



Minutes of the UK Sport Board Meeting held on 7th December 2011

Present

Chair Sue Campbell

Attendees:

Laura McAllister
Louise Martin
Richard Lewis
Jonathan Vickers
Mark Hanson
Rod Carr
Chris Holmes

UK Sport Staff

Liz Nicholl	Chief Executive
David Cole	Director Corporate Development
Chris Walker	Finance Director
Peter Keen	Performance Director
Debbie Lye	Director International Development
Simon Morton	Director Major Events & International Relations
Vanessa Wilson	Director Commercial and Communications
Janet Carter (part)	Standards Manager

Board Secretary Jackie Freeman UK Sport

1. Introduction and Apologies for Absence

Action

The Chair welcomed Members to the meeting and introduced Vanessa Wilson to her first Board meeting following her appointment as Director of Commercial and Communications. Apologies were received from Dominic Walsh.

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. Richard Lewis, as Chair of Sport England, declared an interest in respect of item 8.1 on the merger.

3. Approval of Minutes

Members agreed and the Chair signed off the minutes of 14th September 2011.

4. Matters Arising

Simon Morton updated the Board on the application for funding that had been received from English Squash and Racketball for the bidding/staging costs of the Men's World Open Championships in 2013. Since initial discussions at the previous Board meeting, a sub-group of the Major Events Panel (including Liz Nicholl as Accountable Officer) had met with officers from English Squash and having been provided with additional information supported the earlier recommendation of the Major Events Panel that a grant of £285,000 should be awarded. The award falls within LN's delegated authority and an offer subsequently confirmed with appropriate conditions against.

Tom Halsey would provide a presentation on the commercial strategy under item 8.2

5. Executive Team Report

LN introduced the Executive Team Report.

- She drew Board's attention to the brief discussion at the previous meeting relating to a Research & Innovation opportunity. A sub-group of the Board had met to examine the proposition and agreed that the research should proceed and recommended that a communication strategy be developed for discussion at Board in January.
- Following recent press interest in anti-doping and the BOA lifetime ban against athletes representing Team GB, LN reiterated that UK Sport's current position: which is for a lifetime funding ban for any athlete found guilty of an anti-doping rule violation which results in a period of ineligibility from participation in their sport for two years or more. Board decided that the policy should be reviewed once the WADA/BOA dispute had been resolved.

Janet Carter left the meeting.

- Board approved the updated Terms of Reference for the Audit Committee as attached to the Executive Team Report.
- LN confirmed that UK Sport would receive funding from the Team 2012 programme. The quantum is uncertain but it needed to be invested to support performance in 2012. Board agreed that UK Sport should invest where the greatest performance gains. The Board agreed to delegate authority to manage this stream of funding to LN. LN agreed to report back at each Board meeting on where the funds were being allocated.
- Chair thanked Board members for attending the World Class Performance Conference and also thanked Peter Keen and his team for the work in organising the conference.

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6.1 Project 313 update

Governance Strategy

Paper UKS 37 had been circulated prior to the meeting outlining UK Sport's proposed approach to raising the overall standards of governance with the NGBs that it funds. The importance of governance was embedded into the revised Investment Principles and DC confirmed that the governance framework, as well as the Investment Principles, had been shared with sports at the Autumn roadshows with positive feedback.

Board discussed the proposed framework, whilst cognisant of the need for change in sport in this area and the implementation of best practice; concerns were raised around current Board structures, NGBs being reliant on volunteers, ability to recruit and retain independent members and need for pragmatism to be applied to the approach in. LN recognised that this might be challenging for NGBs who are diverse and at different stages of maturity. UK Sport would seek to get the balance right and that the requirements are reasonable whilst being consistent with the Investment Principle. The role of the Board would be as important as the composition of its members. DC confirmed that issues around Board structure would be reviewed by the UK Sport governance team on a sport by sport basis. A better understanding of the landscape will be ascertained when NGBs are asked to confirm their strategic goals, conduct a review of the effectiveness of their boards and complete a skills and competence audit of their board. DC confirmed that consultation with Sport England was ongoing and UK Sport was also engaging across the Home Countries to ensure a consistent approach.

