



Minutes of the UK Sport Board Meeting held on 3rd March 2010 at UK Sport's offices

Present

Chair Sue Campbell

Members:

Laura McAllister
Nigel Walker
Rod Carr
Philip Kimberley
Jonathan Vickers

UK Sport Staff

John Steele	Chief Executive
Liz Nicholl	Chief Operating Officer
Tim Hollingsworth	Director, Policy & Communications
David Cole	Business Support Director
Chris Walker	Finance Director
Peter Keen	Performance Director

In attendance

Simon Le Fevre	Head of Investment & Governance
Vijay Parbat (part)	Legal advisor
Aimee Twine	

Board Secretary

Jackie Freeman UK Sport

Introduction and Apologies for Absence

Action

The Chair welcomed everybody to the meeting, especially new member Laura McAllister, Chair Sports Council for Wales. Apologies were received from Richard Lewis, Louise Martin, Dominic Walsh and Chris Holmes.

Declaration 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.

Phillip Kimberley declared an interest on item 1.2 of the Agenda.

Approval of Minutes

Members agreed and the Chair signed off the minutes of 27th January 2010.

Matters Arising

There were no matters arising.

Executive Team Report

JSt introduced the Executive Team report which had been circulated prior to the meeting. He highlighted the following:

- **Cycling** – JSt had met with the CEO of British Cycling to discuss a joint operational audit. UKS are now in the process of agreeing the auditors and the Terms of Reference with a view to reporting back to the Board of British Cycling and also UKS Board in June. UKS
- **Boxing** - Further to discussion at the January Board meeting, PK and JSt have met with British Boxing in Sheffield. The meeting was positive about the approach of the sport.
- **EIS** – Conor O’Shea left the organisation at the end of February and recruitment for his successor is now under way.
- **NGB Self-Assurance Process** – The evaluation reports for each of the sports has now been completed by Moore Stephens. Members questioned whether the process was a “one size fits all” which might inappropriately disadvantage the smaller NGBs; and Officers were asked to consult with Sport England to consider this and refine the process if necessary. It was noted that in general follow up with any “British” funded governing bodies is led by UKS and any “English” governing bodies by Sport England. LN agreed to speak to Richard Lewis and SE colleagues. UKS

1.1 Results of Vancouver Olympics and approach to 2010-14 Winter Olympic & Paralympic Investment

LN and PK gave a presentation on the Olympic results from Vancouver and the internal investment board’s recommendations for UK Sport’s approach to its proposed investment for 2010-2014. This excluded investment that R&I make in the sports.

Board reviewed the profile of the top 10 finishers in Vancouver of which 70% had been to a previous Olympics but had not improved on their previous performance. The meeting reflected on the features of Amy Williams’ gold-medal-winning programme. Board also felt it was important to learn from those who did not medal and JS and LN agreed to arrange individual meetings with the winter sports as part of a post-Vancouver Review. These meetings will take place in April and a report will be given at the next Board meeting. UKS

As part of this Review, UK Sport will take in to consideration Games results, future potential and any governance blockers. UK Sport’s internal investment board will then formulate funding award recommendations to be considered by Board at its meeting on 30 June. Board were reminded that as of Autumn 2010 a Mission 2014 approach is being introduced for funded winter sports, and that that the investment principles for winter sports are the same as those for summer (as circulated with the Executive Team report).

Board asked UKS officers to carry out, for the Board’s reference at its meeting in May, an exercise to rank all Summer and Winter Olympic and Paralympic sports together in one performance focused meritocratic table so that the potential of winter sports could be compared against those of summer.

In advance of its meeting on 30th June, Board noted that currently budgeted funding for the Sochi cycle amounts to £4.2 million from 1st October 2010 to 31 March 2013 and £2.2 million from 1st April 2013 to 30th September 2014 (with the latter period based only on UK Sport's anticipated Lottery income stream.)

After discussion, **Board agreed the following:**

- **To apply the recently agreed Investment Principles to winter sports;**
- **To provide an indicative 'no compromise' investment figure of up to £3.0 million for gold medal winning Bob Skeleton, noting that this would help with planning and securing key post-holders prior to the award being formally considered at the June Board**
- **To endorse a pragmatic approach to ensure best use of available funding pending review of future potential;**
- **To investigate funding opportunities with other partners;**
- **To present details of athletes with potential to top 8 in 4 years and then progress to podium**

1.2 Major Events Strategy

Simon Morton and Esther Nicholl joined the meeting and gave a presentation in support of paper UKS 06 – Major Events Strategy.

