governance and Leadership
Robert Morini	Head of International Relations
Krystle Fonyonga	Senior Lawyer

Board Secretary Jordana Wicks

1. Introduction and Apologies for Absence

ACTION

The Chair welcomed members to the meeting. Apologies were received from Neil Chugani and Nick Pontefract, with DCMS represented at the meeting by Francesca Broadbent in his absence.

Chair explained that Sport Northern Ireland have appointed a new Chair (George Lucas) and Sport Wales have appointed an Interim Chair (Lawrence Conway), however their nominations to this Board are yet to be approved by the Secretary of State. Chair was hopeful that they could attend the next meeting and be inducted into the Board in advance.

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.

JD declared a potential conflict on items 10.6 and 10.8 due to his role as Chair of Boccia UK.

NB drew Board's attention to a potential conflict with regards item 10.2 as a Trustee of the Wimbledon Foundation, which had been a donor to The Tennis Foundation in the past.

JS declared a potential conflict on item 10.5 as Chair of the English Institute of Sport.

3. Chair's Introductory Remarks

Chair referred to the challenges currently facing sport and the importance of UKS proactively responding to any lessons that might come out of reports and reviews being conducted.

Chair updated Board on recruitment for the next Chair of this Board. The appointment is to be approved by the Secretary of State and the Minister for Sport. The Senior Independent Director on the Board, LA, would stand in as Interim Chair following his departure on 27 April.

Chair updated that recruitment for two additional members of this Board was expected to go live in the second week of April. He anticipated that these new members would be in place by mid to late Summer. It was confirmed that a skills matrix had been developed to identify current skill gaps on the board and the importance of diversity was noted. JS added that Chair had been acting as one of the UK Sport appointees on the EIS Board (the EIS Chair and UK Sport's Director of Performance being the other two). UK Sport therefore has the right to appoint another.

UKS

4. Approval of the Minutes

The following amendments were requested to the minutes of the meeting on 1 February 2017:

- That more specific reference be given to the Maxwellisation process in item 9.1 on the British Cycling Independent Review.
- Corrections be made to two minor spelling errors.

No amendments were requested to the minutes of the representations meetings

on 6 and 7 February 2017.

With these amendments agreed, all three sets of minutes were approved as true records of the meetings.

5. Matters Arising

LN referred the Board to the action log, noting that much on it would be completed at this meeting. With regards the action from the June 2016 meeting for a joint statement with British Swimming to be produced, setting out lessons learnt through hosting the European Aquatics Championships 2016, it was confirmed that this had been completed and would be removed from the action log. A member requested an update on considering the establishment of a permanent membership of the Eligibility Sub-Committee and it was confirmed that this would be brought to a future Board meeting.

UKS

6. Updates from HCSCs

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

LN relayed feedback received from Sport Wales on this item and on others later on the agenda.

7. The National Lottery Strategy – Presentation from Camelot

Chair welcomed representatives from Camelot to the meeting who reported on historic trends in sales, projections and their marketing plans for the future. Camelot representatives took the opportunity to thank the UK Sport Communications and Commercial Teams for their long-term commitment and success in acknowledging and promoting good cause funding from the National Lottery.

A member asked if there is anything more UKS could do to help, to which it was replied that opportunities to run special promotions/events could be explored.

Chair thanked Camelot for presenting to Board and reiterated the willingness of UKS to continue proactively supporting their efforts.

8. Executive Team Report

LN elaborated on key areas of the Executive Team Report;

- The Mission:East event held at the Business Design Centre in Islington on 16 March was attended by over 300 people from across the high performance system.
- A key priority is the challenge of long term financial sustainability
- The Major Events team has been providing technical support to DCMS with regards to exploring the potential to host the 2022 Commonwealth Games.

A member enquired as to whether any sports had appealed the Tokyo Investment representations decisions. LN confirmed that only Fencing had and thanked the Board members involved in the representations meetings. LN also noted that it had been a difficult time for the sports involved in the representations, but confirmed that they are receiving transition support and that she would reach out to them all personally in due course.

VW added to the Communications Report that this has been a challenging time for the Communications Team, due predominantly to the delay in publication of the British Cycling Independent Review but also in part due to some expected

challenges following the announcement of the Tokyo Investment decisions and cuts to sports. VW stated that coverage was still on the whole balanced and that any negativity had been addressed proactively by the team and that they would be exploring cost effective mechanisms to track public sentiment over the long term.

UKS

9. Finance Update

SdS introduced paper UKS 1 which updated Board on the 13/17 financial plan and the outturn for 16/17;

- National Lottery income reflects the latest updates and the remaining uncertainty in the plan is the returns for March 2017;
- UKS is forecasting a breakeven position on the exchequer accounts and forecasting a lottery balance of £40.15m at 31 March 2017. Of this £40.15m, £2m relates to activity deferred from the Rio cycle and £1.66m relates to deferred expenditure on the Road Cycling World Championships and Rugby League World Cup;
- Once the deferred expenditure has been taken into account, the lottery balance is in line with the balance required to fund the Tokyo cycle as agreed in December 2016.