RL confirmed that, with a very minor exception (relation to terms of office), what was being proposed was consistent with that being considered by the Sport England Board.

Board also noted UK Sport's intention to focus leadership development on Chairs, Boards and CEOs and supported the inclusion of this theme in the Investment Principle. Scoping work has already been undertaken and Phase One will focus on the development of the respective tools/processes. The programme will be piloted during 2012 with the aim of going live in 2013. It is hoped that the programme could be offered to both Olympic and Paralympic sports. Discussions are underway regarding the potential to collaborate with Sport England (and potentially other Home Country Sports Councils) on this initiative.

Subject to Board's comments the recommendations were duly considered, noted and approved.

Rio Investment Guide

PKe introduced paper UKS 38 outlining proposals in order to activate the next phase of project Rio. A copy of the Rio Performance Investment Guide had been sent to Board for its consideration and approval. The Guide sets out the investment process for the Rio cycle and takes into account further refinement following discussions at the previous Board meeting. **Board approved the revisions made to Investment Principle 2 and noted the revisions to Investment Principle 3.** In doing so Board also approved a change in terminology when referring to 'development athletes' to 'podium potential'.

Board discussed at length the change from a commercial orientated to a co-funding principle. Investment Principle 8 now states that sports will be required to co-fund additional budgets for their World Class Programmes through their own income streams, such as commercial activity, sponsorship or membership contributions. Any needs-based additional budget would have to contain a specific percentage contribution from the

sport which will be determined by the size of the core athlete places budget and the annual income of the sport, excluding grant awards from Public Bodies. It was emphasised that the core athlete places budget would not be subject to a co-funding requirement. Sports with a large number of athletes on their World Class Programme and significant private income would contribute up to 35% of the total of any needs-based additional budget they secure where sports with a small number of athletes and a low income would need to contribute a minimum of 7%. **Board approved the wording for Investment Principle 8.**

PK talked through the financial parameters to Board and explained that the budget for the Rio Cycle would comprise two parts: a Core athlete component and a Sports Specific component. The core athlete component will come from a generic unit cost per place and the number of confirmed athletes at Podium and Development (Podium Potential) level. This generic cost has been agreed after a review of WCP in the London cycle and through further information on actual spend to the cycle gathered through the consultation with a representative group of sports. The sport specific component has been introduced as a needs-based additional bid. NGBs can bid for this extra budget component (up to 24% for Olympic sports and 40% for Paralympic sports) as long as they can show both a critical performance requirement and financial need in order to secure any budget in this area. Board enquired on the assumptions for affordability and the working assumptions informing the parameters and approach. After discussion, **Board agreed the financial parameters proposed for the Rio cycle.**

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PK also explained that a set of funding triggers will be applied against the governance framework and, where necessary, conditions of grant will have to be met to enable investment to be received by sports. **Board agreed to this course of action.**

Once Board approval had been given, PKe would be finalising the Rio Performance Investment Guide for circulation to all NGBs.

Board thanked the team for the quality of analysis and work provided.

6.2 Annual Investment Review

Following a full review of performances across Summer and Winter Olympic and Paralympic sports, in accordance with UK Sport's Annual Review process, there were no recommendations for changes to Awards. This was accepted and approved by Board. Board noted governance issues that were reported. It was agreed that all sports with governance issues must be sent specific messages highlighting UK Sport's concerns in this area along with any remedial action required.

Board were also informed of concerns around governance at the British Athletes' Commission (BAC) and it was decided to suspend their funding pending investigation by UK Sport officers. An update would be brought to the next Board meeting.

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British Ski and Snowboard (BSS)

In discussion with BSS, UK Sport agreed to consider the performance profiles of a number of GB athletes who have achieved world leading performances particularly in those disciplines which have now been included for the Sochi Winter Olympics. A panel met to review the BSS business

case and its findings were outlined in paper UKS 40.

