



Minutes of the UK Sport Board Meeting held on 8th May 2008 at UK Sport

Present

Chair Sue Campbell

Attendees:

Philip Carling
Chris Holmes
Nigel Walker
Rod Carr
Nick Bitel
Louise Martin
Dominic Walsh On behalf of Sport Northern Ireland
Ged Roddy On behalf of Sport England

UK Sport Staff

John Steele Chief Executive
Tim Hollingsworth Director of Policy & Communications
Liz Nicholl Director of Elite Sport
David Cole Business Support Director
John Scott International Director, Director Drug Free Sport

In attendance

Jonathan Stephens Permanent Secretary, DCMS (Item 7.1)
Paul Bolt Director of Sport, DCMS (Item 7.1)

Will Calvert Head of Finance (Item 7)
Simon Le Fevre Head of Operations (Item 8)
Emyr Roberts Performance Programme Consultant (Item 8)

Alex Newton Performance Manager (Item 8)
Janet Carter Investment Manager (Item 8)
Peter Keen Head of Performance (Item 8)
Matt Crawcour Head of Communication

Board Secretary

Aimee Twine UK Sport

1. Introduction and Apologies for Absence

Action

The Chair welcomed Members to the meeting.

Apologies were received from Ian Beattie.

The Board congratulated the Chair on her recent Marsh 'Leadership in Sport' Award received at the Sport Industry Awards.

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 declarations were received.

3. Approval of Minutes

Members agreed the minutes of 11th March 2008 were an accurate record

4. Matters Arising

Members queried whether the TASS KPIs (Item 9.4) were available and were advised they would be brought to the June meeting.

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Members also asked if the gender breakdown for senior positions had been noted (Item 10.2) and were advised they had been included in the monitoring for the Equality Scheme for the 08/09 year.

5. Executive Team Report

John Steele introduced the Executive Team Report and the following items were raised:

- Sponsorship – Members asked for it to be noted that many NGBs are already in conversation with sponsors for the next four year period and hoping to conclude such deals before Beijing. Therefore any new contractual elements or athlete/sport rights negotiated to help raise the £100m, could impinge on existing deals. Officers informed Members that they had recently met with DCMS regarding athlete involvement and had been asked to report to them on the best possible options for the four year period and agreed to make this point when presenting ideas.
- Drug Free Sport – Members queried where Football stood with regards to compliance. A number of meetings have been held between FIFA and WADA. The upcoming WADA Executive Board meeting will consider and approve the new IST including team sports which will then have to be implemented by all IFs
- John Scott advised that Pat Day had recently resigned as a member of the Major Events Panel and asked Members to agree to the recommendation that Paul Bush, Chief Operating Officer of EventScotland be appointed as a replacement. **Board agreed the recommendation.**
- John Scott updated Members on the Points Based System for Managed Migration (PBS). It has been announced that athletes will not need to enter the UK under the PBS and will be able to enter on a visitor visa which does not require a sponsor. In addition, the cost of the visitor visa is being lowered from £99 to £65. Further clarification is being sought on coaches, support personnel etc. With regards to the additional administration burden, smaller events may need the offer of support when hosting events in this country that may attract non-EU athletes, therefore the Chair suggested this be considered in a paper for the June meeting drawing on the further clarification being sought from the Home Office.
- The Chair and Members extended their congratulations to John Scott on his new appointment as CEO of the Glasgow 2014 Commonwealth Games.

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6. Board Events Calendar

Members accepted paper UKS 17 2008.

The Major Events Panel Chair advised that the June meeting has now been rescheduled to 13th June.

7. Finance

7.1 Jonathan Stephens, DCMS

Jonathan Stephens and Paul Bolt joined the meeting.

JS thanked the Chair and Members for the invitation to attend the meeting.

Both JS and PB outlined some key themes surrounding the current remit of DCMS and the relationship with UK Sport. JS described it as a 'model relationship' for the Department and extended the appreciation of the Secretary of State and Minister on the welcome effectiveness with which UKS does its job citing the recent NAO report and PAC hearing as a good example. Whilst visiting sporting events, NGB personnel had praised the lottery and government funding and its impact on the sporting landscape and their relationship with UKS. It was felt that UKS and DCMS could look to Beijing with confidence and continue to build on the success of UKS' work and their effective partnership with DCMS.