Board noted the financial position.

10.1 Budgets 17/18 and 17/21 Financial Plan

SdS moved on to the 17/21 Financial plan and the budgets for 17/18 (UKS 2). SdS highlighted that the plans had been updated to reflect the expenditure that was to be managed on behalf of DCMS for the Road Cycling World Championships in 2019 and the Rugby League World Cup in 2021. The inclusion of this additional DCMS funding meant that UKS was now managing a budget of £570m over the Tokyo cycle.

SdS updated on the adjustments that had been made to the plan following on from earlier Board meetings to bring the plan into balance. The most significant of these adjustments relates to the Major Events allocations for 17/21 which now reflected a potential saving from the World Athletics Championships in 2017, although there was a risk and opportunity around the size of this saving.

SdS reminded Board of the DCMS underwrite on any shortfalls on lottery income up to the value of £25m a year. Board discussed the level of risk around the £25m in line with the updated projections and noted that this would need to be carefully monitored.

FB acknowledged that DCMS had received UKS's letter regarding 'reasonable efforts to generate additional income and make efficiencies in other areas to reduce the call on the underwrite' and that they agreed with its contents and would respond formally in due course.

Board approved the 17/18 budget and 17/21 Financial Plan.

10.2 Tokyo Investment – Wheelchair Tennis

SdS presented UKS 3. Board were referred back to the investment decision to be made with regards Wheelchair Tennis, which was deferred at the previous meeting pending further legal advice.

Board were asked to consider whether Wheelchair Tennis should be classified as a Tier 1 sport for co-funding purposes. As set out in the Tokyo Investment Guide, a Tier 1 sport is defined as a sport with access to sufficient non-grant income to fully fund its Performance Strategy. If Wheelchair Tennis strategy and budget

were classified as a Tier 2 sport for co-funding purposes, this would mean that an additional £970k of programme funding for 17/21 and around £600k of Athlete Performance Awards would be required.

Board noted the size of the resource required to fully fund the programme, the history of Wheelchair Tennis, through the Tennis Foundation, receiving over 90% of its funding through alternative sources; and the resources and reserves available to the Tennis Foundation in the context of the resources required to fully fund the programme.

SdS presented the legal advice that had been obtained which set out that UKS would be acting reasonably in reaching the recommended decision.

Taking into account all of the information provided, including correspondence received the previous day from the Lawn Tennis Association, **Board considered its options and agreed that:**

- **Wheelchair Tennis is to be classified as a Tier 1 sport for co-funding purposes as it has access to sufficient non-grant income to fully fund the performance strategy over the Tokyo cycle;**
- **Funding for the Wheelchair Tennis WCP will cease at the end of the current award on 30 June 2017;**
- **APAs will continue to be paid for the Tokyo cycle (through to 31 March 2021) as a transition measure and will cease thereafter.**

10.3 Tokyo Investment Cycle – Update

Paul Buxton presented to Board who were asked to:

- Consider and agree the next steps with the 5 new Olympic sports for Tokyo 2020
- Consider and agree the allocation of technical support to Non-funded and commercial sports
- Consider and feedback on the option to establish an innovation fund

A summary was provided of the new sports in consideration and the recommendations of the executive.

A member requested that consideration be given to the governance arrangements of any organisation with the potential to receive such funding. This was noted as normal practice.

Board agreed that:

In the case of Karate and Climbing:

- **Officers provide support to establish a clear individually focused medal plan and budget to be submitted in October 2017 (AIR)**
- **Small individual investments are made where necessary to ensure key athletes remain on track prior to the 2017 AIR process**

In the case of Baseball, Softball, Surfing and Skateboarding:

- **The outcome of the provisional assessment (no clear medal potential) is communicated next week**
- **Access is provided to a repository of resources but not to direct PA support**
- **Budget reserved for this purpose be released and added to the Annual Investment Review budget if it is not required to support the new sports**

PB recommended the technical services which should be provided to categories of sport – noting that for Band 4 in particular, this would go some way to maintaining a relationship with UKS. Board agreed that Technical Services should be allocated as follows:

Group	Which Sports	Priority Band	Performance Advisor	Mission Reviews	Talent Healthcheck	EIS Technical Services	UKS Technical Services	EIS chargeable Services	Access to PDMS	Conference Access	Merit access to People development programmes	On-line Resources
1	Funded	1-3	√	√	√	√	√	√	√	£250	√	√
2	Commercial	1-4	√	√	√	Basic	√	√	√	£500	At cost	√
3	Unfunded Band 4	4	√	√	√	X	√	√	√	£250	√	√

Finally, PB provided Board with some options for how UK Sport might deliver sustained medal success at a lower cost and so extend the reach of investment. It was recommended that, should it be possible to ring-fence any resource at year end, the investment should be made in exploring different models of investment by establishing an innovation fund.

