



Minutes of the UK Sport Board Meeting held on 30th June 2010 at UK Sport's offices

Present

Chair Sue Campbell

Members:

Laura McAllister
Nigel Walker
Rod Carr
Philip Kimberley
Jonathan Vickers
Richard Lewis (part)
Louise Martin
Dominic Walsh
Chris Holmes

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 (part)	Head of Investment & Governance
Vijay Parbat (part)	Legal Advisor

Board Secretary

Jackie Freeman	UK Sport
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Introduction and Apologies for Absence

Action

The Chair welcomed everybody to the meeting. Chair offered congratulations to Rod Carr on his CBE and to Nigel Walker on his appointment as National Director of the EIS. Chair had been informed by DCMS that this would represent a conflict of interest and so he would have to step down from Board duties.

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.

PKi and NW declared an interest on item 1.4 of the Agenda and NW declared an interest in the Executive Team Report (reference EIS).

Approval of Minutes

Members agreed and the Chair signed off the minutes of 3rd March 2010. A file note was tabled following cancellation of the 6th May Board meeting. It was further noted that it should be pointed out that the Audit Committee had looked at the accounts and approved them prior to being presented to Board.

Matters Arising

There were no matters arising.

Executive Team Report

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

- **Boxing** - BABA is proceeding with the purchase of the accommodation block in Sheffield and SLF expressed his thanks to the 3 Board members involved in the sub-group to review the proposals.
- **EIS** – Members were asked to consider whether EIS should be subject to the same review of efficiencies as UK Sport.

NW declared an interest and left the meeting.

Members agreed that the 'back office' structures of the EIS, as a subsidiary of UKS, should be included within any considerations for quick-wins and longer term structuring to ensure that opportunities for efficiency are maximised.

JSt explained that UKS is looking at how back office functions of UKS and Sport England could work more closely and deliver efficiencies. However, it was important not to do anything that would jeopardise London 2012 and at this point mergers are not being considered.

NW rejoined the meeting.

- **Major Events Panel** – The Terms of Reference for the Panel currently require two Board members to be in membership, with one of these as the Chair. The Panel is currently operating with only one Board member who is the Chair. At the last meeting only one Board member was present and although it did not make the meeting inquorate, it was not correct in governance terms. Members felt that as the Panel was quite technical, it was important to keep two Board members. Due to a new conflict of interest, the current Chair will step down and Dominic Walsh kindly agreed to take over. UK Sport Chair asked members to consider volunteering to be the second Board member. It was also agreed to revisit the Terms of Reference.

All
UKS

1.1 UKS 15 2009/10 Statutory Accounts

The accounts 09/10, which had been reviewed on two separate occasions by Audit Committee, had been circulated for approval.

The net result on the Exchequer account is a surplus of £0.16m, compared to a budget of breakeven. The net result on the Lottery account is a surplus of £4.8m reflecting Lottery upside of £4m which

was announced by DCMS at the end of March.

The Audit Completion report was also included with the papers and LN went through the two significant findings arising from the report: Grant Management System and assurance around APAs.. Steps are being taken internally to deal with the former and in respect of the latter UKS currently does not carry out random spot checks, but investigates when alerted to potential breaches. LN agreed to re-consider this approach and report back to Audit Committee and Board in due course.

Chair thanked CH for chairing the Audit Committee and also CW and his team for their work on the accounts.

Board agreed to approve and accept the Annual Report and Accounts at 31 March 2010.

1.2 UKS16 2010/11 Budget

Board were being asked to give their formal and absolute approval for the 2010/11 Budget as outlined in papers. The rise in VAT from 4 January 2011 will bring an extra cost to UK Sport during the last quarter of the financial year but CW felt that this could be managed within the contingency allocation.

Board agreed the budget for 2010/11 as outlined in paper UKS 16.

1.3 UKS17 – Financial Planning

CW introduced paper UKS17 which set out the current position for each of UK Sport's income streams and the range of modelling assumptions envisaged. CW explained that UK Sport is starting from the position of a budget balanced across the London Cycle, although a substantial deficit is anticipated in 2010/11 and UKS has no assurance on the approach DCMS will adopt to potential future cuts in Grant in Aid. UKS is engaged with full scenario planning and Board felt it would be good if NGBs were made aware of the situation. CW and LN are currently holding meetings with sports at the level of CEO and Finance lead.

