



House of Commons

Committee of Public Accounts

UK Sport: Supporting elite athletes

**Fifty-fourth Report of
Session 2005–06**



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Session 2005–06**

*Report, together with formal minutes,
oral and written evidence*

*Ordered by The House of Commons
to be printed 19 June 2006*

The Committee of Public Accounts

The Committee of Public Accounts is appointed by the House of Commons to examine “the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the committee may think fit” (Standing Order No 148).

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The following were also Members of the committee during the period of the enquiry:

Mr Alistair Carmichael MP (*Liberal Democrat, Orkney and Shetland*)
Jon Trickett MP (*Labour, Hemsworth*)
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Powers

Powers of the Committee of Public Accounts are set out in House of Commons Standing Orders, principally in SO No 148. These are available on the Internet via www.parliament.uk.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at <http://www.parliament.uk/pac>. A list of Reports of the Committee in the present Session is at the back of this volume.

Committee staff

The current staff of the Committee is Nick Wright (Clerk), Christine Randall (Committee Assistant), Emma Sawyer (Committee Assistant), Ronnie Jefferson (Secretary), and Luke Robinson (Media Officer).

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Summary

UK Sport uses National Lottery money to support elite athletes competing at the highest levels of sport for the United Kingdom or Great Britain¹ by providing funding, through its World Class Performance Programme, to national governing bodies of sport and to individual athletes. During the Athens Olympic cycle from April 2001 to March 2005, UK Sport awarded £83.5 million for 17 Summer Olympic and 15 Paralympic sports.

On the basis of a Report² and subsequent memorandum³ by the Comptroller and Auditor General, the Committee examined the Department for Culture, Media and Sport and UK Sport on the use of lottery money to support elite athletes competing in Athens in 2004 and Turin in 2006, and on the plans for Beijing in 2008 and London in 2012.

In Athens, Great Britain finished 10th in the Olympic medal table, achieving UK Sport's target of 8th to 10th, and 2nd in the Paralympic medal table, missing the target of 1st. The majority of funded sports did not meet the medal targets they had agreed with UK Sport and 10 sports delivered no medals.

As well as targets for the Olympics and Paralympics, UK Sport has a number of other performance measures for the World Class Performance Programme. During the course of the Athens Olympic cycle, however, UK Sport's performance reporting was erratic and not always accurate.

At the time of the Committee's hearing, UK Sport had awarded funding of £98 million for the Beijing Olympic cycle from 2005 to 2009. For all the sports that underperformed in Athens, UK Sport has cut funding and/or reduced the number of athletes supported for Beijing. UK Sport has also identified a number of sports which it expects to do better in the future, including athletics.

Looking ahead to London in 2012, UK Sport told the Committee it would not set a medal table target until it knew what resources were available. The Committee learned subsequently, however, that UK Sport's 2003–06 funding agreement with the Department had included a target to finish 5th in the medal table in 2012, and that UK Sport's funding submission to Ministers had set out a range of funding options for 2012 with associated targets. The Department and UK Sport have since acknowledged that they could have made matters clearer in their original evidence. The Government has now announced a funding package of £600 million to support elite athletes in the run up to 2012, including £100 million to be raised from commercial sponsorship.

1 At the Olympic and Paralympic Games, athletes compete for Great Britain; at the level of individual sports, there is a mix of United Kingdom and Great Britain teams, depending on the sport and the competition.

2 C&AG's Report, *UK Sport: Supporting elite athletes* (HC 182-SE/2005/9, Session 2004–05)

3 Ev 20-21

Conclusions and recommendations

In international sport winning medals is seen as a key indicator of achievement, and through its expenditure on elite athletes UK Sport targets medal success. While Great Britain's position in the Athens Olympic and Paralympic medal tables was broadly on target, many funded sports did not meet their individual medal targets and 10 sports won no medals at all. To the extent that value for money can be measured in terms of medal success, UK Sport should look to achieve a better return from its expenditure in future.

The Government has now announced that UK Sport will have £600 million at its disposal to support elite athletes in the run-up to the Games in London in 2012. To make and demonstrate best use of this money, UK Sport needs clearer goals, more effective ways of assessing progress, and more reliable and accurate performance reporting.

The Committee's specific conclusions and recommendations are as follows:

1. **UK Sport requires the sports it funds to sign up to targets, but has yet to do so itself for 2012.** Now that it knows the resources available, UK Sport should decide its medal table targets for 2012 and reflect these in the targets it agrees with individual sports. UK Sport should review the targets in the light of performance in Beijing in 2008.
2. **UK Sport is continuing to fund sports which disappointed in Athens, including the 10 sports which won no medals despite receiving nearly £14 million in total.** To secure best value from its funding, UK Sport should:
 - follow up its review of sports' performance in Athens to make clear for individual sports the actions required to do better in Beijing, and embed implementation of these actions into its monitoring of national governing bodies;
 - make clear to sports what level of performance will be required for them to continue to receive funding during the course of the Beijing cycle, and the circumstances in which funding might be withheld.
3. **Greater value could be secured from UK Sport's spending on sports science and medicine where take-up is lower than for other services such as coaching.** UK Sport should work with national governing bodies to communicate the benefits of sports science and medicine to athletes and their personal coaches. UK Sport should also decide what would represent a cost-effective level of take-up for the services it funds and, if this is not achieved, consider if its money might be better spent elsewhere.
4. **UK Sport currently generates no sponsorship income, so the aim of securing £100 million of sponsorship ahead of 2012 is challenging.** The Department and UK Sport should draw on specialist fundraising expertise for this new area of work and see what lessons can be learned from others – from the sporting community itself, from other sectors in this country, and from overseas.

5. **Victory by one one-hundredth of a second in the men's 4 x 100 metres relay on the last day of the Athens Olympics made the difference between UK Sport achieving and missing its medal table target.** The value of medal targets is limited by the fact that the margin between success and failure can be tiny and mask absolute improvements in performance. UK Sport needs a more rounded package of performance measures which go beyond medals won to look at, for example, whether athletes are improving their personal bests or world rankings.
6. **For three years running, in reporting to Parliament and the public, UK Sport and the Department overstated performance against the target for medals won at major international championships.** In compiling the results, UK Sport included 83 medals won in events not taken into account in setting the target, thereby turning underperformance into apparent success. UK Sport and the Department should check performance information to ensure that only accurate figures are reported.
7. **UK Sport's funding submission for 2012 referred to an ultimate goal of finishing 4th in the 2012 Olympics, though the published funding agreement between the Department and UK Sport said the target was 5th.** Yet, when recalled by the Committee, the Department and UK Sport maintained there was no target and attributed the confusion to their inappropriate use of the term 'target'. The Department have accepted that they should have been more forthcoming when they originally gave evidence to the Committee. Starting with the new funding agreement, performance expectations need to be unambiguous and clearly explicable both to the Committee and to Parliament as a whole.
8. **The national emphasis on sporting elites should not be at the expense of promoting wider participation in sport.** Sport is not just about medals or a celebrity culture, but about the benefits of taking part. It will be important therefore to maintain a balance between promoting world class and mass participation activities.

1 Performance in Athens in 2004 and Turin in 2006

1. UK Sport is a non-departmental public body, working within a framework laid down by the Department for Culture, Media and Sport. Since 1999 UK Sport has used National Lottery money to support elite athletes competing at the highest levels of sport for the United Kingdom or Great Britain. UK Sport provides support through its World Class Performance Programme, which has two elements:

- funding for national governing bodies of sport to provide coaching and other services for athletes who meet specified performance criteria;
- a contribution towards the living and sporting costs of these individual athletes.⁴

2. UK Sport is not the sole funder of elite sport in the United Kingdom. The home country sports councils⁵ also play a role, including by funding sports (such as rugby union and cricket) that compete at elite level on a home country basis. The home country sports councils also take the lead in funding a number of sports (such as badminton and hockey) which compete primarily at home country level but which come together to compete as Great Britain at the Olympic Games. The activities of the home country sports councils are not covered by this report which considers the support UK Sport provides to elite athletes.⁶

3. In the period from April 2001 to March 2005 (the Athens Olympic cycle) UK Sport provided total funding of £83.5 million for national governing bodies and athletes in 17 Summer Olympic sports and 15 Paralympic sports (**Figure 1**). At April 2004, ahead of the Athens Games, some 500 individual athletes, both able-bodied and disabled, were being supported through the World Class Performance Programme.⁷

4 C&AG's Report, para 1.2, Figure 4

5 Sport England, Sport Scotland, the Sports Council for Northern Ireland and the Sports Council for Wales.

6 C&AG's Report, para 1.7

7 C&AG's Report, paras 3, 2.16

Figure 1: Funding for Summer Olympic and Paralympic sports for the Athens Olympic cycle, 2001 to 2005

Sport	Funding	
	£ million	%
Olympic sports		
Athletics	11.3	13.6
Rowing	10.6	12.7
Cycling	8.1	9.7
Sailing	7.2	8.6
Swimming	6.5	7.8
Other ¹	24.4	29.2
Sub-total	68.1	81.6
Paralympic sports		
Swimming	4.5	5.4
Athletics	3.4	4.1
Other ²	7.5	9.0
Sub-total	15.4	18.4
Total	83.5	100.0

Notes

¹ Covers 12 other Olympic sports, none of which received total funding of over £5 million.

² Covers 13 Paralympic sports, none of which received total funding of over £2 million.

Not all figures cast correctly due to rounding.

Source: C&AG's Report, Figure 1

4. In Athens, Great Britain finished 10th in the Olympic medal table, meeting UK Sport's target of 8th to 10th, and 2nd behind China in the Paralympic medal table, missing the target of 1st. UK Sport agreed medal targets with all of the sports it funded, with the exception of swimming where the new Performance Director felt he was not in a position to judge the squad's medal potential. However, the majority of sports did not meet the agreed medal targets (**Figure 2**). Six Olympic and four Paralympic sports won no medals at all, having received funding totalling £13.7 million.⁸

Figure 2: Medals won against target in Athens 2004 by sport

OLYMPICS			PARALYMPICS		
Sport	Medal target	Medals won	Sport	Medal target	Medals won
Athletics	7	4	Athletics	38	17
Cycling	5	4	Swimming	36	52
Sailing	3	5	Table tennis	8	2
Rowing	3	4	Archery	5	2
Gymnastics	3	0	Equestrian	4	8
Shooting	3	0	Cycling	3	7
Canoeing	2	3	Judo	3	1
Equestrian	2	3	Boccia	3	0
Diving	2	1	Wheelchair tennis	2	2
Judo	2	0	Powerlifting	2	1
Triathlon	2	0	Shooting	2	1
Taekwondo	2	0	Wheelchair basketball	1	1
Modern pentathlon	1	1	Wheelchair rugby	1	0
Archery	1	1	Sailing	1	0
Weightlifting	1	0	Wheelchair fencing	1	0
Swimming	–	2			
Total	39	28¹		110	94

Note

¹ The total excludes the medals won in badminton which is largely funded by Sport England and received £291,000 of funding from UK Sport, and boxing which is exclusively funded by Sport England and received no funding from UK Sport.

