



Minutes of the Meeting: 14th July 2004 (held at UK Sport, 40 Bernard Street)

Present

Chair

Sue Campbell

Members

Nick Bitel	Adrian Metcalfe
Patrick Carter	Connie St Louis
Alastair Dempster	Eric Saunders
Zahara Hyde Peters	Phil Carling
Louise Martin	Laura MacAllister

UK Sport Staff

Liz Nicholl	Acting Chief Executive, UK Sport
Andrew Barnett	Head of Communications
John Scott	Director, International Relations and Major Events and Acting Director, Drug-Free Sport
Neil Shearer	Director, Corporate Services

Observers

Roger Draper	Sport England
Eammon McCartan	Sport Council for Northern Ireland
Huw Jones	Sport Council for Wales
Ian Robson	Sport Scotland

Introduction

- 1 Sue Campbell welcomed members to the meeting.

Apologies for Absence

- 2 Tanni Grey-Thompson sent her apologies. Zahara Hyde-Peters informed Council that she would have to leave the meeting at 11.45am due to a prior commitment, and so it was agreed that the Corporate Services item on the agenda would be bought forward.

Minutes of the Meeting held on 19th May 2004

- 3 The minutes were approved subject to the following alterations. Page 2 paragraph 5 states that the BOA award was £8000,000 - this should read £800,000; Item 15 regarding Investment Panel proposals should state that these will be ready for consideration at the October Council. It was confirmed that all references with the wording 'independent Council Members' had now been changed to 'individual' and this would be the descriptor for all Council Board Members.

- 4 The minutes were agreed as a true and accurate record of the meeting.

Matters Arising

- 5 Members received the Business Plan with the amendments to budgets to show a break even. Members were advised that one further minor amendment had been made to remove a sentence regarding funded athletes and medal potential to the risk register in Appendix 4. Chair advised that copies had now been forwarded through DCMS to the Devolved Administrations (DA's).
- 6 It was noted the discussions were underway with Sport England on the matter of location and shared services which could deliver further efficiencies. In terms of the Business Plan, this would only impact on budgets which would be under continuous review.

Reform Agenda

- 7 New Chair:- Council was reminded of the process for recruitment of the new Chair. It was planned that the post would be advertised in August with appointment in November and then a period of handover/overlap with the outgoing Chair. This was a slight change to the timeline previously circulated to Council members.
- 8 Board Competencies:- Liz Nicholl introduced the paper on board competencies. Members were advised that OPM had carried out one on one interviews with a number of the Council members to aid the drafting process.
- 9 Discussion followed regarding the core skills. It was stressed that members need to have expertise and knowledge of benefit to UK Sport and that the incoming Chair, with support from the CEO, should use the agreed competencies to help shape the new board. Regarding the balance of the board competencies, it was decided that communication (which could be placed alongside marketing) and legal knowledge were a necessary for the sponsorship, marketing and anti-doping aspects of the organisation's responsibilities. It was also agreed that the financial and audit competency could be combined into one requirement. This would ensure a more rounded board.
- 10 Staffing :- Details of the internal restructuring to support the delivery of the Business Plan had been shared with Board Members. The new plans were now at staff consultation stage, a four week period due to conclude in late July. A further discussion regarding personnel would take place within the closed meeting at the end of Council.
- 11 The Chair expanded on the discussion regarding the review of location and shared services referred to earlier. It was explained that this was being considered in the context of the Gershon and Lyons reviews but the aim was to efficiently and effectively deliver business objectives. There was concern that location impacted on recruitment and so needed to be resolved. It was noted that it would not materially impact on the internal recruitment stage.

