



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

Present

Chair

Sue Campbell

Members

Nick Bitel

Alastair Dempster (joined at 10.30am)

Zahara Hyde Peters

Louise Martin

Tanni-Grey Thompson

Adrian Metcalfe

Connie St Louis

Eric Saunders

Philip Carling

Laura MacAllister

UK Sport Staff

Liz Nicholl

Neil Shearer

Acting Chief Executive

Director, Corporate Services

Observers

Stewart Harris

Eammon McCartan

(joined the meeting at 10.30am)

(joined the meeting at 11.10am)

1. Introduction

Sue Campbell welcomed members to the meeting.

Members were reminded of the need to declare their interest in any transactions requiring a decision and to remove themselves from such decision making. This would be formally reported in the minutes and on a meeting register completed at the meeting.

Apologies for Absence

Patrick Carter, Roger Draper, John Scott and Huw Jones sent apologies. Members advised that Eamon McCartan, Stewart Harris and Alastair Dempster would be arriving late to the meeting due to travel delays.

2. Minutes of the Meeting held on 14th July 2004

Minutes were approved subject to the following alteration: Item 25 stated 'Following the Council meeting'. This implied that this action was agreed after Council not during the meeting. The minutes were amended to read 'It was agreed that consultation with Sport Councils would be a priority following the meeting'. The Chair signed the minutes as an accurate record.

2.1 Matters arising

It was noted that item 19 of the minutes of 14th July 2004 showed that the investment in the Sport Relief partnership was £150k. This had subsequently been reduced to £120k. An update on impact would be given at a future meeting.

Item 16 of the minutes regarding a wider list of Council Member interests being considered for inclusion in the annual accounts had been subsequently discussed at the Audit Committee and agreed as an unnecessary requirement.

3. Reform Agenda

The Chair introduced this item and circulated a paper outlining the progress made since the spring Sports Cabinet regarding Governance.

3.1 Overview

- a) Chair advised members that a meeting requested by Downing Street will be arranged in the near future to discuss future funding of UK Sport.
- b) Members were advised that a Sponsorship Report had been commissioned from Helen Day Consulting and it was agreed that this will be shared at December Council. **ACTION**
- c) Drug Free Sport (DFS) –Scrutiny Panel implementation is being progressed. Role and person specifications are being drawn up for recruitment. Members were concerned that the Panel might override Council but were assured that all issues from the Panel will come through the Council.
- d) DCMS continues to lead discussion on the Mega Events Strategy with the devolved administrations and through them the Home Country Sport Councils. Council has approved the UK Sport Major Events Strategy and the International Strategy.

3.2 Recruitment of Chair and Board Members

- a) There then followed a discussion on the paper regarding the timescale and appointment of new Board members. It was noted that all appointments are made by the Secretary of State via open recruitment against the Board competency matrix to ensure an appropriate spread of skills across the Members. It was agreed that the appointment of Members with Olympic/Paralympic experience should progress as soon as possible and the BDA/BPA would be invited to encourage suitable individuals to apply. It was felt that expertise in world class success needed to be defined clearly alongside the business skills to ensure a relevant skill mix within the Board. Members were advised that public recruitment for the additional three places would then be scheduled for September 2005 as the term of office for four current Members would end in November 2005
- b) Liz Nicholl advised members that public recruitment of the Chair had started through DCMS with a decision expected in December. She also recommended the scheduling of Board Away Days to induct new members and to discuss and plan strategic initiatives.
- c) Members queried the process for the appointment of the new CEO. It was noted that the new Chair would lead the process with an appointed Panel which would include DCMS representation. The recommendation would come to the Board and then the Secretary of State would make the decision with Board approval.

The Timeline Paper was approved.

3.3 Staffing

- a) Members were reminded of the Staff Update communication sent out in September. Further to this, Debbie Lye was being seconded from DCMS for 1 year from November 1st to work in World Wide Impact. Chair reminded Members that John Scott had been appointed International Director with a department responsible for both the World Wide Impact and World Class Standards. Debbie Lye would be heading up the International team.

- b) The staff restructuring and recruitment is currently progressing with several public advertisements being placed in national papers and interviews taking place.