Source: C&AG's Report, Figures 11 and 12

5. In terms of the funding provided by UK Sport, the effect of sports not achieving their Athens medal targets was to push up the average cost per medal – from £1.7 million to £2.4 million for an Olympic medal, and from £100,000 to £200,000 for a Paralympic medal.⁹

6. UK Sport also awards funding (£2.6 million between 2001 and 2005) in support of Winter Olympic sports. Ahead of the Turin Games (which took place in February 2006 soon after the Committee's initial hearing), UK Sport was funding 40 athletes in five disciplines, and its target was for Great Britain to win two or three medals. In the event, Great Britain won one medal – silver in the women's skeleton bobsleigh.¹⁰

7. Medal-based performance indicators do, however, have some limitations, including the relative nature of medal winning and the narrowness of the margin between success and failure. In the Athens Olympics, for example, the one one-hundredth of a second victory in the men's 4 x 100 metres relay on the last day made the difference between Great Britain finishing 10th or 13th in the medal table, and UK Sport meeting or missing its target.¹¹

8. UK Sport told us that, while setting targets in performance sport could be difficult, goal setting was critical to success and could be done with a reasonable degree of confidence as the positions in preceding world championships were a good indicator of likely performance at Olympic Games. In addition, athletes competed on the international stage often over many years so national governing bodies were able to chart the relative progress of their athletes, giving them confidence in the goals they set for squads and individuals. Setting targets was, however, more difficult in Paralympic sports where new athletes could emerge as potential medallists in the period prior to a Games as a result of becoming disabled after an accident.¹²

9. UK Sport had reviewed performance in Athens with a view to identifying why some sports were successful, while others failed. Sailing was among the most successful sports, and here meticulous attention to detailed planning and implementation had helped the British team to win five medals and finish as the best performing squad for the second Olympics running. Sailing had a strong team ethic and it set clear goals which it pursued professionally.¹³

10. The former Performance Director of British Cycling, who now works for UK Sport, was clear that the key ingredient for success was a ruthless approach to excellence, with resources focused on supporting a small group of committed athletes and staff. UK Sport considered another key success factor was the world class coaches who were now supporting British athletes. As regards what could have been done better in Athens, UK Sport had found some examples of poor health management of athletes and that technical clothing issues in one or two sports had made a significant difference.¹⁴

9 C&AG's Report, paras 3.3–3.4

10 *ibid*, Figure 5; Qq 1–4

11 C&AG's Report, para 3.7

12 Qq 64, 81, 107–108

13 Qq 26, 149

14 Qq 26, 150

11. UK Sport was also looking to learn lessons from overseas and we asked in particular about Australia which had again performed well in Athens, winning 49 medals and finishing fourth in the Olympic medal table. UK Sport said that Australia had been fostering elite sport for some 25 years through an established network of sports institutes, whereas in the United Kingdom elite sport had been funded for less than a decade. Several people who had previously occupied leading positions in the Australian institutes were now working in this country, bringing first hand knowledge of what had worked, and what not worked, in Australia. In UK Sport's view, Australia was within Great Britain's sights and, if momentum was maintained, could be overtaken.¹⁵

12. We were interested in how UK Sport's funding of £68 million for Summer Olympic sports during the Athens Olympic cycle compared with levels of funding overseas. UK Sport assured us that other comparable countries were funding their elite athletes to a similar extent but was unable to provide much evidence to back this up, and the information subsequently provided by the Department shed little further light. We understand UK Sport is working with European counterparts to compile comparative data but we were surprised at how little seems to be known simply about the amounts of money our competitors are spending.¹⁶

13. During the Athens Olympic cycle, 73% (£60.6 million) of World Class Performance Programme funding went to national governing bodies to provide a comprehensive package of support services to their athletes. Although the services were valued by athletes, levels of take-up were variable, particularly in more technical, innovative areas such as sports science. UK Sport noted that in some of the most successful sports, particularly cycling, rowing and sailing, science and medical support were at the core of the national governing bodies' programmes but in sports like athletics, where individual athletes were not part of a centralised system, take-up had depended on whether an athlete's personal coach was engaged with the national governing body's programme. Athletes and coaches were, however, developing a greater understanding of the benefits of sports science and medicine, and UK Sport expected take-up of these services to increase.¹⁷

14. The remaining 27% (£23.0 million) of funding was spent on athlete personal awards – around £12,000 a year on average – which provide a contribution to athletes' living expenses and sporting costs. In some countries overseas athletes could earn bonuses based on their performance at major championships. UK Sport considered there was a place for bonuses of this kind but supported through the commercial sector rather than with public funding, and it had discussed with the British Olympic Association the possibility of the Association taking a lead on this matter.¹⁸

15. In addition to the Olympic and Paralympic medal tables, UK Sport has a number of other performance measures for the World Class Performance Programme. During the course of the Athens Olympic cycle, however, UK Sport's performance reporting was erratic, and there were problems with the accuracy of the performance results which were

15 C&AG's Report, Figure 2; Qq 19, 45, 57

16 Qq 46–56, 109–111

17 C&AG's Report, paras 2.2, 2.8–2.12; Qq 116, 119

18 C&AG's Report, paras 2.13, 2.18, 2.24; Q 11

reported to Parliament. Specifically, performance against the target for ‘the number of medals won at major international championships’ had been overstated. Over the three years prior to the Athens Olympics, UK Sport had included in the published results 83 medals won in events not taken into account in setting the target. The effect was to turn underperformance into apparent success.¹⁹

16. UK Sport explained that the errors in reporting performance had arisen because information on targets was compiled in one part of the organisation, while data on results was collated by another team. Both sets of data were correct but put together they presented an incorrect picture. UK Sport had adjusted its arrangements so that full accountability and responsibility now rested with one department.²⁰

19 C&AG’s Report, paras 3.9, 3.12–3.14

20 Qq 12–13

2 Planning for Beijing in 2008 and London in 2012

17. At the time of the Committee's hearing, UK Sport had awarded funding of £98 million for Summer Olympic and Paralympic sports for the Beijing Olympic cycle. UK Sport's funding decisions had been driven by its target for Great Britain to move towards 8th in the Olympic medal table in 2008, and all the sports which underperformed in Athens had seen that reflected in the decisions for Beijing. Of the six Olympic sports which won no medals in Athens, gymnastics, judo and triathlon had had their funding cut and reductions in the number of athletes who were funded; shooting, taekwondo and weightlifting were being funded at a similar level but with reductions in the number of funded athletes.²¹

18. Subsequent to the Committee's hearing, UK Sport announced increased levels of funding for Olympic and Paralympic sports for the Beijing Olympic cycle following the announcement in the Budget 2006 of a total funding package of £600 million for the years leading to the Games in London 2012 (see para 27).

19. In its funding decisions, UK Sport took note of the significance of sports to the public, and looked at what sports had achieved in the past and what they had the potential to achieve in four years time. From April 2006 UK Sport was also assuming responsibility from Sport England for the talent development programmes which provide support to athletes who have the potential to compete at world class level in around eight years time.²²

20. UK Sport identified three groups for the sports it funded:

- sports such as cycling, rowing and sailing which were already achieving at a significant level and where the aim was at least to sustain the current level of performance;
- sports which could and should do better, such as athletics, swimming, judo and shooting;
- small sports where there were relatively few athletes with medal potential.²³

21. UK Sport's aim was to work with underperforming sports to make sure they had the support needed to achieve their full potential. In the case of athletics, performances in recent years had been disappointing. For example in Athens four medals won against a target of seven. As athletics accounted for 15% of the available medals, it was crucial for the British team to perform well in future Olympics. UK Sport had therefore been working closely with the national governing body, UK Athletics, and there had been a number of changes, including a new Performance Director who took up post in March 2005.²⁴

21 Ev 20-21; Qq 7-9, 29

22 Qq 22, 129, 152

23 Q 120

24 C&AG's Report, para 4.24; Qq 5-6, 120

22. Looking ahead, we asked about the possibility of UK Sport supplementing its lottery income with commercial sponsorship, as happens in some other countries, such as the Netherlands where there is a culture of private sector involvement in supporting elite sport. In early 2005 UK Sport was planning to raise £4 million from sponsorship during the Beijing Olympic cycle, but subsequently concluded that it was not best placed to manage sponsorship directly since the delivery of benefits to sponsors rested with national governing bodies, the British Olympic Association and the British Paralympic Association. UK Sport also considered there was a risk that it would end up competing with these key partners and therefore decided to remove sponsorship from its plans. Subsequent to the Committee's hearing, however, the Government announced that the Department and UK Sport were to develop proposals for raising £100 million of sponsorship in the period to 2012.²⁵

23. We also asked whether there was a medal table target for the Olympics in London in 2012. UK Sport told us it had made a submission about funding for 2012, which was being considered by Ministers, and that it was unable to set a target until it knew what resources were available, although its long term aim was to be among the top five nations.²⁶

24. Following the hearing, however, we learned that UK Sport's 2003–06 funding agreement with the Department included a target of 5th place in the Olympic medal table in 2012. Then around a week after the hearing, the Committee received a copy of UK Sport's funding submission to Ministers²⁷ which set out five funding options, each with a target finishing position for the medal table in 2012. The submission stated that "UK Sport's ultimate goal...is to finish 4th in the 2012 Olympic medal table, finishing as top European nation, and retain our 2nd place in the Paralympics whilst aiming for the top spot".