Members welcomed the opportunity to hear from the Permanent Secretary in this way. A question and answer session then focused on issues relating to UK Sport's responsibilities and funding. JS advised that the Secretary of State and the Minister would like to attend the June Board Meeting to update Members on the funding situation and Chair stated that an invitation would be extended.

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7.2 Finance Report

Results for 2007-8 are expected to be as reviewed at March Board. The increase in staff costs reflects new job positions agreed by Board during 2007-8 in order to manage the increased scale and responsibilities of UK Sport. It was agreed that staff numbers must continue to be reviewed critically, with robust evidence required for additional requirements.

Nevertheless corporate costs are expected to represent just 4.4% of organisational expenditure in 2007-8, while grant payments now constitute 85% of spend. Final accounts are planned to be submitted to June Board for approval, in order that they may be laid before Parliament before summer recess.

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The proposal was agreed that a review should be carried out of UK Sport's policy of maintaining a defined benefit pension scheme, comparing cost, risk and benefits to the organisation with main alternatives. This should be done as soon as possible irrespective of the likely re-shaping of the organisation.

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Income and expenditure phasing during the London cycle was reviewed, including the impact of the potential upside in Lottery income in line with the terms of the third licence. Grant allocations to NGBs for the London Olympiad will be confirmed at December Board, after which NGBs will be required to forecast expenditure phasing. When this is reviewed alongside an updated income projection, income and expenditure for 2009-13 will be re-assessed. If necessary, opportunities to re-phase expenditure will be tested and any remaining imbalance then raised with DCMS. However

phasing of spend for the London Olympiad is likely to be significantly different from the current cycle due to the Games being at home. Some NGBs may need to be prompted to ensure that this is considered in their plans.

7.3 UK Sport/DCMS Funding Agreement 2008-11

John Steele introduced paper UKS 19 2008. The paper outlined the draft agreement between the DCMS and UK Sport for the period April 2008 to March 2011. Board members were asked to endorse both the agreement and the performance targets outlined.

Members agreed the following recommendation:

To endorse the document and associated annex, and agree to it being put forward for signature at the annual meeting between the Chair and the Minister for Sport on 15 May 2008.

The Board's agreement was subject to an additional line being inserted in para 8.1 to confirm that UK Sport will not lose out if there is any shortfall in 2008/09 as a result of the £20m required from private investment

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8. Performance

8.1 UK Sport Performance Targets for Beijing 2008

Simon Le Fevre, Alex Newton, Peter Keen, Janet Carter, Emyr Roberts, Matt Crawcour joined the meeting.

Liz Nicholl took members through Paper UKS 20 2008 which set out the position regarding sport specific Olympic and Paralympic targets for Beijing; confirmed the medal table targets for each Games for embedding into the 2008-11 Funding Agreement and made recommendations on the UK Sport target for the total medals to be achieved at the 2008 Olympic and Paralympic Games.

LN highlighted those sports whose targets had been changed namely Cycling, Diving, Rowing and Sailing in Olympic Sports. In addition to medal targets, top 8 targets for athletes with a rising profile would also be agreed with each sport for their agreed targeted events.

Following discussion the Board agreed the following recommendations:

- 1. The high level target of 8th in the medal table for the Beijing Olympic Games and a medal target of 35 medals.**
- 2. The high level target of 2nd in the medal table for the 2008 Paralympic Games and a medal target of 95 medals.** It was noted that both recommendations require an 85% conversion of sport specific targets and whilst a number of gold medals was not specifically targeted, a gold medal focus is driven by the medal table target.

8.2 2009-13 Funding & Planning Timelines

Liz Nicholl tabled a spreadsheet outlining the framework for funding award decisions and programmes of work that need to feed in to the timelines.

LN emphasised the importance of not losing time and momentum post Beijing and the need for UKS to release indicative planning figures to sports for 2009-13 in the period immediately following each Games.