SM and EN presented the results of the exercise carried out to prioritise major events hosting targets for inclusion in the 2013-18 major events programme. Members were reminded of UK Sport's mission, which was agreed last year to establish the UK as the leading host of major international sporting events in the world. The aim of the process is to build a new system of prioritising long range investments into major events which is comparable in robustness with the Performance funding model. Over 180 submissions had been received from NGBs. These were then scored in accordance with previously agreed objectives and then ranked according to the investment principles. Financial adjustments were made to reflect value for money and risk based forecasting was applied. Some events which were identified as 'Mega Events' fall outside of the scope and will be progressed as priorities through the DCMS directly.

SM pointed out that the lead times for bidding for major World Championships are typically between 3-5 years and UK Sport must therefore have the ability to make long term investments into major events if it wishes to provide effective support to NGBs. The events programme is wholly funded from Lottery income; but Board noted that advance commitment of Lottery income limits flexibility around the major financial challenge of uncertainty with regards to UK Sport's Exchequer income beyond 2012. UKS officers were seeking Board's approval for an annual commitment of £3.5m which they felt critical to the investment.

Chair thanked SM and his team for a thorough presentation which gave Board a clear proposal on the way forward. It was felt important that all the Home Country Sports Councils were engaged in the programme to ensure that it was a UK-wide programme on offer. SM noted this and LN agreed to arrange follow up meetings with the Chairs of England, Scotland and Wales. UKS

LMcA recommended UKS Events Team engagement with the current Welsh Assembly Review; and JS highlighted the potential for positive impact on the London Games legacy.

After discussion, Board agreed to:

- **a confirmed budget of £1.5m pa for 2013-18 to ensure that most of the bids that need to be submitted in 2010 can be progressed**
- **an 'in principle' total investment level of £3.5m per annum in 2013-18, as recommended, to deliver a World Leading events programme.**

Board will consider again within 12 months whether any further confirmation can be given

1.3 UK Sport investment into International Federation/LOCOG 2012 test events

LN presented paper UKS 07 which outlined the strategic rationale for UK Sport's involvement in a number of events on the Test Event programme and to consider UK Sport's financial investment into this programme. Board discussed the rationale for UK Sport's engagement and it was agreed that

- **Board confirmed its support for UK Sport investment towards the International Federation calendar events in the LOCOG Test Event programme**
- **Acknowledges that elevated costs for the test areas must be covered by LOCOG.**
- **Gives the panel or officers permission to proceed with investment decisions via delegated authority or by recommendations to Board when over delegated authority levels.**
- **Gives a steer to MEP that investment levels should be up to the amount that UK Sport would have invested if the event were not a test event.**
- **Subsequently, Board agreed to support the UIPM World Cup Final 2011 up to £300k**
- **Board agreed to support the FINA Diving World Cup 2012 up to £100,000.**

1.4 Life after London – vision statement

TH introduced paper UKS 08. Following input from Board and questionnaires sent to all NGBs and key partners, UKS has now drafted a Vision Statement for Life after London. This represents stage 1 of the project and will be used as a means to demonstrate to all stakeholders, including politicians, officials and other decision makers what will be required for UK Sport's ambitions for the legacy of 2012 to be realised.

Two workshops for NGBs will take place in March to discuss the draft in more detail before finalisation in April. UK Sport will then move to Stage 2, looking in more detail at the requirements of the high performance system going forward and aiming to create a Blueprint by the end of the year.

Board acknowledged the document but thought it needed to be a bit 'bolder' and more confident in its messaging. Also, it was felt that it needed to reflect the thoughts of the Home Country Sports Councils. Examples of how sports had succeeded individually in the system should also be included.

TH agreed to take into account these observations and amend the text accordingly. A new version will be circulated following NGB Workshops.

Following this discussion Board agreed to endorse the Vision Statement with the changes made and therefore confirm the start of Stage 2 of the project.

2.1 Medal Targets 2010 – Summer Olympic and Paralympic

PK tabled a paper on UK Sport's medal target ranges for 2010/11 which would be announced to the media on March 10 in advance of the summer competition season.

