



Minutes of the UK Sport Board Meeting held on 20th June 2007 at UK Sport

Present

Chair Sue Campbell

Attendees:

Nick Bitel
Julia Bracewell
Philip Carling
Chris Holmes
Eric Saunders
Nigel Walker
Louise Martin
Derek Mapp

UK Sport Staff

John Steele	Chief Executive
Neil Shearer	Director, Corporate Services
John Scott	International Director/Director Drug Free Sport
Tim Hollingsworth	Director of Policy & Communications

In attendance

Liz Nicholl	Director of Elite Sport (Item 9)
Will Calvert	Head of Finance (Items 7 & 8)
Peter Smith	Policy Manager (Item 12)
Andy Parkinson	Head of Operations, DFS (Item 10.2)

Board Secretary

Aimee Wells	UK Sport
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1. Introduction and Apologies for Absence Action

The Chair welcomed members to the meeting and gave apologies on behalf of Rod Carr and advised Liz Nicholl would join the meeting for the Performance Section of the agenda due to a Mission 2012 Workshop.

2. Declaration of Interest

Members were reminded of the need to declare their interest in any transactions requiring a decision and to remove themselves from such decision making.

No conflicts of interest were declared.

3. Approval of Minutes

Members advised of a typographical error in item 8.6.

The minutes were then signed off as an accurate record

4. Matters Arising

Members requested an update on Basketball. Derek Mapp (DM) advised that Sport England were meeting with England Basketball on the 21st June. The meeting, which will be attended by three Board members, is expected to conclude on issues such as re-structuring, management and leadership of the sport. DM advised that substantial progress had been made since the recent headlines surrounding the sport. Sport England are keen to show their commitment to the sport by releasing significant funding, as long as the right management and leadership are in place to coordinate the sport effectively. DM advised that the Mallin report would be published shortly.

Members reaffirmed their position and support for British Performance Basketball Ltd. Chair advised that BPB Ltd was progressing well and since the last Board meeting the BOA have de-recognised GB Basketball as the NOC member and will now take steps to recognise the British Basketball Federation (BBF).

5. Executive Team Report

- Chair asked members to comment on the usefulness of the Executive Team Report. After discussion, members concluded that although useful, the report was too operational focussed and lengthy. Members advised they found highlights relating to past Board policy decisions useful. CEO agreed to condense for future meetings to a maximum of five pages.
- John Steele highlighted the recent discussions that had taken place with Clive Woodward (CW) and advised that CW would be presenting his proposals to the Performance Directors Forum Strategy Group on 29th June to gauge the PD's thoughts. Detailed discussion followed including issues relating to BOA fundraising and the potential impact of its activity on the ability of DCMS to raise £100million to fund UK Sport's ultimate ambitions for 2012. During the discussion on fundraising, Nick Bitel declared a conflict of interest and left the meeting.

Nick Bitel re-joined the meeting

- Members asked for confirmation on UK Sport's line regarding the proposed Conservative Party policy that there is an independent Anti-Doping Agency ahead of attendance at their Party Conference in September. Chair advised that UK Sport's stance, as previously stated, is that as long as there are no actual conflicts of interests (as shown by several independent reviews and the investigations of the Scrutiny Panel) the NADO will stay within UK Sport. However if a business case is put forward for a separate NADO, this will be heard. Given UK Sport's presence this year at all three conferences, Chair asked TH to bring any possible Party Conference issues for comment to the July meeting.

UKS

6. Board Events Calendar

Members noted paper UKS 26 2007

7. Corporate

7.1 Revision to UKS/DCMS Funding Agreement Targets 2007/2008

Will Calvert joined the meeting

Tim Hollingsworth took members through paper UKS 27 2007. Members were advised that the targets were considered and revised at the end of year DCMS/UKS meeting to take into account how much strategic change had taken place over the year.

Board acknowledged and approved the changes made to the DCMS / UK Sport Funding Agreement Annex One and Two Deliverables and Targets for 2007/08. After discussion it was agreed that it was not necessary for the consequent changes to the UK Sport Business Plan to be brought back to the Board, as the changes agreed today would be the only alterations.

8. Finance

8.1 Financial Report

Will Calvert tabled paper UKS 28 2007 and updated members on P2 year-to-date financial results. The report format has been amended for 2007-8 to show grants on an accrual basis with a separate check for commitments. Main concerns to Budget management relate to income risk from cannibalisation of Lottery proceeds and entitlement to draw down Budgeted End-Year-Flexibility. It was agreed that scenario planning for a 14% decline in Lottery income should be undertaken and reviewed within the mid-year forecast.