The timeline showed:

- June: Board to agree the funding model principles at the June meeting. Board to then delegate responsibility to officers for applying the model
- August/September: A short break for sports post Games after which they move into internal athlete, programme and Games reviews.
- September: UK Sport to issue investment planning figures to sports post Beijing and on basis of current performance and future potential. (Consideration is being given to issuing a range of planning figures).
- October: Board to agree revisions to the NGB Funding Agreements and planning figures shared
- October/November: UK Sport to work with BOA and BPA to align their post Games reviews within M2012 and M2012 reviews conducted in context of the known planning figures.
- November: 2012 targets (which would be subject to annual review) agreed with each sport – medals and creditable performances. A meeting of Olympic sports to be held on the morning of 10th November at the Belfry to create an environment of peer review of 2012 targets. This would be followed by a similar Paralympic session.
- December: Funding decisions agreed by Board and offer letter issued subject to receipt of 2009/13 high level performance plans
- December/January: High level performance plans and related budget details submitted.

Following the discussion, Members accepted the timeline framework tabled.

8.3 Boxing

LN took Members through Paper UKS 21 2008 and reminded Members of the concerns that had emerged regarding ABAE's governance and financial management of the GB Performance Programme and the adverse impact on the performance environment.

Board confirmed that the ABAE is in breach of the Funding Agreement and

- agreed that the ABAE has not yet demonstrated an approach which gives UK Sport confidence in its ability to provide acceptable management in support of the GB performance programme or to create a climate within which the programme will thrive
- agreed that while performances to gain Olympic qualification have been excellent, the risk to medal chances in Beijing is seen as severe and unacceptable and everything possible must be done by all concerned to protect and support athletes capable of competing with distinction for GB on the world stage.

Members asked for clarity on complaints made by the ABAE. Following this, the Board confirmed that it was satisfied with the conclusion that there were no grounds for the complaints.

A number of options were considered by Board and after discussion it was agreed that the WCP award for GB Boxing for the period following Beijing should be withdrawn from the ABAE and channelled through a wholly owned subsidiary of UK Sport, to be established from September 2008. Preparations for this will commence now and this decision will be followed through unless, by the next UK Sport Board meeting on 25th June 2008, the ABAE has addressed the serious issues relating to:

- the breach (to be remedied by 19th May as indicated in ABAE response to the Management Audit)

- the management support for the programme (including resolution in a timely manner of the outstanding disciplinary investigations, full empowerment of PMG and establishment of a separate bank account for the programme to be managed by PMG)
 - the 'climate' within the programme,
- in a way that meets the Board's concerns.

Members were concerned that the ABAE Board Members might be unaware of the severity of the concerns as there was limited reference in the most recent ABAE Board minutes which were available on the ABAE website. Officers advised that the ABAE President intended to meet with the CEO and Financial Director within the next two weeks. It was agreed that an early meeting should be arranged between Sue Campbell, John Steele and Liz Nicholl with the ABAE Board and ABAE President. An important question would be to what extent the ABAE is prepared to radically change its approach or support a managed hand-over of the GB programme to the UKS subsidiary.

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It was also agreed that a similar meeting should be held with the Head Coach and athletes to reassure them that action is being taken and consideration would be given to dedicating more Officer time to support the programme in the lead up to Beijing.

8.4 Weightlifting

Simon Le Fevre introduced paper UKS 22 2008 which gave a brief background on BWLA and WCLL and an explanation of the current financial challenges facing BWLA.

Members debated the issues contained within the paper, which noted that:

- UK Sport's current 2012-focused funding model for grants awarded to National Governing Bodies assumes that the financial viability of a sport's NGB is independent of UK Sport's awards;
- UK Sport's policy since 2005 is to allow anti-doping activities to be included as only an element of the operating costs covered to support the Performance Pathway Programmes funded by UK Sport grant awards; and that
- BWLA is already due to receive an operating grant award from UK Sport of £75,000 in the year to 31st March 2009.

Having noted the various options in the paper, Members agreed with the Officer recommendation as outlined below:

That UK Sport does not re-allocate any funding to create an additional £170,000 Award to BWLA.