25. Following an exchange of correspondence between the Chairman and the Department²⁸ about the apparent disparity between these documents and the answers given at the hearing, the Committee decided to take further evidence from the Department and UK Sport. On the question of its funding agreement with the Department, UK Sport said that the word 'target' had been misused. While it had a longer term goal to lead the United Kingdom to become one of the world's top five sporting nations, it had no confirmed target. The Department regretted the way language had been used and agreed that various published documents had confused long term aims and specific, measurable, agreed and resourced targets.²⁹

26. On UK Sport's funding submission to Ministers, the witnesses acknowledged that the submission had included a range of funding scenarios and associated targets, and that this had not been made fully clear at the earlier hearing. The witnesses confirmed, however, that no firm target for 2012 had been set.³⁰

25 C&AG's Report, paras 4.37–4.39; Qq 122–126

26 Qq 83–91, 95

27 *A sporting chance for 2012 – options for the Chancellor's Pre-Budget Report*

28 Ev 22–23

29 Qq 155–156, 167–169

30 Qq 153–155, 176, 179

27. Subsequent to the Committee's hearings, the Government announced in the Budget 2006 a total funding package of £600 million for the years leading to the Games in London in 2012. In addition to £300 million already committed from the National Lottery, the Government is to provide funding of £200 million, and the Department and UK Sport are to bring forward proposals in the Pre-Budget Report later in 2006 to lever in £100 million of sponsorship.³¹

Formal minutes

Monday 19 June 2006

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Greg Clark

Helen Goodman

A draft Report (UK Sport: Supporting elite athletes), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 27 read and agreed to.

Summary read and agreed to.

Conclusions and recommendations read and agreed to.

Resolved, That the Report be the Fifty-fourth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned until Wednesday 21 June at 3.30 pm.]

Witnesses

Monday 6 February 2006

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Dame Sue Street DCB, Department for Culture, Media and Sport, **Liz Nicholl MBE**, and **Mr Peter Keen OBE**, UK Sport

Ev 1

Monday 6 March 2006

Dame Sue Street DCB, Department for Culture, Media and Sport, and **Liz Nicholl MBE**, UK Sport

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List of written evidence

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Exchange of correspondence between the Chairman of the Committee and Dame Sue Street DCB, Permanent Secretary, Department for Culture, Media and Sport

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Fourth Report	Fraud and error in benefit expenditure	HC 411 (<i>Cm 6728</i>)
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Nineteenth Report	Department of Health: Tackling cancer: improving the patient journey	HC 790 (<i>Cm 6766</i>)
Twentieth Report	The NHS Cancer Plan: a progress report	HC 791 (<i>Cm 6766</i>)
Twenty-first Report	Skills for Life: Improving adult literacy and numeracy	HC 792 (<i>Cm 6766</i>)
Twenty-second Report	Maintaining and improving Britain's railway stations	HC 535 (<i>Cm 6775</i>)
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Twenty-fourth Report	The BBC's White City 2 development	HC 652
Twenty-fifth Report	Securing strategic leadership in the learning and skills sector	HC 602 (<i>Cm 6775</i>)
Twenty-sixth Report	Assessing and reporting military readiness	HC 667 (<i>Cm 6775</i>)
Twenty-seventh Report	Lost in translation? Responding to the challenges of European law	HC 590 (<i>Cm 6775</i>)
Twenty-eighth Report	Extending access to learning through technology: Ufi and the learndirect service	HC 706 (<i>Cm 6775</i>)
Twenty-ninth Report	Excess Votes 2004–05	HC 916 (<i>N/A</i>)

Thirtieth Report	Excess Votes (Northern Ireland) 2004–05	HC 917 (N/A)
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Oral evidence

Taken before the Committee of Public Accounts

on Monday 6 February 2006

Members present:

Mr Edward Leigh, in the Chairman

Mr Richard Bacon
Greg Clark
Mr Sadiq Khan

Mr Austin Mitchell
Mr Alan Williams

Sir John Bourn KCB, Comptroller and Auditor General, National Audit Office, was in attendance.

Mr Marius Gallaher, Alternate Treasury Officer of Accounts, HM Treasury, was in attendance.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

UK SPORT: SUPPORTING ELITE ATHLETES (HC 182)

Witnesses: **Dame Sue Street DCB**, Permanent Secretary, Department for Culture, Media and Sport, **Liz Nicholl MBE**, Director of Performance and Acting Accounting Officer, UK Sport and **Mr Peter Keen OBE**, Performance Adviser, UK Sport, gave evidence.

Q1 Chairman: Good afternoon, welcome to the Committee of Public Accounts where today we are looking at *UK Sport: Supporting elite athletes*. We are joined by witnesses from the Department for Culture, Media and Sport, Dame Sue Street, who is the Permanent Secretary, and, from UK Sport, Ms Liz Nicholl, who is Director of Performance and Acting Accounting Officer and Mr Peter Keen, who is a Performance Adviser. Ms Nicholl, what is your target for the Winter Olympics in terms of medals?

Ms Nicholl: For the Winter Olympics we are targeting between two and three medals. We are funding five disciplines in the Winter Olympics. Our targeting is always based on medal potential and we should expect about 50% of those, hopefully, to come in.

Q2 Chairman: And which disciplines are they?

Ms Nicholl: The disciplines are curling, women's bobsleigh, bob skeleton, skiing and one more—speed skating.

Q3 Chairman: Nothing in alpine sports then?

Ms Nicholl: We are not doing biathlon but we are funding skiing.

Q4 Chairman: But you are not planning to win anything.

Ms Nicholl: We are funding 14 athletes across those sports. Our best medal prospects are actually in curling, either men's or women's, and in women's bobsleigh, because women's bobsleigh are currently silver medallists at world championship level.

Q5 Chairman: Just to go back to our performance in recent Olympics, could you please look at paragraph 4.24 on page 37? Could you tell us what action you now expect from athletics in the light of its disappointing performances in recent years?

Ms Nicholl: In terms of athletics, we have worked closely with athletics over the last 12 months. In particular, there is a new performance director now in the lead role in athletics who started last March. We required a new performance plan from athletics for the period between now and Beijing. That performance plan has been received. It has been reviewed by partners in the performance environment and accepted and is now being rolled out. There is a challenge in terms of change in athletics as well, because they are reviewing athletics in the UK. There is a new England Athletics; there is a new chief executive of England Athletics; there is a new disability manager in athletics, a whole host of changes over the last 12 months. Fifteen per cent of the medals available in the Games are in athletics; we absolutely need this sport to perform.

Q6 Chairman: You had a target of seven at Athens, did you not, and you only won four and two of those four were won by one person?

Ms Nicholl: Which is why the change has been implemented since.

Q7 Chairman: Are you going to cut funding for sports which won no medals at all at Athens?

Ms Nicholl: We already have reduced funding for sports which had no medals at all in Athens. There was a group of them.

Q8 Chairman: Six Olympic sports and four Paralympic sports won no medals, is that right?

Ms Nicholl: Yes.

Q9 Chairman: Remind me which they were?

Ms Nicholl: Judo, triathlon and gymnastics won no medals. Taekwondo, weight lifting and shooting won no medals on the Olympic side. Judo, triathlon and gymnastics have had funding reductions and reductions in the number of athletes who are funded.

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Taekwondo, weight-lifting and shooting have had funding at a similar level but, again, reductions in the number of athletes who are funded. All sports which under-performed in Athens have felt that through the funding investment decisions for Beijing.

Q10 Chairman: Do you think it is a good idea to support athletes who are outside the top 10 in the world?

Ms Nicholl: Our focus is on supporting athletes who have the potential to bridge the gap to the podium within a four-year cycle. They may be outside the top 10 in the world now, but if within four years they can bridge the gap and there is performance evidence to show that, then we shall fund those athletes.

Q11 Chairman: If we look at figure 10 on page 23, we see that some countries give performance bonuses to athletes. I am not suggesting that I am necessarily in favour of that, but have you considered it?

Ms Nicholl: Yes, we have considered it, and in fact we think there is a place for performance bonuses. However, within the limited budget that we have available we feel that that priority for us has to be to support athletes to get within sight of the podium as opposed to rewarding them when they get there. Our current athlete personal award scheme has a balance of an increased amount when they are performing better, so there is an incentive there within the current athlete personal award scheme. A bonus scheme should be just that, a bonus. We think it would best be supported through the commercial sector as opposed to public funding and we have actually talked to the BOA about talking a lead in this respect.

Q12 Chairman: Can we look please at paragraphs 3.13 and 3.14 on page 30? This is looking at the major championships leading up to the Olympics. Why did you overstate your performance against target by including in your results medals won in events not taken into account in setting the target? Is this like comparing apples and pears?

Ms Nicholl: We accept the criticism of the NAO Report and we apologise for the error. This is not normal practice and this has not happened since this Report was published. What happened here was that we had targets that were collated in one part of the organisation, the performance directorate. At that particular point, we also had results collated from a research function. So both sets of figures were correct, but put together, they presented an incorrect picture and that we have corrected now in terms of procedures internally and full accountability and responsibility lies within the performance directorate.

Q13 Chairman: Dame Sue, may I ask you one question please? If you look at paragraphs 3.12 to 3.14 on pages 29 and 30, you will see there is some doubt about whether UK Sport reports its performance fully and accurately. Why have you not ensured that they do so?

Dame Sue Street: I also apologise to the Committee. This was an error. It was exactly as the NAO says, that medals won in events not covered by the targets were wrongly included. We have a much fiercer regime now. We meet quarterly and we have ensured that all the data is collected in one place, is presented and is tabulated exactly according to the targets.

Q14 Chairman: Just one last question, which perhaps Dame Sue you may want to answer on behalf of the taxpayer or the lottery player. We are going to be spending £97 million on supporting elite athletes at Beijing, is that figure right?

Dame Sue Street: Yes.

Ms Nicholl: Yes, it is.

Q15 Chairman: Are you aware of the Olympic ideal, the words of Baron de Coubertin? What is it? It is not winning, but taking part. Why are we concentrating resources on a few elite athletes? Why not just help sport generally? It is not winning, but taking part, surely.

Dame Sue Street: There is certainly one view about public money, which is that you should invest with the best chance of success. What this money does is enable those with the best chance of success to take part with the best chance of winning and, indeed, that is the main tenor of this Report, that UK Sport needs to make some tough decisions in order to look at where the money is best invested. I completely agree with those who say, including this report, that medals are not the only yardstick and we have to look at the potential. UK Sport now has responsibility for talented athletes eight years away from the podium, so that gives a longer view of those who should be taking part. In the end, of course you have to make public money work for public value and part of that is definitely the medals and that is what we feel is in the public interest.