3.4 UK Sport/SE discussions

- a) Chair updated Members on UK Sport discussions with Sport England on performance responsibilities and back of house. Performance discussions were two fold a) Management of the EIS and officers of UK Sport are working with the EIS on a review of their business plan to advise Sport England on funding needs. And b) responsibility further down the performance pathway. It was emphasised that there was no intention that either of these would impact on other Home Country responsibilities. Neil Shearer and his counterpart at Sport England, Clive Heaphey, were currently reviewing possible back of house efficiencies through shared services.
- b) Chair explained that UK Sport has a lease at Bernard Street until 2015 which will be costly to terminate (in the order of £1million). This office space is some 40% per sqft less than Sport England. If sharing office space with Sport England is an option it was felt vitally important that UK Sport were able to maintain their identity and performance culture.
- c) Chair advised of the possibility of sub-letting parts of UK Sports current accommodation space to other performance organisations such as the British Paralympic Association (BPA), whose tenancy is up in March 2005 at their current office. There was also the option of providing hot-desking facilities for Institute and BDA personnel. This would lead to economies. Chair advised that moving quickly on the office sharing would provide a short term solution and there would then still be an option to consider co-locating with Sport England at a future date if suitable space is available and if such a move had a positive impact on efficiency, effectiveness and costs.

Members agreed that sub-letting to the BPA should be pursued.

4. Governance

4.1 Members then discussed the paper concerning Responsibilities of the Board:

- a) Members agreed that the Remuneration Panel reference should be moved under 'Board' and that it should also be responsible for senior executive severance. **ACTION**
- b) Regarding the Remuneration Panel Terms of Reference - this should be amended to show the Accounting Officer as 'in attendance' rather than as a 'member'. **NS - ACTION**
- c) Major/Contentious Expenditure – The process for this should be defined through clear delegated authority levels. This to be considered at the next meeting. **ACTION**
- d) Members queried whether Statutory Accounts should be 'reviewed' or 'approved' by DCMS – UK Sport is waiting for the National Audit Office to advise on this.
- e) Hiring of the CEO comes under Board but severance under the Remuneration Panel.
- f) Members were concerned that the Board responsibilities seem very limited in this matrix and needs to be expanded to reflect its significance. **ACTION**
- g) Policy changes - amend to read under Board 'Approve changes in policy'. **ACTION**

It was agreed that the Responsibilities of Board matrix should be included 'for information' in every Council meeting pack and further developed over time. **ACTION**

4.2 Board Member Competency Framework

- a) Appendix I, page 4 – contains no information regarding international or events experience in the framework. **ACTION**
- b) Board Members must be able to relate to the business and so it would be appropriate to ensure

that Members show a commitment to or passion for high performance sport or international sporting matters, events or drug free sport and this should be articulated in the framework paperwork. **ACTION**

4.3 Management Statement and Funding Agreement

A copy of the Management Statement and associated Funding Agreement with DCMS for 2003-2006 was circulated for information.

5. Investment

5.1 NAO Value for Money Audit

Keith Hawkswell from the National Audit Office joined the meeting to advise Members on the Value for Money Audit. He presented an update on the work to date.

5.2 Investment Strategy

Peter Keen, Jane Swan and Mike Whittingham of UK Sport were introduced to the meeting to lead a discussion on the Performance Investment Strategy.

Chair reaffirmed that the Performance Investment Strategy was a key part of UK Sport's decision to focus on World Class success. Members were aware that tight budgets had been set within the Business Plan. UK Sport was committed to ensuring that it managed within budget and there was no expectation that the Home Country Sports Councils should provide additional funding in the 2005-2009 period. Chair confirmed that there had been consultation with Home Country Sports Council representatives on the Strategy and that a summary version had also been sent to governing bodies and partner organisations for their comments.

Officers acknowledged however that formal communication with governing bodies had been only commenced recently and that ongoing dialogue to manage the implementation of the agreed Strategy in a pragmatic and responsible way would be important.

Peter Keen gave a presentation on a new Performance Funding model emphasising the following key points:

- An imperative to change the way UK Sport allocates its resources otherwise we will remain in same position within world sport
- A no-compromise funding system that reinforces the best and forces change in underperforming sports
- A simpler and more transparent system
- A system that generates a maximum number of medallists for Team GB

One member expressed total support for the most athlete centred approach seen to date. Another questioned whether the core funding amount per athlete place should be sport specific. Officers explained that a core funding formula should not be altered otherwise it would undermine the basic principles of the model, but that sport specific differences could be accommodated in an additional amount of funding the sport could bid for.