Corporate Services

- 12 Statutory Accounts: The statutory accounts process had been thorough with first draft accounts prepared by the end of April. The Audit Committee met in May to allow early input into the accounts and then also met in June to review the penultimate set of accounts. This meeting also reviewed the draft of the formal NAO reports (Communication of Audit Matters to the Board SAS 610) for both sets of accounts. The Audit Committee approved the accounts, subject to some minor wording changes.
- 13 The final set of accounts tabled at today's Council had been slightly amended from that circulated in advance. The changes were in the FRS 17 pension and notional cost of capital areas, with some minor wording changes. The final version of the SAS 610 was tabled at the Council meeting. This was not materially different to the draft presented to the Audit Committee. It was confirmed that the both sets of accounts would be unqualified by the NAO.
- 14 The Chair of the Audit Committee confirmed she was content with the process and commented that it had been a difficult year because of the need to transfer grants as a result of the lottery shortfall. It was also confirmed that the committee supported the Chair in seeking approval and signing of the two sets of accounts
- 15 It was noted that Anne Ellis as interim Chair of the Sports Council for Wales should be added to the list of members.
- 16 It was noted that a wider list of Council members interests (as distinct from specific related party transactions) would be considered for inclusion in the 2004/05 accounts as a further improvement in corporate governance, though this was not a specific NAO requirement. A pro-forma will be provided for declaration of interests.
- 17 It was noted that the pension deficit had reduced by approximately £400k from 2002/03. It was noted that employer pension contributions had increased in order to manage the deficit. Increased life expectancy and poorer investment returns had led to the deficit. Members suggested a discussion at the next meeting on the pension issue.
- 18 The 2003/04 Lottery and Exchequer Accounts were approved for signing by the Chair and Acting Chief Executive.
- 19 Council members queried the appropriateness of the Sport Relief partnership, and the rationale and benefits were explained by the Chair. It was agreed that authority levels needed to be reviewed and clarified. It was also noted that having an agreed future Investment Strategy will ensure that investment decisions that were a departure from it would be submitted to Council for approval.
- 20 Directors Report: The last page of the directors' report providing a summary Income and Expenditure Report was circulated as it had been omitted from the Council papers. This reflected two months activity and the budget had been amended to incorporate changes, agreed at the last Council meeting, to eliminate the Plan shortfall.

- 21 The pay review process had been completed following the preparation of the report. The pay increase had been approved by DCMS at 3.47%. Average staff increases were about 2.4% with an additional element increasing the “Healthy Lifestyle Benefit” by £10 to £30/month to those eligible. This element was non-inflationary. A further element of pay had been set aside to deal with re-structuring.
- 22 Audit Committee: Members were advised that the term of Chair of the Audit Committee was due to end on the 23rd November 2004. As there were meetings scheduled for 1st October and 24th November it was agreed that the November meeting should be bought forward so the current Chair could attend, and then the replacement would be discussed at the next Council meeting in October. Board members were reminded that the Audit Committee currently consisted of 3 Council members. Membership normally includes five members appointed by Council. One of the members is appointed to Chair and three provide a quorum.

World Class Performance

- 23 Jane Swan was welcomed to the meeting to present the draft Performance Investment Strategy and the Chair invited feedback and discussion. The draft Strategy had been discussed by the UK Awards Panel on 21 June 2004. Due to the sensitive nature of some of the proposals, the Strategy had not yet been distributed for wider comment.
- 24 Council members were broadly supportive of the sharpening of UK Sport’s performance investment focus and were in favour of the majority of the 14 proposals but expressed mixed views and some significant concerns at the impact on the Home Country Sports Councils and governing bodies of three proposals relating to UK Sport’s investment in non-Olympic and non-Paralympic athletes (as opposed to general investment in the sports), increased investment in British WCPPs of sports operating predominately at home country level and a repositioning of UK Sport’s exchequer investment to underpin a governing body’s ability to manage its World Class Performance Programme.
- 25 Council agreed that consultation with the Home Country Sports Councils would be a priority, as would consultation and communication with governing bodies of sport after the Athens Games. The final version of the Strategy would come back to Council for approval in October 2004.
- 26 At the end of this item the Chair informed Council that the Technical Team presentation would not take place due to time constraints but would be made a main agenda item for a future meeting.

UK Awards Panel

- 27 Liz Nicholl introduced the following recommendations which were considered by Council:
- 27.1 That UK Sport should invest in UK/British World Class Performance Plans for those sports which operate predominately at Home Country level for the majority of the four year cycle, (but only come together as GB in the run up to an Olympic Games) and meet the WCPP criteria. A decision on this was deferred until the October Council meeting.