Q16 Chairman: May I put the same question to you Ms Nicholl? The country which historically spent most of its budget on trying to win medals was East Germany where the quality of life for most citizens was absolutely dire. What is in winning medals for the general public apart from prestige? Why are we not spending more of this money on local swimming pools, for instance?

Ms Nicholl: I would say that between five and nine million people watched Kelly Holmes win a gold medal and Steve Redgrave win a medal and why was there such a fantastic impact when we won the Ashes and the Rugby World Cup? It really does have a huge impact on people in this country in motivating them to participate in sport and compete in sport. That is why we do it. We like winners and that is what we are investing in and success comes at a price.

Chairman: I thought you might say that, but I thought it was worth asking anyway.

Q17 Mr Khan: It could be argued presumably that Kelly Holmes inspired more people than Eddie the Eagle. May I ask, in that context, why boxing is not listed here as one of those sports which gets funding?

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Ms Nicholl: Boxing was funded, in that period, by Sport England. Boxing predominantly competes at a home country level and there was an arrangement across the sports councils that if a sport predominantly competed at home country level, then the funding responsibility should remain at home country level. From 1 April this year, we shall take on the responsibility for boxing as well in the preparation for Beijing and 2012.

Q18 Mr Khan: The Beijing cycle is included.

Ms Nicholl: Yes.

Q19 Mr Khan: The NAO Report talks about how other countries are funded, including Australia, which, as you aware, is extremely successful when it comes to winning medals. For example, have we looked at how the Australian Institute of Sport works in Canberra and whether there are models to be replicated here in the UK?

Ms Nicholl: Yes, we are very close to the Australians. Several Australians who have had leading positions in the Australian Institute network are now actually working in the UK. So we have first-hand evidence of what has worked out there, but, more importantly, we are also learning from what has not worked in Australia.

Q20 Mr Khan: Which leads me on to swimming. Why was swimming allowed to get away without setting any medal targets, given that this was a condition of funding originally for other sports and swimming as well?

Ms Nicholl: You will be aware that we came back with no medals in swimming from Sydney and Bill Sweetenham was appointed as a new performance director and he arrived back in this country with the team straight after the Games. At that stage it would have been impossible for him to predict four years on the medal potential of a squad that he had not worked with. He presented a rationale to us which proved that the medallists in swimming come from those who are within the top 10 world ranked swimmers the year prior to the Games. Presented with that performance related evidence, we accepted that evidence and we set annual targets with Bill Sweetenham linked to the world rankings, with an agreement that early in 2004, prior to the Games, we should translate those world rankings into medal targets and we did that. Early in 2004 there was a medal target of two medals for the Games in Athens.

Q21 Mr Khan: Is swimming the only exception to the normal rule?

Ms Nicholl: Yes. That was an exception because of the particular circumstances. If the same circumstance happened in another sport, in another Olympiad, we might take the same approach.

Q22 Mr Khan: Are you not pursuing a vicious circle? Are some sports not going to be the victim of the successes of their predecessors, because they will be funded based upon previous results, whilst other sports will be the victims of past failures, because obviously you are not taking account of progress

made or increasing performance? Take judo as an example. Winston Gordon went to the same school as I did and came from Tooting. He came fourth in Athens, but did not get a medal, so presumably his sport suffers because he came fourth and we all know the fine line between coming fourth and coming third; it is one slip or one throw.

Ms Nicholl: I wonder whether I might pass this question to Peter Keen, because Peter has developed our investment strategy which actually looks at the whole pathway and he can explain how we manage that situation.

Mr Keen: The question you raise is exactly the right one. What we strive to do in the formula that we have adopted is to balance exactly those two points of extremes, looking not just at what has been achieved historically, even if it was very recently, and looking at what can be achieved in the context of this part of the discussion in four years' time. It is a delicate balancing act. What we first look for is whether those athletes who are already successful are likely to remain and continue to be successful, whether the athletes finishing in the top eight in individual events are likely to remain and develop; indeed what the cohort of athletes is coming through in any sport in terms of the development level immediately below what we would call world class, just outside of the top ten. In each of the awards we now make to the governing bodies, we are looking to get that balance right between rewarding success, which is key to their psychological approach, but also recognising that development is necessary and looking to see where the future may lie in terms of the individuals within the programme and, equally importantly, the programme itself, how it is structured, how it is actually developing systematically the performance coming through.

Q23 Mr Khan: When you give out the support, is any reflection given of gender breakdown? For example, if I were to ask which elite athletes you supported, what would be the breakdown between male and female athletes?

Ms Nicholl: I shall not be absolutely spot on, but it is about late forties early fifties, slightly more men than women. We do actually monitor the gender breakdown annually.

Q24 Mr Khan: The reason for the monitoring is?

Ms Nicholl: As part of our equity strategy to make sure that, in fact, if we see some differentials which seem very abnormal, then we can investigate those and address any barriers which may be preventing the right balance.

Q25 Mr Khan: Is that also done by ethnicity?

Ms Nicholl: We are starting to do that. Until recently, we did not have the information which allowed us to do that, but we are setting systems in place to enable us to do that.

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Q26 Mr Khan: What would you say the main lessons are that you learned from Athens?

Ms Nicholl: You have to look at the successful sports and then the sports which failed. Why did the sports which succeeded, succeed? Predominantly, you can look at a sport like sailing, and it is bit like the Clive Woodward comment: the meticulous attention to detailed planning and implementation is absolutely what ensured that our sailing squad were still top of the sailing medal table; the no-compromise mentality which is in the cycling squad certainly was a key factor in their success; the world-class coaches who are supporting our athletes now. We are creating a system here where the very best coaches in the world want to come and be part of the UK system. We are creating a system in which coaches in the UK want to be the next world-class coaches of the future from the UK. In terms of where we could have done better, there were some examples of poor health management of athletes, there were simple issues which need to be resolved, some technical clothing issues in one or two sports that actually made the difference between a medal opportunity and not.

Q27 Mr Khan: Do you think if UK Sport were directly involved in amateur boxing, we could have had more than two boxers competing in Athens, and rather than a silver, we could have had a gold?

Ms Nicholl: I should like to hope so, but we are yet unproven in terms of our support for boxing and, as at April, we take over the responsibility for that relationship.

Q28 Mr Khan: What is your target for boxing? Is it more than two boxers taking part?

Ms Nicholl: Because we take on the responsibility for boxing on 1 April, we have not yet had those detailed discussions about targets for Beijing.

Q29 Mr Khan: One of the criteria that Australia have for sports to be eligible for funding is that it must meet a range of criteria covering areas such as competitiveness, public interest and international profile. May I ask whether you take into account the significance of a sport to the public when it comes to giving funding?

Ms Nicholl: We do conduct public interest surveys; so we do take note of the public's perspective. I have to say, in terms of our investment in performance sport, that we are driven by the high level target and any sport which can contribute to the high level target is important to us. It is a factor we are aware of, but it is not a key factor in terms of our decision-making.

Q30 Mr Khan: Is the global sum of money you have been given £97 million?

Ms Nicholl: Yes

Q31 Mr Khan: Obviously you will say you want more, but is that sum adequate for the athletes?

Ms Nicholl: It is adequate to support the target that we have set for Beijing.

Q32 Mr Bacon: May I start by asking about the *UK Sport Annual Review 2005*, which has on page four a photograph of a skier? Do you know who the skier is? Is it a British skier, or is it just a model?

Ms Nicholl: I personally do not know who the skier is.¹

Q33 Mr Bacon: Is it possible you could find out and write to us? I should like to know whether that is a British skier, because you are putting more into cycling than you are into the entire Winter Olympic effort, are you not?

Ms Nicholl: Yes, we are, because our approach to funding on the Winter Olympic side is the same as the Summer Olympic side: we shall support any athlete who has the potential to medal. We have limited medal opportunities and prospects in winter sports, so that is why we are funding 14 athletes compared with the 320 on the Summer Olympic side.

Q34 Mr Bacon: I understand that you are trying to focus on success, but it is an interesting reflection that one sport in the Summer Olympics, which is cycling, is getting more than our entire Winter Olympic effort. I should just like to know in passing whether that is in fact a British skier in your photograph.

Ms Nicholl: I shall certainly find that out for you.

Q35 Mr Bacon: May I ask you generally about funding for other countries and for you? In Mr Khan's last question, he was asking whether this is enough. It struck me that £68.1 million for the Summer Olympics over an entire four-year cycle, which is £17 million a year, is really not a lot of money.

Ms Nicholl: It is tight.

Q36 Mr Bacon: What I should be interested to know is whether it is correct to suppose that if you had significantly more money, let us say for the sake of argument double or quadruple, we should get markedly different results in terms of performance, in terms of medals in international competitions?

Mr Keen: Probably the easiest way to come at that question is to explain where we are now in our investment approach, which has moved on a lot from when this Report was written and indeed reflects a lot of the advice in the Report. We have essentially turned the question around and asked what it really costs to be very successful on an athlete-by-athlete and on a sport-by-sport basis.

Q37 Mr Bacon: I should appreciate it if you would answer the question the way I have asked it, because I do not have a lot of time. It mentions in the Report the difficulty of attributing success and it is striking, if you look at the chart, we are now slightly ahead of where we were in Athens compared with Seoul, but in the Seoul Olympics in 1988 we were doing quite well and then we had this terrible dip, but the World Class Performance Programme was not in place in

¹ *Note by witness:* The skier shown is Chemmy Alcott, a British athlete funded by UK Sport who competed in the 2006 Winter Olympic Games in Turin.

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1988, was it? What was it then that caused us to do not quite as well in 1988 as we did in Athens, if it was not the World Class Performance Programme and all this extra money?

Ms Nicholl: I shall ask Peter to answer that one, because I know that he actually was involved at that time and will have much more of an insight into that.

Mr Keen: Indeed, it was my first Olympic Games as a team official. The world, in the Olympic sense, has moved on a lot since 1988. Some very significant events have happened from that period until now, not least the initial dissolution of the Soviet bloc and then its re-emergence as many competitive nations on a sport-specific basis. Seoul was probably the final Olympics in terms of what you might call the non-professional dominance of most of those Olympic sports. What we have now seen is many more nations being ambitious in this arena, indeed being very selective in their focus and in their investment, so the whole level of competition has changed, as has the focus of many nations. What we saw in 1996 was probably a more realistic reflection of where we naturally have settled as a nation, because if you go back, certainly pre the two boycotted Olympics of 1980 and 1984, to the previous four Olympics, around 15 to 18 medals was where we naturally seemed to be.