Members then debated the wider political and sporting landscape, including the new administration's policy of having Youth Sport Trust, Sport England and UK Sport 'under one roof'. HC Chairs said that UK Sport had the strong support of all the HCSCs and should continue to provide leadership around high performance sport. They felt that in a devolved landscape UK Sport needed to be a separate entity to re-inforce the value it adds to elite sport across the UK as a whole and the necessary requirement for UK policy to be separate from England. It was acknowledged that the current Sport Minister was in fact only Minister in England and that the Ministers in the other Home Countries would want to be engaged fully in any political decision making around such a change in the landscape. Members therefore thought that it could be the right time to instigate a meeting of the Sports Cabinet for these issues to be discussed fully. TH also agreed to work with the HCSCs to look at how best to communicate these issues to DCMS and other decision makers in the current climate. It was agreed that there is also the opportunity to promote the UKS high performance story better in the home countries.

1.4 UKS 18 Annual review of funded system partners

NW and PKi declared an interest and left the meeting.

Vijay Parbat joined the meeting.

Annual review meetings are currently being conducted with UK Sport's currently funded System partners in accordance with the Investment Principles. A similar process is also being applied to the two remaining Non-Olympic/Paralympic sports of Orienteering and Waterskiing. Against the background of government funding cuts, Partners have been alerted to the potential for awards to be adjusted in the year ahead.

With reference to sports coach UK, Board agreed to extend the existing award to 31st March 2011, based on planning figures already provided. The letter of variation confirming an award of £439k for the three month period January to March 2011 will be issued.

Board agreed that scUK should be given notice that in the current economic climate, funding for 2011-13 must come under further scrutiny. A zero base approach will be taken so that any UK Sport investment is clearly aligned with UK Sport objectives. Chair also felt it was important for Home Countries to have a view on sports coach uk investment in December.

EIS – It was agreed that if at the annual Review point in December 2010 there are reductions in funded sports, then there should be a proportionate cut in funding to EIS. The EIS Board had been alerted to this possibility.

TASS – The appropriateness of the current level of UK Sport funding needs to be further considered at the December Board meeting alongside the Annual Review. It was noted that:

- funding from the DoE is unlikely to be available in the 2011/12 TASS year and this represents a £775k risk to TASS
- TASS 2012 has mainly been gap filling and the need for it is reducing. Over time this can be phased out and TASS activity could then focus on its core TASS places.
- approximately £0.5m per annum of the current award supports non-Olympic sports and so it was agreed that in advance of the December Board there should be discussion with Sport England regarding this non-Olympic support and further consideration should be given to the strategic positioning of TASS.

Orienteering/Waterskiing

Funding to these two sports is being phased out over the 2009-13 cycle as agreed in 2005 and again in 2008. At the time it was noted that these two sports have a track record of medal success at World level and they continue to do so. It was also noted in 2008 that post 2012 it was possible that non-Olympic sports may be a higher priority. It was agreed that these awards should be reviewed again at the December Board meeting alongside the Annual Review. In advance, Members will need to consider whether UK Sport's focus post 2012 should include significant non-Olympic sports. Chair thought that this is best addressed by continuing the discussions on Life after London and it was agreed that the Board away day should be used to discuss this.

UKS

Richard Lewis left the meeting and Russell Langley joined the meeting.

1.6 UKS 20 Equality and Diversity Strategy 2010-2013

Amanda Bennett joined the meeting and introduced paper UKS 20 to the meeting which set out the development of the UK Sport Equality and Diversity Strategy 2010-2013 building on the strategy signed off in 2006. Members discussed the strategy in detail and agreed the approach. It was felt that the business case for diversity could be

strengthened and AB agreed to a paragraph setting out the value of diversity to UK Sport which will be circulated to Members by e-mail. The strategy was therefore endorsed subject to the inclusion of that additional paragraph. From this point an action plan will be developed and a report on progress will be made to Board in 2011. UKS

1.7 UKS21 Major Events Panel Recommendations

Simon Le Fevre joined the meeting

Board agreed to endorse the following recommendations on awards to be made from the World Class Events programme

Sitting Volleyball Continental Cup-Men 2011 (Stoke Mandeville)

Members agreed that UK Sport provide a grant of up to £110,000 towards the staging of the Open European Committee Volleyball for the Disabled (ECVD) Continental Cup-Men 2011 of which £25,000 will be ring fenced as the event contingency and only to be released upon approval by a UK Sport Officer. specific terms and conditions will also apply as recommended.

