



**Minutes of the UK Sport Board Meeting held
on 3rd December 2013**

Present

Chair Rod Carr

Attendees:

Brian Henning
Nick Bitel
Jonathan Vickers
Mark Hanson
Philip Kimberley
Louise Martin
Laura McAllister
Lis Astall

UK Sport Staff

Liz Nicholl	Chief Executive
David Cole	Chief Operating Officer
Vanessa Wilson	Director of Commercial & Communications
Simon Morton	Director of Major Events & International Relations
Simon Timson	Director of Performance
Sophie du Sautoy	Acting Director of Finance, Investment and Business Services
Lara Hayward	Legal Advisor

Board Secretary Nicky Anderson UK Sport

Also in Attendance Nigel Walker
(Item 7.3 only)

1. Introduction and Apologies for Absence

Action

The Chair welcomed and introduced Lis Astall as a new member to the Board. Apologies were received from Sarah Springman.

2. 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. There were no declarations of interests.

3. Approval of Minutes

The Board highlighted that a minor amendment should be made to item 7.1 to read staff morale and not moral. In item 5 relating to a standard reporting format of the TDF update to Board, the update should not only refer to progress against key milestones but also to regular assurance.

UKS

4. Matters Arising

JV informed the Board that Ian Watmore was now unable to take on the role as a nominated EIS member of the Audit Committee. The EIS Chair will consider alternatives with the aim of Board approving an appointment prior to the next meeting of the Audit Committee.

UKS

5. Executive Team Report

LN introduced the Executive Team Report and drew Board's attention to the following:

- The CEO and Chair met with the new Minister for Sport, Helen Grant, giving an overview of UK Sports work; sharing information on the approach to Sochi medal targets; updating on timescales for the Annual Review of Rio investments and progress on recent launches including the Girls for Gold talent campaign and the Athlete to Coach Programme.
- The Chair also met with Shona Robison, the Scottish Minister for Sport.
- The Forum of London based Lottery Distributors met in November and discussed concerns regarding National Lottery Commission/Gambling Commission decisions that have impacted in the short to medium term on lottery income.
- There has been early engagement with the new BOA CEO and the executive teams are developing a good working partnership.
- The Board Effectiveness meeting is scheduled for 24 June 2014 and will utilise the process developed for use by the Boards of funded sports/partners.
- A detailed plan to realise efficiencies and synergies between UK Sport and Sport England has been agreed by the respective CEOs and will be discussed with DCMS on 4 December. A joint UK Sport/Sport England response on the wider Shared Service agenda was sent to the Secretary of State on 31 October 2013.
- The office move to co-locate with Sport England and other public bodies will take place on the May Bank Holiday to minimise the disruption.

7.3 EIS 2013-17 Business Plan

This item and the accompanying paper UKS 61 was brought forward on the agenda and presented by Nigel Walker, National Director of the English Institute of Sport. The aim was to update Board on the focus of its wholly owned subsidiary and to summarise the EIS Business Plan.

NW highlighted that the EIS is focussed on transferring from an operationally led to a technically led organisation and summarised three key areas within the Business Plan: change management, capture of storage of data and a balance of working hours for medical support.

Board sought confirmation on the engagement with home nation Institutes and was reassured that this was progressing well through High Performance Sport Advisory Group and through access to practitioner development support.

NW raised a potential risk around the current overall salary cap and the knock on effect this was having on retaining talented individuals within the organisation. Board was reassured that the EIS is working through a solution to manage the risk.

It was noted that the EIS budget is only confirmed to 31 March 2013. Resource needs for 2014-17 were set out in the Business Plan, were being reviewed alongside the Annual Investment Review and would be considered by Board at the January meeting.

UKS

6.1 Matters reserved for Board

DC introduced UKS 54 to summarise those matters which are formally the responsibility of the Board and those which should, in normal circumstances, be delegated to either existing Committees or to the Executive.

The Board discussed the decisions reserved for Board outlined in the paper and agreed that Board should approve all strategies and should review and approve the risk register annually.