Q38 Mr Bacon: Right; and going back to my question?

Mr Keen: In short, our approach is really to consider the cost of delivering athletes in a well-organised effective governing body programme of excellence. Once we know that, we then, with the budget we have, shall set the goals accordingly. Would more money make a difference? We are absolutely confident it would, if it were targeted at the right systems and processes and indeed athletes of the capability necessary to bridge the gap.

Q39 Mr Bacon: On page 12, it refers to the £68.1 million for the Summer Olympics. On page 15, paragraph 2.2, it says that £60.6 million of the £83.5 million "... was awarded to national governing bodies to provide a package of support services to their elite athletes". Did most of the rest go on administration? There is a £7.5 million difference between that £60.6 million and the money that went to the governing bodies.

Ms Nicholl: No. The personal awards are additional to the money which goes to the governing bodies for their World Class Performance Programmes.

Q40 Mr Bacon: Let me re-phrase the question: 72.5% of the £83.5 million went to national governing bodies. What did the rest go on, the 27.5%?

Ms Nicholl: In our investment in Summer Olympic sports, for example, we have money going directly to the governing bodies, which is their World Class Performance Programme funding and then we have money going directly to the athlete, which is the athlete personal awards. The same on the

Paralympic side. The average budget for athlete personal awards was about £5 or £6 million a year. There are administration costs, of course.

Q41 Mr Bacon: I saw a figure of £6.2 million in a recent NAO update. Is that accurate?

Ms Nicholl: That is the figure for the cycle.

Q42 Mr Bacon: That is for UK Sport as a whole, for the cycle? So that is four years' worth of administration costs?

Ms Nicholl: On the lottery side of it, on the World Class Performance Programme side of our work, yes.

Q43 Mr Bacon: So it does not sound quite as bad, if it is four years' worth.

Ms Nicholl: Yes, it is for four years.

Q44 Mr Bacon: Is it possible you could write to the Committee with a note about the breakdown of those administration costs and the number of people employed by UK Sport and the things that they do and how much they cost?

Ms Nicholl: Yes, absolutely; not a problem.²

Q45 Mr Bacon: That would be very kind of you. Is it possible we could have some information? I know this is not strictly your responsibility, but what I am interested in is getting some feeling for what other countries are doing in terms of their expenditure. If you take the 2004 Athens Olympics and you rank them by the numbers of medals won, the United States comes top, Russia is second, China is third and so on, but if you rank them by the number of people per medal, Australia comes top by a long way. Mr Khan referred earlier to Australia's performance: they got 49 medals in the 2004 Olympics. They have a population of 20 million people, which works out at just over 400,000 people per medal. Most of the other big countries like Germany and Italy, France as well, are on 1.7, 1.8 million people per medal. We are on just over two million people per medal. Australia, a large country with 20 million people does five times better.

Ms Nicholl: Yes, they are punching above their weight and that is because of the investment in elite sport over a considerable period of time through a very systematic approach to institutes.

Q46 Mr Bacon: What I am trying to do is to compare this £83 million, or this £68 million, with what is spent in Australia, with what is spent in the United States, with what is spent in other countries.

Ms Nicholl: We have tried to do some international comparisons. We are working closely with our European counterparts to put together some real comparators from a research perspective. The difficulty internationally is that you are rarely comparing like with like.

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Q47 Mr Bacon: I knew you were going to say that because in the United States, of course, famously there is college sport and so on. It does not mean you cannot do it, it means you have to strip it out, work it out differently, but it would be very helpful to know. What are your best estimates?

Dame Sue Street: May I assist a bit on Europe where we have done some work and we are pitched where this Committee might want us, which is not over-spending and quite well ranked relative to our spend. Italy, which is above us, spends about 46% of its total expenditure on elite sport; of its expenditure on sport as a whole it spends about 46% on elite sport and it is above us and that is about €2.2 per head of the population. Others like the Netherlands, Canada and Belgium spend proportionately higher: 45%, 47% and 32% than we do.

Q48 Mr Bacon: I am more interested in the total quantum of money going into elite sport in these countries.

Dame Sue Street: Per head?

Q49 Mr Bacon: No, the total quantum going in in these countries. It is very easy to work out per head; you just go onto the internet and you look on the CIA world fact book and you find out how many people live in that country, as my researcher did in about 20 minutes this afternoon, which is why I have got this table. What I am interested in is if we are spending £68 million how much—

Dame Sue Street: Italy is spending €125 million.

Q50 Mr Bacon: On elite?

Dame Sue Street: On elite.

Q51 Mr Bacon: So it is double us.

Dame Sue Street: Euros.

Q52 Mr Bacon: So about £90 to £100 million sterling.

Dame Sue Street: Yes.

Q53 Mr Bacon: Significantly more than us. Germany, France?

Dame Sue Street: France, €196 million.

Q54 Mr Bacon: What is your best estimate for the United States?

Dame Sue Street: We do not have that.

Q55 Mr Bacon: Have you done no work on that? I know it is difficult but I should have thought that you, as the national body, would have thought about doing some work on this.

Ms Nicholl: It is tremendously difficult because the system in the United States does not actually—

Q56 Mr Bacon: There must be some guesstimate of the amount of the US GDP which goes into promoting elite sport. I cannot believe there is not.

Dame Sue Street: I do not have that available. If we can actually find some information on that subject, I am happy to provide it.

Mr Bacon: If either you or the NAO could, I should be very interested to see it. Thank you very much indeed.³

Q57 Chairman: Ms Nicholl, what is it about these Australians? Is it just down to money? I take it that however much they spent on culture, they would not do very well, or was that a racist remark?

Ms Nicholl: I could not possibly comment. They have a very effective institute network, a very well established institute network which has moved from a centralised vision of the Australian Institute of Sport to a decentralised model across each of the states and they have been in existence for some time, for nearly 25 years now of actual investment in a system compared with our system which only started in 1997. It is early days for us, but we are catching up. Australia is within our sights. If we keep up the momentum in terms of the development of the performance system here in the UK, we think we can actually overtake the Australians.

Q58 Greg Clark: Ms Nicholl, how many people work in UK Sport?

Ms Nicholl: We have between 80 and 85 members of staff.

Q59 Greg Clark: So it is not a huge organisation.

Ms Nicholl: No, it is very small.

Q60 Greg Clark: I was surprised by an answer you gave to the Chairman earlier when you were explaining the misleading figures. You said that one part of the organisation was not talking to the other; the performance directorate was not talking to the other. In an organisation of 80 people, that seems a bit surprising.

Ms Nicholl: It was not that we were not talking to each other, it was the fact that a responsibility for providing figures rested in two different directorates for two different parts of the information.

Q61 Greg Clark: It sounds like the same to me. We see organisations of huge sizes before this Committee. Never in an organisation of 80 people have we had a suggestion that the systems are so complex that one directorate does not talk to another. That seems to indicate a worrying lack of grip I might say.

Ms Nicholl: I have acknowledged that in fact we accept the criticism of the NAO Report and I have apologised and indicated that systems are in place to ensure that will never ever happen again.

Q62 Greg Clark: Okay, but it is an insight into the way the organisation is run. In terms of the medals position, this business of having targets for medals, if we just look at page 26 and table 11, what we see in that table is that the medals' target was 39 for Athens and the actual number won was 28. That is correct, is it not?

³ *Note by witness:* This information is available in: Patrick Carter, *Review of National Sport Effort and Resources*, London, March 2005

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Ms Nicholl: Yes, 28 in Athens plus two in boxing and badminton; the 28 from sports funded by UK Sport.

Q63 Greg Clark: So that has missed the target.

Ms Nicholl: Yes.

Q64 Greg Clark: But actually, if we look at it sport by sport, there is obviously quite a bit of variation in the number of medals won for each sport and those targeted. My calculation is that of the 39 targeted, 18 did not deliver. So the implication is that it is not just missed to the tune of 28 versus 39, but about 50% wrong. The target was 50% unachieved. Just bonuses made it up.

Ms Nicholl: What we have to realise is that in performance sport targeting is incredibly difficult. Five gold medals were won in Athens by a total margin of 0.5 seconds. There are no guarantees in elite sport, which is why it is so exciting.

Q65 Greg Clark: This is precisely my concern: why should these targets be so central when they seem to be so underachieved? May I go to my next point? Were any of the 39 medals won, taking away the 18 which were unexpected, won by people you did not expect to win, who were not part of the original targets?

Ms Nicholl: All were athletes who were linked to the World Class Performance Programme; there were no surprises to us at the Games.

Q66 Greg Clark: So no one individual won a medal which was not part of the targets.

Ms Nicholl: No, they would all have been part of the targeting process.

Q67 Greg Clark: In that column the medal target numbers total 39. Did all of the people who won medals, in other words all of the 28, feature in that list totalling 39?

Ms Nicholl: Yes, but targets are not set against people, targets are set against sports. You do not have named individuals who are targeted; you have sports which target a total number of medals.

Q68 Greg Clark: They must be related to individuals. You were talking about Mr Sweetenham and saying you have to look the year before to see which of the athletes are in contention for that. You cannot possibly pluck a target of one for one and two for another without having individuals in mind.

Ms Nicholl: You do. In terms of the total number of medals targeted, we should never expect to actually deliver 100% of the medals that are targeted. In fact we should expect to deliver a maximum of 75% of the medals that are targeted. We should always expect to see a differential between total medals targeted and total medals achieved. In fact we should expect all the athletes who deliver medals to be part of the World Class Performance Programme.

Q69 Greg Clark: It seems pretty hit and miss when it gets to 50%. Has swimming now signed up to a medals target for Beijing?

Ms Nicholl: Yes, they have.

Q70 Greg Clark: How many is that?

Ms Nicholl: Three medals.

Q71 Greg Clark: The system Mr Sweetenham described is that you need to be closer to the actual Games to be able to set a target accurately. Why does that not apply to other sports? Why is swimming unique in that respect?

Ms Nicholl: This was linked to the fact we had a new performance director from a totally different country who had not worked with our squad or within the squad.

Q72 Greg Clark: The point I remember you making about swimming was that it was not possible within that sport to anticipate more than a year in advance. The point you raised was that people in the top flight could then be identified and not before that. It was not to do with his tenure in the job.