Mindful of the potential impact of its decision on BWLA's ability to continue as a 'going concern', and also of the potential impact on the World Class Programmes managed through World Class Lifting Ltd, the Board noted that Officers would consequently inform BWLA and WCLL that:

- UK Sport officers are willing to proactively assist the Boards of BWLA and WCLL to ensure that all reasonable possibilities to generate a financial recovery for BWLA (that are not dependent on additional funding from UK Sport) are explored before the next Board meeting on 25th June;
- If, however, no prospect that BWLA can secure its financial position is

evident by that point, UK Sport will – in the interests of the protection of public funding - have to react to BWLA's impending dissolution, by ceasing funding for Olympic Weightlifting and Paralympic Powerlifting at the end of October 2008 (i.e. allowing enough time to deal with any outstanding matters after the Beijing Paralympic Games);

- UK Sport will allow WCLL and BWLA (in consultation with UK Sport Officers) to use elements of the Performance Programme Funding Award to cover the costs of an orderly closure, including staff redundancy and company winding up costs; and
- If such a closure of the existing Lifting structures takes place, UK Sport will devote a reasonable amount of Officer time and other support to facilitating a future application for World Class Performance Programme Funding from any new UK-level NGB that the sport may create, provided that it has the full and unanimous backing of all the home country and relevant discipline associations, as well as a sound financial foundation.

Matt Crawcour left the meeting

8.5 SCUK and UK Coaching Framework Awards

Emyr Roberts introduced paper UKS 23 2008 which gave an update on scUK and the UK Coaching Framework. Board was asked to consider and agree funding awards for 2008/2009 to scUK and a number of UK Governing bodies to support continued work with the coaching framework.

ER also informed Members that Sport England had recently agreed additional funding as a contribution to the launch and rollout of the new UK Coaching Centre of Excellence. Liz Nicholl had subsequently met with the CEO of scUK to discuss a remaining shortfall of £120k and following a review of performance budgets, Officers recommended a further award of £120,000 to specifically support the new centre.

A concern was expressed that some of the smaller sports might not break-even on their sports education programmes due to the considerable amount of expense required to engage with the coaching framework and it was suggested, therefore, that consideration be given to the entire coaching framework funding being channelled through scUK. This would pass the responsibility to scUK for creating a relationship with NGBs that ensures affordability.

There was not a clear consensus on this and so officers agreed to give this further consideration and to feedback to the June meeting.

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Members agreed the following recommendation:

That scUK receive an award of £1,400,000 for 2008/2009 to support continued work on the coaching framework plus a further £120,000 towards the launch and rollout of the UK Coaching Centre of Excellence. That a sum of £655,000 is set aside to support the coaching framework and further consideration is given to whether this is channelled via scUK or direct to UK NGBs with the amounts for each sport determined by Officers and scUK in response to clear plans submitted.

Simon Le Fevre, Emyr Roberts, Alex Newton, Peter Keen and Janet Carter left the meeting.

9. Major Events

9.1 Major Events Panel Recommendations

Members received the appended minutes of the Major Events Panel held on 17 April, and agreed to endorse the following recommendations on awards to be made from the World Class Events Programme:

2011 FISA World Junior Rowing Championships

That UK Sport provide a grant contribution of up to £500,000 towards the staging of the FISA World Junior Rowing Championships, with the following conditions added to those detailed in MEP Paper 02:

Any capital improvements to the venue facilities must be budget relieving for future events.

Any additional requirements necessary in order to run the event as an Olympic Test Event over and above that already identified in the business plan submitted must be funded by LOCOG and not by the ARA or the identified UK Sport contingency.

2009 IFNA Netball World Series

That UK Sport provide a grant contribution of up to £295,000 towards the staging of the IFNA Netball World Series 2009, of which £65,000 is ring-fenced contingency and only to be released with the agreement of the officers and should meet conditions of award as recommended. The award is for one year only after which the event will be reviewed to assess potential support levels for subsequent years.

2011 FIE European Fencing Championships

That UK Sport provide a grant contribution of up to £333,000 towards the staging of the FIE European Fencing Championships 2011, of which £45,000 is ring-fenced contingency and only to be released with the agreement of the officers, £58,000 is a ring-fenced contingency underwriting fund to be held by UK Sport unless required and should meet the standard conditions of award and the specific terms and conditions as recommended.

Members also 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 £115,000 towards the staging of the FINA Diving World Series 2008, at Ponds Forge International Sports Centre, Sheffield.

Members also considered the recommendations from the Major Event Panel regarding commercial partners for events in the World Class Events Programme.