Disability Table Tennis Factor 40 British Open 2011 (EIS, Sheffield)

Members agreed that UK Sport provide a grant of up to £110,000 towards the staging of the Disability Table Tennis Factor 40 British Open 2011, of which £30,000 is to be ring fenced as the event contingency only to be released upon approval by a UK Sport Officer.

World Netball Championships 2015 (MEN Arena, Manchester)

Members agreed an award of up to £450,000 towards the staging of the World Netball Championships 2015, of which £150,000 is to be ring fenced and only to be released upon approval by a UK Sport Officer. Specific terms and conditions will also apply as recommended.

Board noted that specific bidding support of up to £30,000 had been provided to England Netball for this event. Approval was given for continued use of the practice of making standalone awards for bidding costs towards major events.

LN highlighted that government cutbacks would seriously affect Regional Development Agencies which will be a risk to certain events. The Events team are currently investigating what the outcome might be and LN will keep Board updated. UKS

1.8 UKS 22 Mission 2012 Summary

Panel meetings had taken place in June and focussed their attention on a selected number of submissions where officers felt that the greatest performance gain is to be made. No sports had given their submission as overall red status, and no significant matters were escalated for Board attention. Members requested that a list of the elements is also included with the paper for ease of reference. UKS

Badminton has been invited to attend the next Panel meeting to discuss challenges within their programme. Board also noted that Panel had concerns regarding references within Volleyball's submission re funding and their decision making on allocation of budgets across disciplines. JSt had subsequently met with Volleyball on this issue. A robust debate had taken place and UK Sport's view that the funds should be channelled to their strongest disciplines to maximise their chances of

success at London 2012 had been clearly conveyed. Volleyball had been reminded that all awards are allocated on the principle of 'no compromise'. Board are keen to see proposals from the sport and Volleyball is being asked to set out its proposals on its budgets for UK Sport Officer review and if this is not resolved satisfactorily the matter will be referred to the next Board meeting in September. Board reiterated Volleyball's accountability for public investment being made in the sport.

Jon Austin joined the meeting and gave members an update on progress within Boxing using the issue management tool. He confirmed that best practice is being shared with the Home Countries. A short video clip of Boxing was shown to the meeting and Chair acknowledged Board's thanks to Derek Mapp on the work he has done.

2.1 Audit of British Cycling

LN gave a presentation on the UK Sport Audit of British Cycling being carried out by Deloitte. A meeting is scheduled to take place with British Cycling shortly when the second phase will be discussed. The report will be tabled at the September Board meeting and it is anticipated that any recommendations will be put in place straight away. **UKS**

5 UKS19 Winter Olympic/Paralympic Sport Investment 2010-14

The Chair reported that she and LN had met with the Minister the previous Monday to discuss 2010-14 Winter Sport investment decisions. At the time, the Minister had agreed to the approach but after reflection had communicated immediately prior to this meeting that in the current economic climate and until UK Sport's budgets for this period are known following the Government's Spending review in October, it was prudent that no new awards should be made. Members agreed with the approach. It was therefore decided that Members would agree the principles behind the investment and outcomes so that they were in a position to move forward with decisions at the December Board meeting.

Accordingly, consideration of new sport specific awards for the Sochi cycle was therefore deferred until the December Board meeting, and Board proceeded to consider the principles and approach. This included agreeing that:

- the Investment Principles would be applied to arrive at investment decisions for winter sports;
- this included using an integrated meritocratic table as a basis for investment decisions; an investment model linking resources to athlete places and the value of Winter places being the same as those for Summer
- The preferential investment in Summer Olympic/Paralympic sports targeting meritocratic performances in 2012 should continue uniquely through to the 'home' games in 2012
- Any further award for Curling be channelled through sportscotland and a condition of award will relate to addressing team selection issues

Under the circumstances, it was decided that LN would call all winter sports and inform them that UKS would only be able to grant an extension of their current funding awards pending further consideration in December. **UKS**

3.1 UKS 23 Board Calendar

Dates for the Commonwealth Games would be added to the Calendar.

3.2 UKS 24 Minutes of the Major Events Panel

These were accepted by Board.

3.3 UKS 25 Minutes of Audit Committee

These were accepted by Board.

4 Any Other Business

Chair thanked John Steele for his leadership of UK Sport and his contribution to the Board and wished him much success in his new role as CEO of the RFU. DW invited him and his wife to join Board members for a dinner. Chair informed the meeting that DCMS have agreed for LN to take on Accounting Officer duties and TH all relationship management duties until the appointment of a new CEO.

5 Date of next meeting: 22nd September 2010 at UK Sport's offices