27.2 British Bobsleigh Association – The recommendation forwarded to Council from the Awards Panel meeting was that no award be made. Following representations by the BBA that two improving female athletes had recently become World push-start champions, that the BBA had invested in a new sled, and an audit reassessment had given the BBA limited assurance as opposed to no assurance, the recommendation was as follows:

That an award of up to £50,000 per annum (to 30th September 2006) be made in support of Women's Bobsleigh against clear annual performance targets. It was noted that this was a reduction on current funding of £77,000 per annum and BBA were on notice that if performance do not merit investment, the award could reduce to zero and it would be the BBA's responsibility to cover this risk. This was agreed by Council

Council considered the following awards:

- a. To recommend the offer of World Class Performance funding to the British Curling Association (BCA) of up to £309,660 for the period 1 September 2004 to 31 August 2006 (subject to further assessment by officers of the performance plans and confirmation of affordability)
- b. To recommend the offer of World Class Governance (Exchequer award to underpin the NGBs ability to manage the WCPP) funding of £20,260 to the British Curling Association for the period 1 September 2004 to 31 August 2006
- c. To recommend the offer of World Class Performance funding for Wheelchair Curling to the British Curling Association of up to £103,790 for the period 1 March 2005 to 31 March 2006 (subject to further assessment by officers of the performance plans and confirmation of affordability)
- d. To recommend the offer of World Class Governance (Exchequer award to underpin the NGBs ability to manage the WCPP) funding of £6,000 to the British Wheelchair Curling Association (BWCA) for the period 1 March 2005 to 31 March 2006
- e. To recommend that Athlete Personal Awards (APA) continue to be managed and funded at Home Country level (sportsotland and the Scottish Institute of Sport) as an interim arrangement for the period of these awards (note: wheelchair curlers do not currently receive APA's)

It was acknowledged that these recommendations were conditional upon proposal (minute ref.27.1) above being agreed. As this had been deferred, it was agreed in the interim to make the following awards:

BCA £56,730 – 1 September 2004 to 31 August 2005

BCA £67,130 – 1 September 2005 to 31 August 2006

BWCA £20,000 – 1 March 2005 to 31 March 2006

Council agreed the following awards:

- f. **That World Class Performance funding be awarded to the British Bob Skeleton Association of i) £2,083 for the period to 30 September 2004 to support the cost of Head National Coach; ii)**

£93,345 for the period 1 October 2004 to 30 September 2005, and
iii) a planning figure of £93,345 for the period 1 October 2005 to 30
September 2006

- g. That World Class Governance (Exchequer) funding be awarded to the British Bob Skeleton Association of i) £56,655 for the period 1 October 2004 to 30 September 2005 and ii) a planning figure of £56,655 for the period 1 October 2005 to 30 September 2006
- h. That World Class Performance funding be awarded to Snowsport GB of £350,000 for the Alpine Ski programme for the period 1 October 2004 to 30 September 2006 (£ 175,000 per annum)
- i. That World Class Performance funding be awarded to Snowsport GB of £100,000 for the Snowboard programme for the period 1 October 2004 to 30 September 2006 (£50,000 per annum)
- j. That World Class Governance (Exchequer) funding be awarded to Snowsport GB of £320,000 for the period 1 October 2004 to 30 September 2006 (£160,000 per annum)
- k. That World Class Performance funding be awarded to the National Ice Skating Association of £135,000 for the period 1 October 2004 to 30 September 2005
- l. That World Class Governance (Exchequer) funding be awarded to the National Ice Skating Association of i) £115,000 for the period 1 April 2005 to 31 March 2006 and ii) a planning figure of £115,000 pro rata for the period 1 April 2006 to 30 September 2006
- m. That Exchequer funding of £10,000 be made available to support the Winter Sports Forum for the period 1 October 2004 to 30 September 2006 (£5,000 per annum)
- n. That an Exchequer grant of £150,000 be awarded to the British Universities Sports Association for the period 1 July 2004 to 30 September 2005 to support the cost of sending a British team to the 2005 World University Games in Turkey
- o. That support for the biennial World University Games from 2007 onwards comes from the respective sports' World Class Performance Programmes at the discretion of the Performance Directors, as opposed to a separate UK Sport award.

World Class Standards

- 28 John Scott introduced this item. Members were advised that PMP had produced a follow-up report on the governance of DFS advising the establishment of a small scrutiny panel of independent members. This panel would advise the board on any conflicts of interest within UK Sport and the drug-free directorate and provide greater transparency to stakeholders. Their research was based on official guidance documents and good-practice papers available. The PMP report re-emphasised that significant safeguards were already in place within the directorate, including both internal and external NAO audit procedures as well as ISO accreditation auditing.
- 29 The recommendation was that the scrutiny panel meet twice yearly and be recruited by open advert. As DCMS had declined to be involved in the

appointments, it would be the responsibility of the Chair of UK Sport to lead the appointment of the Chair of Panel.