It was noted that an innovation fund of over £1m would be required to do meaningful work. Discussion was had about the risks involved, as well as staff resource, and **Board agreed that, should it be possible to ring fence more resources following 2017 AIR, these should be invested in sports / projects that enable 'learning' to inform future, lower cost, funding models.**

10.4 Athlete Medical Scheme Renewal 17/18

SdS referred to Paper UKS 5 which requested that Board approve the BUPA renewal for 17/18 at a total cost of £1.78m. **Board approved the renewal at this cost.**

10.5 English Institute of Sport

Key Performance Indicators and Case Management Approach

JS left the meeting.

CW reminded Board that at the December 2016 meeting, Board asked the Executive to bring back Level 1 KPIs against EIS's eight objectives and to outline the case management of this investment, given the size and scale of the quantum and changes.

It was reported that KPIs had been developed by EIS, reviewed by their Change Board on 1 March 2017 and then by their Board on 8 March 2017. With regards early warning signals, the Change Board meets every two months and the UKS PA meets with the SMT weekly. EIS are subject to the AIR and have the same monitoring and evaluation of their VMOST.

A member said that it would be good practice to mandate a response to the satisfaction survey, to ensure 100% feedback. CW agreed to take this principle back to EIS, along with further consideration of monitoring of physical and mental health.

UKS

A member said that EIS need data measures and asked how sports performing badly would be picked up. It was responded that there is a mission process tagged to KPIs.

Budget Transfers

SdS outlined Paper UKS 7 and requested Board approval for the budget transfers to the EIS for strategy budgets that had been developed outside of the EIS core award.

It was explained that £7m for the cycle had been allocated to the Data Strategy and that £1.3m of this would be transferred to EIS to carry out work they are responsible for in the strategy. It was explained that UKS's Head of Sport Intelligence is accountable for the delivery of the strategy for both UKS and EIS and that there are formal processes in place to track progress.

A member raised concerns about a risk of disconnect and asked that there be some formal oversight and control. It was agreed that an update would be brought to board at the first major milestone of the whole strategy.

UKS

SdS stated that budgets are held in UKS until it is confirmed that money needs to be transferred, therefore keeping control of budget and stage transfers, which is an unusual process but reduces risk.

LN reminded Board that EIS is UKS' own subsidiary with UK Sport appointees on the Board and a group audit function, so there are tight controls and links.

JS returned to the meeting.

10.6 Governance Code – NGB Plans and Compliance

Jane Purdon, Head of Governance and Leadership, introduced paper UKS 8, reiterating that the work in this area is of a significant scale and impact and is fast-moving. She updated board on developments since the production of the paper:

- All sports with Tokyo investments have now responded. Generally, there has been a positive attitude from the sector towards change and no significant pushback that would prohibit compliance. Timelines have been moderated and benchmarked.
- Following a meeting between UK Sport, Sport England and the Minister for Sport, it had been determined that the deadline for compliance would be 31st October 2017, save for where there might be strong logistical reasons otherwise.

A discussion followed, with Members raising a number of issues including the practicalities of implementing the Code within this timeframe, the need to encourage a sense of urgency across the sector, the amount of time that the sector had already had to consider the new Code, and the risk to funding and specifically to APAs should compliance not be achieved.

British Cycling Governance Action Plan

JP reported on the progress with British Cycling's Action Plan. British Cycling planned to seek approval of the changes to their constitution at their AGM in July and would work through implementation timescales for their proposed board structure changes with Sport England and UK Sport.

NB stated that Sport England is not content with the timescales currently proposed by British Cycling in some cases as they are considered to be too long. Sport England Board will not consider the Governance Action Plan until the final Cycling Independent Review has been published and considered. **Chair agreed**

with this and proposed that in the meantime, so as to not hold up Governance Action Plan approval, responsibility should be delegated to himself and LN. Board agreed with this approach. NB confirmed that the action plan would go back to the Sport England board who next meet on 26 April. UKS

UK Sport Governance Action Plan

JP confirmed that UKS is almost compliant with the Code, however will have some work to do in a couple of areas, namely the development a diversity action plan, and the publication of some information. UKS

Board delegated authority to Chair and LN to sign off the UKS Action Plan, which would in due course be verified by internal auditors. Board to see final version. UKS

SM asked for early thoughts on the consequences of non-compliance. It was agreed that Board would send any comments to SM in writing. UKS

Board requested a high level update on sports' compliance at the next meeting. UKS

10.7 Major Events Recommendations

Track Cycling World Cup Series (2017/18, 2018/19, 2019/20)

Board were asked to consider the Panel's recommendation with regards British Cycling's multi-year application for support towards the Track Cycling World Cup Series (2017/18, 2018/19, 2019/20) - a long-standing series of international track cycling events previously considered on a year-by-year basis. It was noted that the overall package of investment in these events is proposed to reduce in this cycle.