WC reviewed the VAT status of services provided to NGBs by EIS. After discussion and a consideration of various options, the Board endorsed the Audit Committee's view that any funding arrangements surrounding the EIS should be strategy-led rather than driven by taxation issues. Officers were therefore asked to further consider how best to evolve the strategic positioning of the EIS and the provision of sports science and sports medicine services going forward, and to make final recommendations (following consultation with the EIS) to the July Board meeting.

UKS

8.2 Audit Committee Updates

Chris Holmes informed Members that the Audit Committee had met on the 14th June 2007 and had assessed the statutory accounts with no issues arising.

8.3 Audit Committee Minutes

Members noted the minutes of the last Audit Committee

8.4 Approval of Statutory Accounts 06/07

The Annual Report and Accounts, which had already been recommended for approval by Audit Committee and received Ministerial approval, were approved by Board.

The external auditors' Management Letter confirms their unqualified opinion. No significant concerns were raised but it was recommended that resource level in finance be increased in line with increasing scale and complexity of financial management, including accounting consolidation of EIS and financial requirements for IDS and BPBL.

The finance team were congratulated for their successful audit and the timeliness and quality of the annual report and accounts.

Will Calvert left the meeting.

9. Performance

9.1 Paralympic Performances 2006/07 and Targets 2007

LN introduced paper UKS 31 2007

Members received a spreadsheet summary of 2006/7 performances against targets for Paralympic sports and details of 2007/8 targets.

Athletics, Cycling Rowing and Swimming all exceeded their targets in 2006/7; 7 sports did not achieve targets and 5 others had no targets due to lack of competition.

Members were advised that Paralympic sports are facing up to the challenges of developing performance pathways and Talent ID and confirmation programmes and there has been good progress in terms of the first phase of the award conditions.

Paralympic targets for 2007/8 are lower than 2006/7 due to the lack of significant international competition, particularly for athletics and swimming.

9.2 Mission 2012 Project Update

LN introduced paper UKS 32 2007 and updated Members on Mission 2012.

A full time project Manager is being recruited to support both M2012 and the ETC projects. The work required on M2012 will be substantial and a priority for the Directorate. It will impact on the shape of the budget when it is reviewed at the half year but will be managed within existing Directorate resources.

Four internal workshops were taking place between 20-27th June to develop the concept and ensure consultation with third parties and NGBs is built into the project plan. The first meetings of the Expert Panels will be scheduled for November. The Communications Team will assist in preparing the visual display that will capture Panel outcomes. A review of the UK Sport/NGB Funding Agreement is required to support implementation of high level interventions. This will be linked with the work on the policy on sanctions.

Members noted progress to date, acknowledged the priority that must be given to the work and stressed the need to ensure that it does not reduce support given to NGBs in the run up to Beijing.

9.3 Elite Training Centre's (ETC) Project Update

Members received an update from LN on the ETC Project.

LN advised that as both ETC and Mission 2012 project plans were similar in

format. Roger Moreland, of Performance Matters, has been contracted to help with the planning phase. ETC timescales run into 2008 with reviews of the submissions taking place in January /February 2008.

Members discussed alignment with HCSCs. The Chair suggested that it may be appropriate that a Board Member acted in an advisory capacity on these major projects. It was agreed that as two Board Members have already accepted roles on the Mission 2012 panels, a link to the ETC project would be welcomed. Julia Bracewell indicated that she would welcome the opportunity and accepted the offer.

9.4 NGB Remuneration Survey Final Report

Members noted paper UKS 34 2007. A copy of the full report would be forwarded to Members that requested it.

LN advised discussion had taken place internally regarding the influencing or regulating salary levels on the basis of the findings. Officers concluded that the ultimate responsibility for deciding salary levels rests with the NGBs but significant variances may be asked to be justified if the allocation of resources might indicate a risk to M2012.

Members discussed this and agreed that regulation would be inappropriate. Any concerns should be discussed at an early stage in the recruitment process. It was noted that NGBs were being given 1:1 feedback on the report and were being taken through Deloitte's 'Innocence to Excellence' tool to identify gaps in their reward processes.

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9.5 Weightlifting

Members received an update on Weightlifting from Liz Nicholl.

Members were advised that UK Sport has some improved confidence in the three new directors of BWLA.

As notified in paper UKS 35 2007, an AHL Ltd management audit of BWLA and WCWL is currently taking place. The audit will allow UK Sport Officers to make an informed decision on the 'fitness for purpose' of these organisations. Both organisations have been advised to hold off recruitment of further personnel until a funding flow can be confirmed as a result of the audit outcomes.