Board also agreed that there needs to be additional wording on references to the Communications Strategy to ensure it is sighted on high level issues.

It was noted that, on the basis of this document, DC would work up draft Terms of Reference for the Board to be circulated via email for comments to then be finalised at the January Board.

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Board agreed that the specific Terms of Reference be developed that encapsulate both the mechanics and responsibilities of the Board to a single document for approval at the January Board meeting.

6.2 Sochi Medal Targets

LN presented paper UKS 55 on proposed Olympic and Paralympic targets for Sochi 2014 summarising the approach to setting high level publicly stated Olympic and Paralympic targets that are derived from the sport specific target ranges. LN confirmed that the DCMS was supportive of the proposed approach.

Board approved the officer's recommendation to confirm Olympic and Paralympic targets for Sochi that reflect the bottom end of the sum of the agreed sport specific ranges i.e. the performance below which the sports would judge their programmes to have underperformed. For completeness it was confirmed that there would be no separate medal table targets.

6.3 WCP Risk Management and UK Sport Investment Principles

ST presented paper UKS 56 which recommended changes to some of the Implications of the Investment Principles to address opportunities and risks to maximise the likelihood of delivering more medals in Rio.

Board approved the proposed adjustments to wording of the published Implications relating to Investment Principles 4, 5 and 6

as follows:

Principle 4 (unchanged)

We strive to make four-year investments to cover the complete Olympic/Paralympic cycle, but base these on an eight-year high performance development model.

The high performance pathways in most sports can take as long as eight years for talented athletes to complete and finally reach the podium. Such pathways can only be developed systematically with long-term sustained investment.

Implications (revisions in italics)

- Olympic Podium Potential level investment is awarded for athletes and teams deemed capable of reaching at least the standard needed to qualify for the next Olympics, *with the potential to achieve an Olympic medal at the following Olympic Games.*
- Paralympic Podium Potential level investment is awarded for athletes and teams deemed capable of competing for a medal (*silver or bronze*) at the next Paralympics.

Principle 5 (unchanged)

UK Sport World Class Programme investment is a privilege not a right.

Investment is targeted at sports with medal potential which are achieving, or striving to achieve, excellence in the Olympic and Paralympic arena. Variations in our income (especially Lottery revenue) together with changes in performance potential and medal availability within sports, require us to review all awards annually to ensure that we maintain a no-compromise approach to investment in our best medal prospects.

Implications (revisions in italics)

- We will conduct annual reviews of all World Class Programmes against agreed milestone targets, *the Mission 2016 framework of standards and action plans plus any conditions of award* to ensure that the allocation of resources continues to reflect the optimum balance between current performance and future potential *and the probability of achieving Olympic or Paralympic medal targets.*
- We will realign investment in the light of:
 - a) Persistent under or over-performance by sports relative to investment levels
 - b) *Intelligence which indicates changes in the relative risk of sports failing to achieve the lower end of their agreed Olympic or Paralympic medal target range*
 - c) *Intelligence which indicates opportunities for sports to achieve at or beyond the upper limit of their agreed Olympic or Paralympic medal target range*
- We will hold a rapid response budget to make time limited and conditional investments in sports where there is a need to initiate or drive significant change to address the risk of failure to achieve

Olympic or Paralympic medal targets or leverage opportunities to exceed targets.

- We will directly deliver interventions designed to accelerate change in the system and performance of a sport.
- Investment is conditional on compliance by athletes, athlete support personnel and NGBs with the World Anti-Doping Code and the UK National Anti-Doping Policy, non-compliance will result in suspension, reduction or termination of investment and may affect eligibility for future investment.

Principle 6 (unchanged)

Our investment decisions reflect future medal potential using an approach which links resources directly to athlete places.

We strive to ensure that funding for the essential components of training and competition is provided for athletes and teams most capable of reaching the podium. This is the heart of our No Compromise approach.

Implication (revisions in italics)

- Our investment in a sport is determined primarily by the performance profile of its athletes and the *Olympic / Paralympic performance targets we believe they could achieve and the requirements of the system to support them*. We therefore award athlete places to sports, up to a set limit for each event, *based on the profile of athletes, teams, and strength of the programme*.