Ms Nicholl: Because we had not actually agreed a target at the beginning of the Olympic cycle and we had agreed to go down the route of targeting linked to the world ranking, then it was appropriate to leave that interpretation of world ranking until early 2004 to translate that into medal targets. We could have, if we had so chosen, looked at those world rankings two years out to see where it was leading us and what the medal target should now be.

Q73 Greg Clark: Is it not true to say that Mr Sweetenham is not convinced by this targeting process?

Ms Nicholl: He is convinced by the direct correlation between medallists and end-of-year world ranking. He is absolutely convinced by that and we have performance evidence to show that.

Q74 Greg Clark: Is he convinced about the accuracy of targeting in advance?

Ms Nicholl: What I have explained is that targeting cannot be entirely accurate.

Q75 Greg Clark: I am asking for Mr Sweetenham's view, as far as you understand it? Is he convinced by that?

Ms Nicholl: I do not know what Mr Sweetenham's specific view is.

Q76 Greg Clark: Are you sure? You have spoken to him surely.

Ms Nicholl: Most performance directors, if not all performance directors, would say that you cannot be absolutely specific with targets and you can never expect to deliver 100% of your targets.

Q77 Greg Clark: I get the impression that Mr Sweetenham thinks that this targeting system is not something that he would choose himself, shall we say, and he has been forced to go along with it. Is that true?

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Ms Nicholl: If that were the case, that is beyond—

Q78 Greg Clark: Is that the case? You have had conversations with him. His reputation is for speaking very frankly.

Ms Nicholl: Mr Sweetenham would probably prefer not to be drawn into agreeing a medal target, against which Mr Sweetenham's performance itself would be judged.

Q79 Greg Clark: Well that is significant, is it not? He was a man who was brought in because of his track record of success in Australia and he takes a dim view of the process that you are imposing.

Ms Nicholl: They have medal targets in Australia.

Q80 Greg Clark: On the question of targeting, the target for the Paralympics was to come top in Athens, was it not?

Ms Nicholl: Yes, it was.

Q81 Greg Clark: If we look at table two, page three, we see that the gulf between us and China, who actually did come top, is vast. They got 141 medals, we got 94. Again, that surely undermines the case for this targeting.

Ms Nicholl: In the Paralympic environment, it is even harder to target accurately because actually an awful lot of athletes come out of nowhere in the immediate period prior to the Games and can move, having had a traumatic accident two years out, from nowhere to being potential gold medallists.

Q82 Greg Clark: So it is very difficult, but you are going to persist in doing it.

Ms Nicholl: Very, very difficult on the Paralympic side.

Q83 Greg Clark: What is the medals target for London? Have we set that yet?

Ms Nicholl: We have actually looked at the plans for London and we have acknowledged that a home Games is an opportunity to do the very best.

Q84 Greg Clark: What is the target?

Ms Nicholl: We are unable to set a target at this point.

Q85 Greg Clark: You do not have a target.

Ms Nicholl: We are unable to set a target at this point because it is linked to resources and it is also linked to where we are post Beijing.

Q86 Greg Clark: But you have a target to be in the top five.

Ms Nicholl: We have a target, which was an aspirational target actually set in 2000, to be in the top five by 2012.

Q87 Greg Clark: It is paragraph one of the NAO Report. Presumably that is an extant target, we assume. That continues to be your target, does it?

Ms Nicholl: We shall review the target for 2012 when we know what resources are available to us.

Q88 Greg Clark: We seem to be having a lot of words here to answer very simple questions. Does your target continue to be to be in the top five in the Olympic Games in London?

Ms Nicholl: We aspire to be.

Q89 Greg Clark: Is it your target? Yes or no.

Ms Nicholl: The target for 2012 has not yet been set and cannot be set until we know the resources that we have available.

Q90 Greg Clark: Why then in the NAO Report, in paragraph one of the executive summary on page one, does it say the "... long term aim is for the United Kingdom to be one of the world's top five sporting nations by 2012, measured by athletes' performances"?

Ms Nicholl: The long-term aim is to move up towards the top five.

Q91 Greg Clark: By 2012?

Ms Nicholl: By 2012. That is a long-term aim; it is not a target. A target is specifically linked to what resources you have, how many medals you need to achieve, how many medallists you are supporting and whether this is a realistic target. You talked about realistic targets and we are aiming to make a realistic target decision when we know what the resources are to support that.

Q92 Greg Clark: But funding is linked to targets, is it not?

Ms Nicholl: Absolutely; that is what I am saying.

Q93 Greg Clark: So if you do not know what the targets are, do any of these sports know what funding they can depend on in the run-up to the London Olympics?

Ms Nicholl: No, they do not. None of the sports knows what funding they have beyond Beijing. UK Sport allocates four-year funding for full Olympic cycles and all the funding is in place until March 2009. Beyond that, we do not know yet what resources we have for 2012.

Q94 Greg Clark: So none of the Olympic sports, gearing up to an Olympics, very prominent here in London, six years hence knows what kind of financial resources they can expect for the long-term development of their athletes.

Ms Nicholl: They do not know what resources they have beyond Beijing.

Q95 Greg Clark: When will they find out?

Ms Nicholl: At the moment, we have made a submission to the DCMS, to ministers and to the Treasury for funding support for 2012 and this is now being considered by ministers.

Q96 Greg Clark: But when will it be announced?

Ms Nicholl: I am not in a position to answer that.

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Q97 Greg Clark: Dame Sue, it has gone to your Department, six years, clock ticking and there is no certainty or even knowledge of what they can expect.

Dame Sue Street: I should like to say a couple of things. Firstly, in Athens the overall place on the medal table target was achieved.

Q98 Greg Clark: I do not want to talk about Athens, just the funding for London 2012.

Dame Sue Street: I wanted to get that on the record.

Q99 Greg Clark: When can the Olympic sports expect to know their funding allocations?

Dame Sue Street: We know that at least £98 million will be devoted to the Beijing Olympics.

Q100 Greg Clark: When will the individual sports be given their funding allocations?

Dame Sue Street: My Secretary of State said last Monday to the House that we are in active negotiation with the Treasury.

Q101 Greg Clark: When is your best guess of when they will get to know this?

Dame Sue Street: I cannot guess that. That is a matter for ministers and it is in everybody's interest that we present the best possible case. It is very live at the moment.

Q102 Greg Clark: It is live, but we have a situation concerning the long-term development of elite athletes. We are six years away from the Olympics. Medal targets seem to be the way it is driven, yet you are unable to give them.

Dame Sue Street: The position is that there is certainty for Beijing and this is building the success in sports. You might want to ask Peter how this works on the ground. From the point of view of having certain money and a goal for 2008, that is very clear and at that point, we shall have to look at the chances for 2012 and make final decisions both on the medal target and the money.

Q103 Chairman: I cannot believe that you are being entirely open with us, because you may not have set targets as a term of art, but this is supposed to be the most prestigious event that has happened in years in this country. I cannot believe there have not been discussions at the highest level of what progress we are intending to make up to 2012, what your plans are. There must have been. Surely you can share it with us now. We are a Parliamentary Committee; we are supposed to have some accountability for £90 million of public money. Why can you not tell us about it? If there has not been any discussion about it, I am amazed.

Dame Sue Street: It is an absolutely proper concern of the Committee; it is a concern of mine as well and I am certainly keeping nothing from you. It was only last Monday, and I read you from the record, that my Secretary of State said "We are negotiating with the Treasury about the proper and appropriate amount of funding but we are determined to invest for the long-term future performance of athletes—in 2008, 2012 and 2016".

Q104 Mr Khan: Read the next sentence.

Dame Sue Street: I do not actually have it all with me.

Mr Khan: For the record it says "We shall not return to the Tory boom and bust—a bit of money now and none in the long term". Just for the sake of completeness.

Q105 Chairman: What is the answer then? Is that the answer?

Dame Sue Street: The answer is that it is extremely live, extremely active and it would not be sensible to put firm figures when we do not know what we can invest or indeed what our performance will be at Beijing.

Q106 Chairman: Speak in the round then. *This is Your Life*, so speak in the round. Do not talk about figures, but give us an idea of your plans, your thoughts.

Ms Nicholl: There is a direct relationship between the amount of resource which is available and our potential finishing position in 2012. That is the issue that we have and that is why we cannot actually set a target clearly until we know the resources available. Our aspiration for a home Games is what everybody would hope from London 2012: not only that we put on the very best Games ever, but that we have the most successful team ever.

Chairman: That is a very general aspiration.

Q107 Mr Mitchell: I guess I finish last in this race, so my salary will probably be docked. Just speaking as a fat slob, the whole business seems ridiculous. It is insane to set medal targets. You do not know who is going to come thumping out of the bush as an Australian sheep shearer's world star of this, that and the other. You do not know what is going to happen in other countries. You cannot possibly fix medals. You cannot prove any correlation between the amount of money pumped in and success or failure. They used to pump steroids in Eastern Europe and now we pump money into athletes. There is no correlation and I doubt whether you would even attempt to prove it. Government is always telling us on every other issue that you do not solve problems by throwing money at them. That does not work in this particular thing, so why are we doing it? Are we doing it just because everybody else is doing it?

Ms Nicholl: May I ask Peter to answer your point about targeting and how difficult it is and how unpredictable it is, because actually on the Olympic side it is fairly predictable? It is very unpredictable on the Paralympic side. On the Olympic side, the positions in world championships leading up to Olympics are a very, very good indicator of likely performances at the Olympic Games; a very, very good indicator.

Q108 Mr Mitchell: But a lot of money is spent and you do not know the form of other athletes in other countries until they actually hit you. These targets must be calculated on British calculations largely.

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Ms Nicholl: No, they are international calculations.

Mr Keen: The best way I can answer this for the Committee is to try to take us to the real-life situations we are talking about. As a former coach of a gold medallist and a performance director, to me the answers lie in the realities of how one develops and qualifies and ultimately wins medals at the Olympic Games. You certainly do know what your opponents are doing because you have to compete against them often over many years in the development pathway which leads you to the Games themselves. Simply to be at the Olympic Games requires you to qualify through world-class tournaments, usually world championships or world cups, so you have almost complete insight into what your opponents are, how they are developing and you have a lot of confidence therefore in setting individual goals for either individual athletes or indeed squads. Setting those goals is the absolute key to winning in sport. If you do not have that vision and that clarity about what you are trying to achieve, you cannot see the challenges in front of you. On an individual level goal setting is critical.