The need for some flexibility was discussed and agreed. Officers confirmed that the formula had been adjusted for Paralympic sports in order to acknowledge for the number of available medals and depth of competition.

In response to several Members' suggestions, Chair confirmed that Officers had undertaken a full modelling of the formula to test its validity and details were shared later in the meeting to show the implications.

Members then considered each proposal within the Strategy as follows:

Proposal 1: that UK Sport invests directly in the three following areas in order to achieve its high level targets:-

- i) Olympic and Paralympic sports that meet UK Sport's WCPP criteria;*
- ii) athletes who have strong potential to become World Champions in significant priority non-Olympic/non-Paralympic disciplines and;*
- iii) UK organisations with a multi-sport focus providing technical or discipline specific services impacting directly on Performance.*

Proposal 1 was approved by Members, subject to implementation of ii) and iii) being carried out in full consultation with the Home Country Sports Councils in order to manage the implications of phasing out funding.

Proposal 2: to introduce and apply a performance investment model founded on a more transparent and direct link between the number of athletes on a WCPP, the performance targets at the next Olympics/Paralympics and the scale of investment in the programme.

Proposal 2 was approved by Members

Proposal 3: for UK Sport to 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, only come together as GB for an Olympic Games and meet the WCPP criteria.

As a principle, Proposal 3 was approved by Members, but in practice Members agreed that each sport within this category should be considered on a case by case basis to agree the most appropriate funding scenario. (This Proposal would be brought to life when Members went on to consider the funding recommendations under 5.4)

Proposal 4: to integrate exchequer funding categories and WCPP priority categories to arrive at a single World Class Investment framework.

Proposal 4 was approved by Members

Proposal 5: to combine lottery, exchequer and modernisation funds as one amount of 'World Class funding', to be distributed as World Class Programme and World Class Operations awards (with up to amounts for Operations Awards agreed for World Class Groups 1 - 3).

Officers confirmed that they had undertaken a modelling exercise to test the formula for arriving at the levels of Operations Awards.

Officers confirmed that there would not be separate modernisation funding but that modernisation support for priority UK Governing Bodies should be embedded into the range of corporate areas to be considered under World Class Operations Awards.

Proposal 5 was approved by Members.

Proposal 6: to allocate World Class Operations awards against outcomes instead of inputs

Proposal 7: to start the 2005-2009 cycle with zero-budgeting

Proposal 8: to undertake a detailed assessment and analysis of athlete financial circumstances and performance impact, with full consultation with Performance Directors and World Class athletes on a series of options and changes to the APAs.

Proposal 9: to explore further the opportunities to invest directly in coaches (i.e. personal) working with World Class athletes

Proposals 6-9 were approved by Members.

There then followed a discussion between Members regarding the implementation of an Investment Panel.

- a) At the July Council meeting it had been agreed that the UK Awards Panel and the Major Events Steering Group (MESG) should be replaced by a single Investment Panel. Draft Terms of Reference had been circulated for consideration. After discussion it was agreed that the MESG should continue to provide expert advice to officers; that having a clear Performance Investment Strategy and Funding model make it unnecessary to continue with an Awards Panel; that an Investment Panel comprised predominantly of Board Members added no value and the Performance Team now had more specific expertise in-house; that delegated authority levels to officers should be reviewed to enable decisions to be taken and risk managed at the appropriate level. It was noted that consideration was being given to Chief Officer meetings being moved from immediately pre-Council to a more appropriate time which would allow for consultation in advance of recommendations/decisions being finalised, on matters that could impact at a Home Country level
- b) It was agreed that a decision making flow chart would be available at the next Council meeting to show levels of delegated authority. **ACTION**

5.4 Investment Decisions – Performance

The following awards were discussed and agreed:-

BRITISH CURLING ASSOCIATION

- a) *That World Class Performance funding be awarded to the British Curling Association of up to £206,060 for the period 1 September 2004 to 31 August 2006*
- b) *That World Class Performance funding be awarded to Wheelchair Curling to the British Curling Association of up to £89,760 for the period 1 March 2005 to 31 March 2006*
- c) *That Athlete Personal Awards (APA) continue to be managed and funded at Home Country level (sportscotland 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)*

HOCKEY

The issues facing British Hockey and the Home Country Hockey Associations with regards to participation in international competition was discussed briefly. It was felt by some members that the performance case for GB participation at both World Cup and Champion level had not been clearly made and so was being revisited at Home Country level. Decisions by Home Country Associations were expected in the New Year.