Members supported the proposed action outlined below.

- *to pay WCWL (and thence, where BWLA administration is a necessity to the Weightlifting Performance Programme, to BWLA) only such funds as their current cash flow commitments require and are consistent with BWLA's current level of adherence to relevant 'funding triggers';*
- *to await the outcome of the AHL Management Audit of both bodies under the Terms and Conditions of the various Funding Agreements;*
- *to assess the initial impact of the three new 'competency' directors on BWLA's capacity and capabilities; and then*
- *to recommend an appropriate course of action to the Board of UK Sport base on the findings of the audit.*

9.6 Boxing

Liz Nicholl took Members through Paper UKS 36 2007. Members discussed the historical context of the governance of the World Class Programme as outlined in the paper. Although there are still some challenges relating to governance, medal potential is high and therefore performance activity has (exceptionally) been supported. ABAE has incurred expenditure at its own risk and UK Sport has reimbursed agreed expenditure. Significant improvements in the programme of support are evident.

It was confirmed that UKS had been involved in all key appointments and now that the Service Level Agreement had been signed by all three home countries empowering ABAE to take a lead, a Performance Management Group will be established and UKS will be involved in the recruitment of a Chair.

Liz Nicholl advised that Officers would welcome support from HCSCs for those GB athletes within the GB programme to ensure that they are able to follow a GB training and competition programme and that Home Country Governing Bodies do not make conflicting requirements. Chair suggested that it may be appropriate that UKS Officers meet with HCSC officers to discuss any issues that might arise to ensure alignment across the programme.

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Members noted the current status of the funding relationship with Boxing and progress made to date.

Liz Nicholl and Derek Mapp left the meeting

10. Drug Free Sport

10.1 HFL Laboratory Contract

John Scott took Members through paper UKS 37 2007 outlining the historical relationship with Horse Forensic Laboratories (HFL) and the decision to commit to the single laboratory option of Kings College London (KCL).

Discussion took place surrounding the awarding of UK Sport laboratory contracts. Members queried whether the contract had been put out for EU Procurement as the contract award is over the EU limit. JS advised that legal advice had been sought and that due to the classification of type of business, UK Sport was advised not to tender Europe wide. Members stressed the need for this to be clarified in writing. As the contract in place is simply an extension of an existing contract and HFL withdrew original tender, the contract does not need to be put out to tender externally.

Chair advised she had also met with the new Chair of HFL on 19th June as they had requested an opportunity to discuss their disappointment at not being awarded a contract for provision of sample analysis.

Following discussion, the Board endorsed the strategy to move to a single laboratory contract and to not negotiate a contract with HFL

Andy Parkinson joined the meeting.

10.2 Scrutiny Panel Report

John Scott introduced paper UKS 38 2007.

Chair advised she had met with the Chair of the Scrutiny Panel and in follow up had exchanged letters on how the Panel will proceed with its work programme in the future. This reflected the advice provided by the Auditors and the Audit Committee.

In reviewing the report of the Scrutiny Panel members discussed the Terms of Reference of the Panel and the original agreement for Board to review its operation after a year to a year and half of operation. As this period has now elapsed Members requested that a future meeting consider the performance of the Scrutiny Panel and the relevance of its Terms of Reference as we go forward.

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Board members accepted the recommendations contained in the Scrutiny Panel report.

Andy Parkinson left the meeting

11. Major Events & International

11.1 Major Events Panel Minutes and Recommendations

Nick Bitel tabled paper UKS 39 2007 and the recommendations from the recent Major Events Panel meeting.

NB noted that despite original agreement from the IF to the splitting of the European Boxing Championships and the Olympic Qualifying Tournament into two separate events to be staged in Liverpool, there was now an appeal from a competing bid and the IF would reconsider. The outcome of this decision however, does not affect the award being recommended.

Members endorsed the following recommendations on awards to be made from the World Class Events Programme:

2009 RS:X and Techno World Championships

That UK Sport provide a grant contribution of up to £250,000 towards the staging of the RS:X and Techno World Championships 2009, with the following conditions added to those detailed in Paper 01:

That UK Sport provide a grant contribution of up to £250,000 towards the staging of the RS:X and Techno World Championships 2009, with the following conditions added to those detailed in Paper 01:

- 1.1 Royal Yachting Association make a minimum cash contribution to the event of £20,000.*
- 1.2 Drug testing is to be carried out at the event, and £5,000 will be ringfenced for this purpose.*

The development programme for the event is to be approved by Officers, and will include measurable targets.