It was noted that these agreed changes would be communicated to sports

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6.4 Mission 2016 Panel Terms of Reference

ST introduced paper UKS 57 drawing Boards attention to the Terms of Reference for the Mission 2016/2018 Panel.

The Terms of Reference were agreed and Board also agreed that Sarah Springman should be the Board member on the Mission 2016/18 Panel.

The Board agreed to give delegated authority to Sarah Springman (Board member), Liz Nicholl (CEO) and Simon Timson (Chair of Panel and Performance Director) to recruit the Mission 2016/18 Panel members.

6.5 Major Events Recommendations

SM introduced paper UKS 58 drawing Boards attention to the awards made by the Chief Executive Officer under the authority delegated by Board towards the staging of the European Archery Championship and European Olympic Qualifier 2016 in Nottingham.

Board approved that UK Sport provide a grant of up to £200,000 towards the bidding and staging costs of the Canoe Slalom World Cup 2014 (Broxbourne) subject to the conditions outlined in the paper.

7.1 Finance Update

SdS introduced paper UKS 59 outlining the results of the latest reforecasting for 2013/14 and also against the high level 2013/17 financial plan agreed by Board in December 2012. The 2013/14 position is expected to breakeven on the Exchequer accounts and a deficit on the lottery accounts of £6.15m (financed through the accumulated lottery reserve).

The 2013/17 financial plan shows a reduction in the potential deficit from £16.36 to £8.3m largely as a result of the inclusion of the returns due to UK Sport via the National Lottery Distribution Fund when the Olympic Lottery Distribution Fund is fully wound up in 2014. The 13/17 financial plan will continue to be updated and refined as the Annual Review and PyeongChang planning progresses.

LN highlighted that recent UK Sport Lottery income was lower than expected. After investigation it became clear that the National Lottery Commission (now known as the Gambling Commission) had adjusted the NLDF as result of an agreement between the Commission and Camelot to divert funds to support the launch of the new Lotto game. Board was informed that the Forum of Lottery Distributors had sent a joint letter to the DCMS to express concerns that this had not been discussed. LN had also written additionally to highlight UK Sport's dependence on National Lottery income to support Rio ambitions and encouraging DCMS to move from projections (on the basis of past results) to forecasting (taking into account anticipated impacts).

7.2 Risk Register

LN introduced paper UKS 60 reminding the Board that the Risk Register is a working document which is reviewed quarterly by the executive and reviewed at every Audit Committee meeting.

LN highlighted some of the key risks identified in the risk register and the Board expressed confidence in way the executive team was managing these risks.

Board sought clarification on the risks to intellectual property in terms of information security and loss of knowledge and the Board was reassured this was being managed through existing contractual arrangements.

7.4 Major Events 2019 - 2022

SM presented paper UKS 62 summarising the rationale and timetable for extending UK Sport's major events programme beyond the current funding period of March 2019.

The Board recognised the need to consider an extension of UK Sport's major events programme beyond 2019, and were in agreement with the process outlined in the paper.

UKS

8.1 Tour De France Update

PK/SM introduced paper UKS 63 and updated Board on progress with the planning for the 2014 Tour de France, confirming that the budget is operational and under control with a £2m contingency still intact.

Board discussed underwriting issues and the reputational risks to UK Sport. PK advised that the event planning was in as good a place as could be expected given the time constraints, and that there was significant

confidence in the leadership being provided by Sir Rodney Walker and Nicky Roche.

8.2 Major Events Panel Minutes

These were received and noted.

9. Any Other Business

JV updated Board on the first Group Audit Committee meeting held on 28 November. Audit Committee had proposed that the internal audit contract with Mazars was extended for 1 year to 31 March 2015, with the aim of UK Sport and Sport England moving to a joint appointment post that date. Once approved, the minutes will be circulated via email ahead of the next Board meeting.

Board noted that a UK Sport statement had been released in response to the House of Lords Legacy Committee Report and a formal response would be submitted by DCMS.

10. Date of next meeting: 31 January 2014