Board agreed:

- **The provision of two podium awards and five development awards to BSS**
- **To provide delegated authority to the CEO and Performance Director for an additional one podium award to be considered for allocation to BSS on the basis that additional, relevant performance information is received for consideration**
- **An award of up to £1.3m to begin in January 2012.**

Conditions of Awards

- **Specific conditions for any Award to BSS should be attached for Governance in respect of Board structure and financial management reporting**
- **BSS to develop robust selection criteria to determine how the award places will be distributed.**

6.3 World Athletics Championships update

SM gave a verbal update and a short video on the winning of the World Athletics Championships 2017 bid. The Chair passed on thanks from the Board to SM and the Major Events team for the huge amount of work they had put in. SM reported that work was now beginning on the budget reforecasting and the structures and governance of the project team going forward.

7.1 Mission Control

Paper UKS 41 gave a summary of the Mission Control Panel meeting that took place in November. No sports had rated their submission as overall red in status therefore no matters had been escalated for Board attention.

8.1 Merger Update

Board discussed the latest developments around the proposed merger of UK Sport and Sport England. Chair reiterated the commitment of the UK Sport Board to do whatever is necessary to provide a framework for what is a 'step up' for sport in the UK. A Project Board meeting had taken place the previous day, chaired by Sir Keith Mills. At that meeting it was proposed that a consultation document on the merger should be sent out to all stakeholders for their considered feedback. At the meeting UK Sport's representatives (Chair and CEO) expressed their concerns about the proposals. After further discussion it was agreed that the respective Boards of Sport England and UK Sport should be asked to consider the proposals and confirm whether each Board would be happy for the consultation document to go out.

An in-depth discussion took place on the consultation document and it was unanimously agreed that the document should not go out to consultation but that a letter (to be circulated to all Board members for approval) should be sent to DCMS by Board explaining the reasons and suggesting a way forward.

8.2 Commercial Strategy update

Tom Halsey joined the meeting to give an update on UK Sport's commercial strategy following earlier discussions with Board in September. UK Sport and Sport England are working together in developing the British Sport Commercial Programme and the potential creation of a British Sports Marketing Bureau Since the last Board meeting, a valuation report of UKS

assets had been completed and an indication was given of where UK Sport sits in the sponsorship market. Also, a report had been received from Sports Marketing and Management. Following these two reports, a British Sport Partner Programme proposal was being developed and was presented to Board for feedback. The emerging proposals were also being discussed with Sir Keith Mills to connect with the merger proposals and with his LOCOG role and experience. Sir Keith was happy to support this work. A collective approach to commercial fundraising in conjunction with funded sports was proposed. Approval was given to market test the concept with the LOCOG commercial family. It was noted that should this become viable discussions will need to be had on the allocation of resources to do it.

8.3 Finance Update

CW presented a finance update in paper UKS42. Board noted that the full year forecast outturn as at 31 October 2011 is to breakeven on Exchequer funds and for a surplus of £8.26m on the Lottery fund.

8.4 UK Sport Research Advisory Group – Terms of Reference

In order to assist the Research & Innovation team in obtaining expert advice, guidance and best practice on its projects, UK Sport established a Research Advisory Group in 2008. The Research Advisory Group is a sub-committee of the Board. After its last meeting, the Research Advisory Group decided to review its role and update its Terms of Reference as a result. The Research Advisory Group's role will now be narrower in particular ethical approval it provides will be reduced. Accordingly, the amendments to the Terms of Reference were made and submitted to Board for approval.

Board noted and approved the changes to the role of Research Advisory Group and its Terms of Reference.

7.5 Board Events Calendar

This was noted.

8 Any Other Business

Change of date to December 2012 Board meeting – this will now take place on 12th December 2012 at UK Sport's offices.

9 Date of next meeting: 25th January 2012