Members noted that current legislation does not permit commercial sponsorship of sport by the manufacturers of tobacco or tobacco related products. **Members agreed to amend policy for event awards such that junior events (or senior events that could include juniors) would not accept any association with gambling or alcohol products/services. Members agreed to recommend that all other potential commercial partners be looked at on a case by case basis.**

9.2 Proposal for a Sponsored 'World Class Events Series'

John Scott introduced paper UKS 25 2008. Following the recent work that DCMS has started with Fast Track to investigate ways of raising £100m from the commercial sector, UK Sport received an outline concept for a sponsored 'World Class Events Series'.

The concept would entail creating an umbrella sponsor across all UK Sport supported major events, with the sponsor name in the umbrella titling, e.g. the XYZ World Class Series. The programme could run for five years (or potentially seven to encompass the 2014 Commonwealth Games).

Although there is no client currently earmarked for this, Fast Track are confident that the proposal is feasible and will be of interest to sponsors.

Members discussed and debated the risks involved with moving forward with such a proposal and agreed that the proposal could in fact serve to confuse the Events marketplace, and have a negative impact on existing National Lottery Branding which is the sole funder of the UKS WCEP. Further, there would be limitations on all events being able to accept such a title sponsor due to sponsor conflicts, and concern over the Officer time that would have to be dedicated to such an approach.

Board considered the proposal outline put forward by Fast Track and in light of the recommendation from the MEP, wished to inform Fast Track that the risks and limitations of the concept outweigh the potential funding benefits.

9.3 Home Advantage of Major Events

Simon Morton joined the meeting.

John Scott and Simon Morton introduced paper UKS 26 2008. Members were advised that as part of the development of the UK Sport Major Events Programme research had initially focussed on the economic impact of staging major sports events. This was critical to securing partner funding from cities and regional development agencies. Last year however, as part of a wider objective of assessing different impacts of event hosting, new research was initiated to consider the impact events have on athlete performance known as 'home advantage'. The research has established some direct and critical benefits from home staging which further supports UK Sport investment in events and supports the performance ambitions of NGBs.

Members discussed the results of this research and commended the team on their work on the project and the significance of the findings.

Members noted the next phase of the research which would seek to gain a better qualitative understanding of the drivers of home advantage and the causal relationships so that these can be embedded into the WCEP.

Simon Morton left the meeting.

10. Drug Free Sport

10.1 Update on NADO Modernisation Project

John Scott updated members on the content of the NADO Business Case which had been presented to the Minister on 28 April in accordance with the deadlines requested by him. Members noted the tight timelines and the

amount of work that had been required of officers to deliver the Business Case.

John Scott paid tribute to the team effort required from UK Sport and work stream members and Board commended the quality of the Business Case and in particular the work of Andy Parkinson and David Beaumont.

Members queried what will happen to the critical leadership of the project once John Scott departs. John Steele advised that the structure and delivery rests with DCMS as UKS were only responsible for the submission of the Business Case. Members noted that the recommendations in the Business Case required swift action if the critical deadlines for 2012 were to be met. UK Sport now awaited the formal response from the Minister.

Members noted the update.

Nick Bitel left the meeting.

11. International

11.1 Update on International Inspiration

Due to time restraints, the Chair agreed to postpone this item to the next meeting.

12. Policy

12.1 UK Sport Research Strategy 2007-12

Jerry Bingham joined the meeting and introduced paper UKS 27 2008.

JB presented the background and content of the UK Sport Research Programme and the development of the research strategy through to 2012. JB outlined how it linked to UK Sport's strategic objectives and contributed to 2012 and the Olympic Board objectives. Two particular research projects highlighted were the 2007 Athlete Survey, from which results were subsequently fed into the M2012 quarterly briefing and research into the social and cultural impact of major events in partnership with Sheffield Hallam and regional development agencies.

Members noted that Research and Innovation was an area that had been excluded from the programme and although this work may not be so easy to quantify, Officers agreed to investigate with the R&I department if they have means of looking at return on investment compared to performance.

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Members thanked JB for the update.

Jerry Bingham left the meeting

13. AOB

Members agreed to start the June meeting at 0930 due to the number of agenda items.

14. Date of Next Meeting

Wednesday 25th June 2008, 0930-1400