Q109 Mr Mitchell: All that is “rah-rah” stuff. We always say we are going to win—*Onward Christian Soldiers* and all the rest of it—but you cannot prove that putting in another few million quid will produce more medals. There is no correlation.

Mr Keen: What you can do is evidenced quite clearly; the actual bottom line cost of doing this thing. Travelling the world, the amount of training necessary, the amount of competitions you have to attend, those have, to be blunt, fixed costs which we either choose to engage in and then pay or not. Sport does not happen in a vacuum in that sense and in the way we have approached the investment we have made now and what it would take to improve our performance, when you look at those fundamental costs of the people to coach, which is paramount, the travel, the diet, the lifestyle necessary to be competitive in world sport, that has a cost and it has to be met if you are going to compete and win.

Q110 Mr Mitchell: The *Chariots of Fire* days are done and gone.

Mr Keen: They are over.

Q111 Mr Mitchell: Is every advanced country pumping in money like this?

Mr Keen: Absolutely.

Q112 Mr Mitchell: Okay, but none of them can say what value they get for it in terms of a return on medals.

Mr Keen: Value in terms of economics or emotions?

Q113 Mr Mitchell: In terms of winning. We cannot, they cannot, nobody can say it.

Dame Sue Street: It is not like putting your money in a building society with a fixed rate. In a sense that is the excitement of sport. It is very, very difficult to calculate exactly what the competition will be. That figure about people winning races by 100th of a second or five gold medals by half a second, you are right, there is no certainty, but there is certainly a certainty that without investment in the basics we should not have a hope of winning. Given that people do, in their millions in Britain, support elite sport, then there is a certain suggestion that citizens are very, very excited and keen on us winning medals.

Q114 Mr Mitchell: We had better start saying that it matters not who won or lost but how we paid the coach. If you are going to concentrate at this level on elite athletes, we are neglecting a major problem in British sport that we are a nation of fat, under-exercised slob, we are flogging off our sports fields, local authorities are closing down their swimming pools and all the facilities which should be building up a national body of strength and competitiveness in various sports are being cut off at the base.

Dame Sue Street: This whole thing has to be seen together. There are three blocks of policy: elite sport at the top; community sport and facilities; and school sport. There has understandably been huge concern about playing fields but the regulations are now much tighter. We create more playing fields than we lose and we have, at the last count, 44,000 playing fields. This may be small comfort, but in 2003–04 we lost 52 playing fields, but we gained 72. We have to make more gains than that. People are rightly outraged if they cannot find a place to swim, but swimming has been one of the biggest winners in lottery funding. Since 2004, not long ago, 131 pools have opened and 27 have closed. We do have big, big challenges to meet the school and community sports policy challenges. We want more facilities for more people, but having elite sport to excite people and inspire them at one end, which takes a very small proportion of the total spend, is at least one way of engaging people in sport.

Q115 Mr Mitchell: It could be left to private sponsorship, like celebrity culture. People are going to find excitement and support it. Yes, you are right. I see that 70% of the funding awarded on the programme goes to the national governing bodies and only 28% is spent on personal awards to athletes. Are you not just subsidising a bureaucracy there?

Ms Nicholl: No. Of the funding which goes to the governing body the value to the athlete is about £45,000 per head and we break that down by looking at what it goes towards. It funds the performance directorate, it funds the world-class coaches, it funds the sports scientists and sports medics, it funds the international competition costs, the international training costs, the national training costs, the national competition costs, it funds equipment for the athlete. Everything is targeted towards supporting the athlete.

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Dame Sue Street: There is quite a lot in table seven in the Report which brings it to life.

Q116 Mr Mitchell: The athletes are not taking up the support facilities provided by the national governing bodies as fully as they might.

Ms Nicholl: They are. In fact a survey by UK Sport indicated that 70% of athletes value the services they are receiving from the World Class Programmes. It is much more difficult in some sports for athletes to be locked into the system of service provision, sports like athletics, where individual athletes are not part of a centralised system. Then access really depends on whether their personal coach is engaged with the programme and the personal coach values the support in order to influence the athlete in accessing it. What we are finding on an annual basis is that the education of coaches in the system is improving, their understanding of the benefits of sport science and sport medicine provision and the athlete's understanding is increasing incredibly over time and we are expecting to see more and more take-up of services. Those services are now being monitored very carefully through the English Institute of Sport network in particular.

Q117 Mr Mitchell: But just talking about the awards to individual athletes, do you really know how they spend it?

Ms Nicholl: The awards to athletes are a contribution towards their living and sporting costs; a contribution. The contribution towards their living costs is used for living.

Q118 Mr Mitchell: Living at what standard?

Ms Nicholl: The awards we have just reviewed are personal awards because previous indicators were that they had not kept up with inflation. The highest level of award an athlete can now receive from 1 April will be £23,000 for an athlete who is a medallist at world or Olympic level. Then athletes who are in the top eight in the world receive 75% of that and athletes who are on the world-class programme within the limit available to their sport will receive 50% of the £23,000. It is a contribution towards their living costs. It enables them to train full time, if they need to do so for their sport.

Q119 Mr Mitchell: It is clear that coaching is the most valuable and most important element of support and I can see the importance of that. Why is so little weight accorded to sport science? I went round the New Zealand academy and they seemed to me to be doing some marvellous stuff on sport science. Unfortunately it had no relevance to this, but I should have thought that science had a major contribution to make both to individual performance and to methods of coaching.

Ms Nicholl: A tremendous contribution. In fact only this weekend I was at a conference for sport science and medicine providers for the Paralympic athletes, where the community of providers was actually getting together to learn from each other, to learn

how they could actually provide a better service to support the Paralympic athletes. I should like Peter to answer this because he is a sport scientist.

Mr Keen: To be honest, I do not recognise the tone of the Report in terms of the lack of take-up. In some of our most successful sports, particularly rowing, cycling and sailing, science and medical support are at the core of everything they do. Where the Report is helpful, and our changes are taking us, is to make certain that investment is in the systems and programmes which can deliver these processes to athletes rather than trying to support individual athletes on an individual basis. That does not enable the kind of scientific and medical support necessary to make the difference. There are some disparities, but they are being corrected. In many cases the level of scientific inquiry and application is of a very high standard and there is more to come.

Q120 Mr Khan: We can understand the reasons why the negotiations are taking place and the reasons for the lack of certainty at the moment, but may I take you once again to the Australian experience? It says in the Report on page 46 "In the early 1990s the Australian Institute of Sport targeted its resources on eight sports which were considered to have the greatest potential to win medals at the Sydney Olympic Games in 2000". They were not necessarily looking at the figures, but have we identified half a dozen or a dozen sports where we are likely to have the most success in 2012?

Ms Nicholl: We have three groups of sports: one is the sports which are multi-medallist and are achieving at a significant level. Our aim would be to support them to sustain their current level of medal delivery. So sailing, rowing, cycling may be able to push up one or two but our aim would be to make sure they sustain their current level at least in 2012. We have another group of sports which could do better and should do better: athletics, swimming, judo, shooting, multi-medallist sports. Our aim would be to work with them in terms of supporting them in their areas of weakness and making sure they have all the support to achieve their full potential. Then we have the small sports, where there is a small number of athletes with medal potential. We shall keep our Beijing investment strategy to 2012, so we are very well placed to know exactly how we shall allocate funding through to 2012 as soon as funding is received.

Q121 Mr Khan: Is that happening now?

Ms Nicholl: We have an investment strategy now which will be extended to 2012 as soon as resources are known; we know exactly how we shall apply that to 2012.

Q122 Mr Khan: It says in the Report that you are hoping to raise £4 million from sponsorship. How confident are you of being able to do that and do you have the necessary skills to do that?

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Ms Nicholl: That target was in our business plan in early 2005; our 2005-09 business plan. It was there because there was a gap in our resources which we required to be at the optimum level we felt we needed for Beijing. We had no other means of accessing that funding, so we set ourselves a target of seeking some commercial income to support that. In order to test the feasibility of that we actually had some work done to help us produce a sponsorship strategy. The advice from the result of that was that UK Sport is not in the best position to be the agency which manages sponsorship directly because the delivery of benefits to sponsors has to happen out there in the field of play, in the governing bodies, in the British Olympic Association, in the British Paralympic Association. There was also of an issue of us then being in competition with key partners in terms of delivery of success. We have now removed the £4 million requirement in our business plan. We have reprioritised our work in order to be able to not be dependent on it, so any sponsorship income is a bonus and we are now working with governing bodies to bring benefits in kind to their programmes.

Q123 Mr Khan: So your budget is £4 million smaller.
Ms Nicholl: The budget across the organisation is £4 million smaller.

Q124 Greg Clark: I am surprised at that answer. You have scrapped the £4 million target for sponsorship, but is it not the case that the Netherlands managed to raise nearly £20 million over the last cycle?
Ms Nicholl: Yes.

Q125 Greg Clark: As far as I can see the Netherlands did not come in the top 15 in the medals table.
Ms Nicholl: Yes.

Q126 Greg Clark: So why is it possible for them to raise five times as much as originally planned for us and we have to scrap it?
Ms Nicholl: The agency which is referred to as having raised that funding was also the National Olympic Committee for the Netherlands. They have a much broader remit than UK Sport has and the equivalent sponsorship income for the BOA in 2004 was £5 million with about £10 million income. It is entirely feasible that BOA can raise funds and it does. It is entirely feasible that the British Paralympic Association can raise sponsorship income and it does. It is entirely feasible that governing bodies can raise sponsorship income and they do. We are not actually comparing like with like.

Q127 Greg Clark: I must say that there is a thicket of bodies here. If the Netherlands can get into elite sports I wonder why we cannot. Earlier you were talking about your objective for 2012 and I am afraid I am none the wiser as to what the objective of UK Sport is for 2012. Could you take the opportunity just to state it very quickly and succinctly?

Ms Nicholl: Our objective for 2012 is to play our part in supporting delivery of a successful London Games but also the most successful Olympic and Paralympic Team GB ever. It is on that basis that we have made submissions through the DCMS to ministers for consideration for funding.

Q128 Greg Clark: So no part of your objective is a certain position in the medals table, a certain number of medals.

Ms Nicholl: Our approach to targeting is to identify the true cost of supporting a world-class athlete and how many athletes would need support. The target is resource dependent.