- 30 Views were expressed on the make-up of the scrutiny panel and whether it could be combined with the Audit Committee. It was agreed that a separation of functions was required but that the two groups would need to work together.
- 31 Members discussed the new organisation for DFS seeking reassurance that there was no 'down-grading' of the operation with the new Head of National Anti-Doping Programme position. It was explained by the Chair that in fact the area was being enhanced with additional capacity being put in by the International Director driving policy, international harmonisation and negotiations on Code and International Agreement developments. This would allow for an increased attention to quality service delivery, improved relationships with the sports and effective monitoring of the programme to be undertaken by the Head position. There will be a close working relationship between the International Director and Head of National Anti-Doping Programme with both positions being members of a new senior management team.

National Anti-Doping Update

- 32 John Scott introduced this item. The National Anti Doping Policy work was progressing but the original timetable had been ambitious and did not reflect the reliance on rules and regulations being available from the International Federations. It was important that there be compatibility between the two and as few International Federations (IF's) had published their rules and regulations to date, UK Sport had been unable to complete its own policy. Further, Council had agreed to investigate the establishment of a National Hearings and Tribunal Service, the report on which was not due until the end of July. One of the key findings of the PMP Report was the need for greater transparency and engagement with the sport community and it had therefore been decided that a fully comprehensive consultation exercise with the sports community was required to achieve buy in and understanding of the new National Policy. This would be carried out initially via a web based exercise and followed up with workshops and seminars after the Paralympic Games. The final policy would be brought to the December meeting of Council. WADA had been informed of this approach and was satisfied.

Worldwide impact

- 33 John Scott introduced the recommendations of the MESH Meeting of 9 June 2004. Council agreed the following recommendations:
- 33.1 2007 European Indoor Athletics Championships
- That UK Sport provide a grant contribution of up to £750,000 towards the bidding for and staging of the European Indoor Athletics Championships 2007. Condition (10.7 of paper MESH 29-1) is to be amended to read as follows:
- a. In the circumstances where the purpose is successfully achieved and the amount contributed to the deficit by Birmingham City Council is less than £865,000, UK Sport shall reserve the right to reduce its grant contribution in proportion up to 50% of the total Award. Any surplus will remain with the Birmingham City Council

to be used for sports development as agreed with UK Sport

33.2 2005 Women's Road Race World Cup

That UK Sport provide a grant contribution of up to £78,000 towards the staging of the Women' World Cup Cycling (Road) 2005. Further conditions are to be added as follows:

- a. Written confirmation is to be received from Newport Council/Newport Unlimited of their £50,000 contribution to the event
- b. British Cycling are to make a cash contribution to the event of £10,000.
- c. If further funding is required for the event in years two and three, a fresh application is to be submitted to MESH on each occasion. MESH would like to see other sources of income sought, and a full, costed plan would be required.

Condition (9.10 of paper MESH 29-2) is to be amended as follows:

- d. In the circumstances that the Organiser achieves sponsorship income, UK Sport will be entitled to reduce its grant commitment by 25% of any sponsorship income obtained, up to the totality of the Award. In the event that a surplus is achieved, UK Sport shall reserve the right to claw back up to 50% of any surplus up to the sum of grant actually paid by UK Sport, not including any sponsorship income obtained.

33.3 2005 Paralympic World Cup

Members endorsed support for the Paralympic World Cup. They also endorsed MESH's concerns that the following be resolved:

- a. The ownership of the intellectual property resting with a private company (members feeling more comfortable with BPA owning this).
- b. The need for this event to become IPC sanctioned.
- c. Less than 18 months to staging, particularly as this is a new multi-sport event, and therefore planning and development time is critical.

Mega Events Strategy

- 34 Council members discussed the latest paper from DCMS on the UK Mega Events Strategy which showed UK Sports comments. They were advised that its main purpose was to primarily create a means of assessing the strategic value of mega events (Category 1) and a methodology for putting in place the appropriate level of government support. It lays out the handling of category 1 events across the UK and is a 20 year rolling strategy that reflects the options the country faces following the outcome of the London 2012 bid. The paper will be submitted to the Sports Cabinet in October for approval.

- 35 There was some discussion on timings of submitting bids falling in line with Sports Cabinet as it is only every 6 months and this will be followed up with DCMS.

Members Only

- 36 A closed members meeting then took place to discuss personnel issues.

Date of next meeting

- 37 The date of the next meeting will be 10am on Thursday 14th October 2004 at UK Sport, London