2010 European Artistic Gymnastics Championships

That UK Sport provide a grant contribution of up to £450,000 towards the staging of the European Artistic Gymnastics Championships 2010, with the following conditions added:

- 1.3 £180,000 of the award is to be ringfenced as a contingency, which can only be drawn down with prior approval of UK Sport.*
- 1.4 A further £16,500 is to be ringfenced towards security costs,*

which will only be released if the West Midlands Police advise that the venue is to be 'locked down'.

- 1.5 A further £15,000 is to be ringfenced for sports development, and will only be released on receipt of a fully planned and detailed sport development initiative aligned to the event.*
- 1.6 British Gymnastics are to contribute at least £10,000 cash to the event.*

2008 European Senior Boxing Championships

That UK Sport reduce its grant contribution towards the European Senior Boxing Championships 2008 to £156,038 (from £275,000 previously awarded), with the following conditions added:

- 1.8 A further £1,770 will be provided by UK Sport as value in kind as drug testing at the event.*
- 1.9 £46,000 of the award will be ringfenced as a contingency which can only be drawn down with prior approval of UK Sport.*

That UK Sport provide a grant contribution of up to £118,962 towards the Open Olympic Boxing Qualifying Tournament 2008, with the following conditions added:

- 1.10 A further £1,180 will be provided by UK Sport as value in kind as drug testing at the event.*
- 1.11 £46,000 of the award will be ringfenced as a contingency which can only be drawn down with prior approval of UK Sport.*

U20 Rugby World Cup 2008

That the WRU be given the opportunity to develop their application further with a view to it being presented at the September meeting of the MEP. Officers are to agree with the Chair a series of milestones that the WRU must meet in the preparation of their business plan and budget if the application is to be forthcoming. If the milestones are not met, and an application not complete for the September meeting, it will not be considered. WRU to be informed of the consequences of not meeting the milestones.

Members noted the following awards made by the International Director and under the authority delegated by Board:

- that UK Sport provide a grant of up to £68,000 towards the staging of the IBSA Blind Football World Championships 2010, at the Royal National College for the Blind, Hereford.*
- that UK Sport provide a grant of up to £94,000 towards the staging of the GB Judo World Cup 2007, at the National Indoor Arena, Birmingham.*

Members noted the following award made by the Chief Executive and under the authority delegated by Board:

- that UK Sport provide a grant of up to £197,000 towards the staging of the European Figure Skating and Ice Dance Championships 2010, at iceSheffield, Sheffield.*

Members endorsed the following recommendation on World Class Event Programme Policy:

- That UK Sport adopts the new policy on Underwriting, as proposed*

at the June 2007 Major Events Panel meeting, following approval of the policy by UK Sport's Audit Committee.

12. Policy

12.1 UK Sport Investment: Policy on Sanctions

Peter Smith joined the meeting.

Introducing paper UKS 40 2007, PS advised that Board endorsement was sought for an enhancement of the collaborative approach across UK Sport in its relationship with NGBs, by moving to an alignment of sanctions policies in the event that an NGB remained in breach of its obligations. It was proposed to create a framework of sanctions and an extended jurisdiction so that UK Sport would look at its investment holistically should an NGB be considered for a sanction in respect of a particular UK Sport programme. A plan of work to take this forward over the coming months was proposed.

In discussion on the dispute resolution process, a proposal that an opportunity be given to an NGB to submit a written statement to sit alongside the UK Sport recommendation was considered and received support, notwithstanding that UK Sport officers and the NGB would have worked together as much as possible to understand and resolve any breach.

Support was given to the addressing these issues in the manner proposed, while recognising the challenge of creating a sustainable sanctions framework which would be equitable and proportionate.

The Board endorsed the principles and recommendations in the paper and the plan of work. Officers would return with more detailed proposals at subsequent Board meetings.

13. AOB

- Members were informed that the Audit Committee were concerned that staffing capacity was at the right level to service new commitments and growth of UK Sport's role. Chris Holmes advised he had already discussed this with both the Chair and CEO, who had agreed to monitor necessary capacity and associated costs.
- The Chair advised Members that SDRP had shown concern that the minutes from the meeting of 13th February 2007 had not shown SDRP in a positive light. SDRP were therefore seeking assurance from the Board that these discussions would not prejudice the tender process for a wider tribunal service. Members agreed that the process will be open and transparent and previous discussion will have no bearing on the outcomes.
- Chair informed members that this was to be Neil Shearer's last Board meeting. Both Chair and the Board thanked Neil for his credible and professional long service at UK Sport and wished him all the best for the future.

As there were no further business the meeting closed at 1330.

14. Date of Next Meeting

Tuesday 31st July, 1000-1400, UK Sport