Board approved the Panel's recommended investment into each event subject to the proposed conditions, with the additional condition that investment should not flow until the British Cycling Governance Action Plan has been delivered – the same process as with the WCP. The investments are as follows:

- **Up to £150k towards the 2017/18 Track World Cup**
- **Up to £124k towards the 2018/19 Track World Cup**
- **Up to £128k towards the 2019/20 Track World Cup**

A member enquired as to why it would appear one city has to contribute less to host an event. It was agreed that SM would discuss this with the relevant agencies. UKS

Yorkshire 2019 Ltd

Board approved the appointment of Chris Pilling as the Chair of Yorkshire 2019 Ltd based on 5 days' work per month.

IAAF World Athletics Championships and IPC World ParaAthletic Championships 2017

SM reminded Board that, at the February Board meeting, officers had outlined the details of a proposal that had been agreed in principle between UK Sport, GLA and UK Athletics, regarding the use of potential upside from the 2017 IAAF World

Athletics Championships to support and enhance the 2017 IPC World ParaAthletics Championships. The Board was supportive of the proposition, but asked for further details regarding the mechanics of this arrangement, and how it would be formalised.

It was proposed that the first £1.5m of any financial upside realised by the 2017 World Athletics Championships would be used to support the 2017 World ParaAthletics Championships, to ensure that delivery quality is protected and enhanced. The proposed mechanism by which this would happen is to allow the GLA to clawback the first £1.5m of any financial upside resulting from the IAAF World Athletics Championships in order to offset its liability against the IPC World ParaAthletics Championships, thereby protecting and enhancing delivery quality.

Board approved the approach to revising the clawback arrangements in connection with the 2017 World Athletics Championships.

10.8 International Relations - Rio Cycle Review and Investment Options

Robert Morini, Head of International Relations, introduced this item, stating that at the previous meeting, Board felt that it should first consider a full review of IR activity in the Rio cycle prior to agreeing the future Investment Principles. Paper UKS 10 provides this information. Board had also requested that some options be presented, particularly in respect of funding NGBs without WCP funding.

Board was asked to agree which funding option it wished to implement in relation to Band 4 sports. It approved the following option:

Band 4 sports (including any of the new sports that may be put into Band 4) would be eligible to be considered for IR funding, but priority would be given to WCP-funded sports. A minimum of £80k over 4 years would be ring-fenced for this area, with savings from the IR strategies of WCP-funded sports having the potential to be retained with a view to increasing this fund.

Board approved the Investment Principles and delegated authority to officers to progress the individual grants in line with those Principles.

11.1 British Cycling Independent Review

LN updated Board that there is still no confirmed date for the release of the final Cycling Independent Review, but advised that they would receive it confidentially prior to it being published.

11.2 Beijing Investment Process

JS left the meeting.

Paul Buxton presented on Paper UKS 11, which outlines the first steps towards defining winter Olympic and Paralympic investment in the Beijing cycle and will lead towards final investment decisions being reached in June 2018.

LN presented a slide which explained the investment timeline for Beijing which mirrors the Tokyo planning timeline.

In determining the approach to investment for the Beijing cycle, individual scholarships, narrow focus WCPs and institute hosted WCPs were some options identified which could reasonably be applied to the Beijing Investment Process.

It was agreed that where appropriate, the same principles/process that applied to summer sports through the Tokyo process should be followed however sports should be given an earlier indication if there was any intention to engage a third

party in the implementation of the WCP. The Beijing Investment guide should be prepared on this basis and circulated to Board for information.

12.1 Tokyo 2020 Olympic Trials

SM explained that the concept outlined in paper UKS 12 was exploratory at this stage but seeks to maximise revenue, protect performance interests and align existing events/trials as opposed to creating new ones. It was added that the appended MOU was not binding and that officers would bring a more detailed paper to the next Board meeting.

Major Events Panel Minutes – 22 February 2017

Board received and noted the minutes.

Audit Committee Minutes – 7 March 2017

Board received and noted the minutes.

EIS Board Minutes – 13 December 2016

Board received and noted the minutes.

AOB

Both the UKS Executive and Board members put on record their thanks to Rod Carr, at this, his final Board Meeting as Chair of UKS.

There was no other business.

The meeting concluded at 15.30pm

Date of next meeting: 17 May 2017