PK reminded Board that medal ranges with sports are set annually as part of their Funding Agreement and to benchmark the progress each sport is making on the world stage. UK Sport sees 31 medals being achieved at 2010 World Championships for Summer Olympic sports and up to a further 67 in other major international events. A further 99 medals have been targeted in Summer Paralympic sports. Board was assured that the trends were headed in the right direction and the levels of aspiration were appropriate.

Board approved the medal target ranges for Olympic and Paralympic sport for 2010/11; and noted that these would form part of reporting to the DCMS.

2.2 UK Sport's Commercial Strategy

Tom Halsey joined the meeting to give Board a presentation on UK Sport's commercial strategy.

He highlighted the current commercial programme, with its focus around Team 2012 but also supporting targeted value-added partnerships in Research and Innovation and also across the WCPP with companies such as British Airways.

In looking forward he raised various options for the organisation, based on the assumption that a third stream of income would continue to be required post 2012. These ranged from continuation of the present situation, through to a much greater commercialisation of UK Sport's own assets. In doing so he questioned the extent to which UK Sport might wish to commercialise, given the need both to protect our performance priorities and also ensure the continued recognition and promotion of the National Lottery.

He also sought to outline how UK Sport might look to continue the partnership with BOA and BPA into a version of 'Team 2016' and raised both the risks and opportunities for UK Sport surrounding that.

Board welcomed this chance to discuss these issues. The Board recognised the need to make decisions early that can steer UK Sport's future commercial strategy post 2012 and that there was a link to the 'Life After London' work that was being undertaken.

Discussion was based on the way that the post 2012 funding landscape will determine the different approach that UK Sport might need to take, and in particular how the commercial sponsorship of NGBs will also need to be taken in to account. Board also referred to the continued utilisation of value in kind deals to be done that benefit the World Class Performance Programme.

Board strongly supported the development of the post 2012 Commercial Strategy. It recommended that THal continue with the focus on three areas:

- Analysis of: what UK Sport properties and assets should remain un-commercialised; what should be for promotion of the national Lottery; and what could be commercialised for private sponsorship;
- Given that analysis, what the options for commercialisation are, including further partnership; and
- What the key issues and risks surrounding this are.

Tom Halsey left the meeting.

2.3 Finance update and budget

CW introduced paper UKS 09. CW informed Board that the full year forecast at 31 January 2010 is breakeven on the Exchequer fund and a deficit of £1.39m on the Lottery Fund. Accounting for income in 2009/10 is complex and reflects the interaction of multiple variables including involvement in Team 2012, separation of UKAD and variation in Grant in Aid.

CW gave a short presentation on the Budget process for 2010/11 which is now underway. Overall a £9m deficit is being forecast which will be offset by corresponding surpluses in years 3 and 4 resulting in a balanced budget across the 4 year London Cycle. The effect is exaggerated by lottery Grant deferrals in 09/10. The Lottery fund balance at 31 March 2010 is projected to be £17m and this is likely to fall to below £10m during 2010/11

CW also noted the risk around the Government Spending Review and said he would present a more comprehensive report to Board in May, following review by Audit Committee.

3.1 Mission 2012 Update

JS introduced paper UKS 10 which had been circulated to Board for information and gave members an update on recent M2012 process developments, a summary of the Panel meetings, including traffic lights and emerging themes, and details of the next steps.

3.2 Board events calendar and Radar

There were no amendments or additions to the Board events calendar. DC gave Members a hard copy of the new Radar system which has been introduced to UK Sport and is a calendar showing what is happening in and outside of UK Sport on a daily basis.

3.3 Minutes of the Major Events Panel and Recommendations

Members were asked to note that with only one UK Sport Board member present at the meeting of 10 February 2010 the Major Events Panel was not quorate; but this did not affect the recommendations made, as the awards agreed at the meeting fell within officers' delegated authority.

4. Any other business

In response to a question from JV, SLF explained that officers were continuing to monitor the progress of Olympic Taekwondo towards meeting the Board's expectations on improved governance in time for the new financial year on 1st April 2010.

TH circulated copies of the 2009 UK Sport Annual Review.

5. Date of next meeting: Thursday 6th May 2010