5.5 Investment Decisions – Major Events

- 5.5.1 Nick Bitel took Members through the minutes of the last Major Events Steering Group including the bid to stage the World Mountain Bike Championships 2007 in Scotland which had been successful.
- 5.5.2 Members were also advised of the need for UK Sport to be involved in future discussions regarding security and policing within sport and the implications of the introduction of the Private Security Industry Act. This was agreed and the following specific recommendations were also agreed:
 - a) *Further research is commissioned immediately resulting in practical recommendations to address the differences between police and local authority treatment of different sports in different regions throughout the UK.*
 - b) *Detailed examination of the benefits of inclusion of the support of sports events in future national policing plans and pursuance of the need for the Government to include these in such documentation as appropriate.*
 - c) *UK Sport to conduct the robust and reasoned rebuttal of the Security Industries Authority insistence that sport event stewarding is included within their remit based on the premise that current legislation would effectively prohibit the staging of major sporting events and that Sport should have exclusion from the Act.*
 - d) *That through the appropriate offices within the devolved administrations, UK Sport in conjunction with Governing Bodies and other appropriate organisations is to have input*

into policy and legislation which impacts on, or relates to, the delivery of sporting events within the UK.

- e) That UK Sport should advise Government and promote the fact that sports and sporting events should not be responsible for police charges outside stadia/venues.*

5.6 Chairs Action's

Chair advised Members of the two Actions that had been taken since last Council regarding the Paralympic World Cup and a Bob Skeleton award. These were both actioned due to time constraints.

The UK Awards Panel Members had been consulted by e-mail on the Bob Skeleton Award of £45,000 for 1 October 2004 to 20 September 2005 and a planning figure of the same amount for 2005/6 to support the competition programme for the Performance Development Squad. Three of the four supported the proposal while the fourth abstained.

The MESSG Chair had fully supported the Chair in the decision on a grant to support Paralympic World Cup as the principle of support had been agreed by Council in July 2004. The grant was as follows:

- That UK Sport provide a Grant Contribution of up to £300,000 towards the total staging Costs of £800,000 for the World Paralympic Cup 2005.
- That UK Sport agree in principle to consider lottery funding of up to £250,000 and £200,000 per annum for the staging for the Paralympic World Cup in Manchester in 2006 and 2007.

The decisions were noted by Council. It was agreed that the work on delegated authority levels should clarify the process for the future.

Alastair Dempster and Stewart Harris left the meeting at 2.30pm

6. Corporate Services

6.1 Financial Management Report

Council noted the Finance report for August.

The major area of under-spend was in programme costs and in particular Technical Development. This was due to phasing being out of line with the budget.

Staff costs were below budget reflecting the reform organisational changes currently underway. It was pointed out that additional early retirement/redundancy costs would be incurred for staff with terms of employment linked to the GB Sports Council

It was noted that the formal process for review of this years budget had started and that these factors would be incorporated in any revisions

6.2 Audit Panel - Future Chair/Membership

It was noted that Zahara Hyde-Peters term as Chair of the Audit Panel had come to an end. Chair advised that Nick Bitel had been asked to replace Zahara as Interim Chair and Connie St Louis agreed to join the Audit Panel as the third member. Chair thanked Zahara for all her hard work on the Panel.

Members approved this decision.

6.3 Pension Fund

A report on the LPFA scheme was received.

7. Meeting Dates

7.1 Next meeting - 9th December 2004 at 10.00am at UK Sport, London

7.2 2005 Meeting Dates

Future meeting dates for 2005 agreed by Members as:

- Wednesday 26th January
- Tuesday 15th February (additional meeting on hold for major investment decisions)
- Wednesday 16th March
- Tuesday 17th May
- Wednesday 13th July
- Tuesday 11th October
- Wednesday 7th December

8.0 Any Other Business

Due to time constraints it was decided to hold the Olympic Review at the Council dinner to be held on November 11th at the Hotel Russell. This dinner would also mark the retirement of Tanni Grey-Thompson, Zahara Hyde- Peters and Adrian Metcalf as members. All three were thanked by the Chair for their outstanding service to UK Sport over a period of years.

As there was no further business the meeting closed at 2.50pm