Q129 Greg Clark: I find it very bewildering.

Ms Nicholl: There are several targets. What I am saying is that we came tenth in Sydney; we are targeting moving towards the top eight in Beijing and we shall all aspire to do better than that in 2012. Is "better than that" seventh, sixth, fifth, fourth? Realistically we could not break into the top three in the world. We shall confirm our target when the resources are confirmed.

Q130 Greg Clark: It says in the Report, it says on your website, it says in your annual report for 2004 that your objective is to be number five in the world by 2012 and now you come here and say a lot of warm words but that crunchy bit has disappeared. It does strike me as emblematic of this hearing that you are an organisation which is run by targets, you allocate funding by targets, you impose targets on sometimes reluctant sports' governing bodies yet, when invited to have clear and crisp objective, aim, target, whatever you want to call it, for the most important set of Games in this country in 2012, you do not have one. It just seems to me rather inconsistent.

Ms Nicholl: May I explain the context of Beijing? If we had not had £98 million to invest in Olympic and Paralympic sport in the period leading up to Beijing we should not have been targeting what we are targeting for Beijing. It would be irresponsible to set a target for 2012 until we know the funding which is available.

Q131 Greg Clark: But you already did. You said you want to be number five in the world.

Ms Nicholl: Aspirations are moving towards the top five in the world. You are asking whether we have set a firm target for 2012 and the answer is no, it is absolutely resource dependent.

Q132 Mr Bacon: I was not going to ask this question, but in light of your last answer, can we take it that the recent speech by the Chancellor on 'Britishness' is going to be something you can use in your negotiations with the Treasury?

Ms Nicholl: Yes. If the Committee have any other suggestions, that would be very helpful.

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Dame Sue Street: It is fair to distinguish between a longer-term aim as described in the Report and a final set target. Most people would accept that is better developed when we have seen how we do in Beijing.

Q133 Mr Bacon: Of course, but nonetheless will you accept that people would expect the funding approach to be slightly different in quality perhaps as well as quantity because the Olympics are in London than if they had been taking place in 2012 in Paris or in Madrid. Is that fair?

Dame Sue Street: That is a matter for ministers.

Q134 Mr Bacon: It is a matter for ministers, but you would not be surprised that most people expected that.

Dame Sue Street: I should not be surprised at all.

Q135 Mr Bacon: It is correct, is it not, that UK Sport is responsible for drug testing?

Ms Nicholl: Yes, it is.

Q136 Mr Bacon: So you fund and prepare elite athletes and you are also responsible for running all the UK's drug testing.

Ms Nicholl: Yes.

Q137 Mr Bacon: In most other sectors, whether water or gas or electricity or financial services, this would be thought extremely odd, would it not, that the people doing the regulating and scrutineering are also the people doing the preparing and promoting. It would be like asking Barclays Bank—not that I have anything against that fine institution; they used to employ me—any major high street bank or building society to regulate itself rather than having the Financial Services Authority doing it, would it not? Why are you responsible for drug testing?

Ms Nicholl: This is a question which has been raised on a number of occasions. A number of independent reports have looked at this issue and each time they have concluded that there is no rationale for moving the anti-doping function out of UK Sport. UK Sport has a target for medals, yes, but we want to win medals and we want to win medals fairly. We are absolutely committed to anti-doping, absolutely committed. We are recognised by WADA as an example of good practice in athlete education and testing and we also recently, in order to allay the perceptions which are there of a potential for conflict, introduced an independent scrutiny committee which will scrutinise UK Sport's operation to ensure that there is absolutely no conflict between our two functions. The report of that scrutiny committee will be available publicly.

Q138 Mr Bacon: Is it correct that Michele Verroken is still UK Sport's head of drug-free sport?

Ms Nicholl: No, that is not correct.

Q139 Mr Bacon: Who is the head now?

Ms Nicholl: The director is John Scott.

Q140 Mr Bacon: I just noticed a BBC online article in December 2003 that reported that when the predecessor of the person for whom you are standing in, John Steele, left it was reported that person, Mr Richard Callicott, had often clashed with Michele Verroken, UK Sport's head of drug-free sport. What were those clashes about?

Ms Nicholl: I am afraid I cannot answer that question. I do not understand the relevance of the question. Perhaps you could explain what you are getting at.

Q141 Mr Bacon: It is obviously the case that questions have been raised on a number of occasions about the potential conflict of interest between, on the one hand, being the body which promotes and prepares athletes and funds then and, on the other hand, being the body which does drugs testing. It is also the case—I do not know what these clashes were about—that a short, four-paragraph article from the internet dated 17 December 2003 refers to the fact that Mr Steele's predecessor Mr Richard Callicott clashed with your head of drug-free sport.

Ms Nicholl: I can say that I was director of performance at the time, I was a colleague of Michele Verroken, I worked to Richard Callicott and I saw no evidence of a clash between the two individuals in my time in UK Sport.

Q142 Mr Bacon: Are you confident that there is no reason why we should expect drugs testing to be done in any fairer or better or more independent way if it were done by a separate body than if it were done by UK Sport and therefore there is no need for any change?

Ms Nicholl: Yes, I am absolutely confident; absolutely confident and so is WADA.

Q143 Mr Mitchell: Mr Keen, you put me right when I said it was daft to fix targets. You said that you did take into account the form of up and coming people or athletes in other countries. How do you do that? Is it like timed form for horse racing where you have comparisons of the latest form of all the people who will be competing? Is it an exercise which is as scientific as you can make it given human unpredictability, rather than by guess and by god?

Mr Keen: It will vary from sport to sport. Your observations are correct. People who succeed in coaching and performance management are almost obsessional about information. They commit their lives to understanding the events and looking around the world and seeing what makes the difference and who is coming through, who is hot and who is not. That is the backcloth to your judgment about how to prepare an athlete and how to set their goals accordingly and I perhaps have not explained it well. Knowing what is possible what you are up against and striving to achieve it is the psychology of winning. Without going into great

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detail, the level of complexity and professionalism now exhibited in most Olympic sports in this respect might surprise many of the Committee. It is a long-term, very serious and, as we would argue, very expensive business.

Q144 Mr Mitchell: We know as of now the performance of every swagman who emerges from the Australian bush in every field and we can chart it compared with our people.

Mr Keen: We can certainly chart our competitors.

Q145 Mr Mitchell: I mean in the next Olympics.

Mr Keen: With the possible exception of China, who are probably playing a slightly different game to the rest of the world. In response to one of the earlier questions about Paralympic predictability China clearly held back a whole raft of competitors in sports for the disabled prior to the Athens Olympics and that is a problem. It is much harder to do in a sport for the able-bodied because you have to qualify by right through tournaments; you have to present your best athletes.

Q146 Mr Mitchell: That is in the Paralympics though. Are there any similar surprises in the Olympics?

Mr Keen: If they are going to come, they will come from China. China is able to operate on a scale of preparation which nobody else in the world can predict with 100% accuracy. Other than the rate of change of development, you are still able to witness the performers coming through because they have to compete internationally to be able to qualify for the Olympic Games.

Mr Mitchell: That is interesting; thank you very much.

Q147 Chairman: Like Mr Mitchell, I am a bit dubious about this targeting and wonder whether it is possible and whether it is right. If you really wanted to get the maximum number of medals, why can you not just target a sport with fewer people taking part and pour resources into it, or is that unsporting?

Mr Keen: No, to be frank we have to be very pragmatic in this area of goal setting, if you look at the sports where we can be successful, either because we have been, we have a track record, we understand that process, or because we can see a gap in the market.

Q148 Chairman: Give us an idea of the gap in the market or would that be betraying state secrets?

Mr Keen: A very good example would be shooting. It is a sport where we have a track record in the past of being quite successful. The opposition is very significant at world level and many, many countries participate very successfully, but in truth we have taken a dip in the last two Olympic cycles. Not only should we get back to the level of what we could have expected in the past, maybe one or two medals consistently, but, given that there are 15 gold medal events there and our track record and our knowledge of performance culture from other sports which we

can bring into shooting, we should be looking to shooting to raise its game considerably and indeed are confident that it can do so. The only thing I should add is that there is a very clear need in shooting and some other sports for a performance culture change. I think shooting are aware of that and have acknowledged it.

Q149 Chairman: I know we spend a lot on sailing already, but we obviously have a natural advantage in sailing. Is that something you are going to target more?

Mr Keen: I should not say a natural advantage; there are other great sailing nations which compete such as France and many others. What we see in our Olympic sailing programmes is the most professional, the smartest, the best organised team in world sport in that sense. The fact that they are now winning nearly 50% of all the medals they can win in the whole Olympic arena says a lot about their consistency and their thoroughness of preparation. Perhaps what is most surprising about sailing is that it is very much a team phenomenon. When you spend time with them what you meet is a whole group of individuals who see the whole mission in a very, very similar way, despite the fact that there is no real need for sailors to train together. Given all the different classes and styles of boat they differ greatly but collectively sailing has this clear vision, they know what they want, they set very clear goals and they pursue them incredibly professionally.

Q150 Mr Bacon: You took this country from 13th to 1st in cycling over a period of years. How did you do it?

Mr Keen: Root and branch review. I came into a sport in 1997 which I coached to gold medal and world record standard as a personal, stand-alone, do-it-myself coach. I came into a sport with one and a half officials, a desk and a room and that was it. Lottery funding was available and we literally created an elite programme and mindset out of that. Whether it is a blueprint for other sports is difficult to say because every sport is subtly different. The key ingredients are, to be frank, a ruthless approach to excellence. It is not just about winning. It is about taking part, but it is about taking part in a mission to be the best, which is the bit missing from de Coubertin's quote. If you have a lot of people in national programmes who are just enjoying themselves and are there and like going abroad, you fail. If you get down to the few athletes and staff who really want to make a difference, you train them professionally and you resource them adequately.

Q151 Mr Bacon: Is your role now in essence to liaise with the performance advisers to each of the national governing bodies for each of the different sports and make sure that they understand what you have just said and what you did in cycling so they can deliver the same in each of their sports? Is that it?

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Mr Keen: Yes, it is a significant part of my brief.

Q152 Chairman: Thank you very much. It has been a very interesting hearing; rather different from our normal line of work so we found it very interesting. Ms Nicholl, you were planning to spend £1.7 million for each medal at the last Olympics and it cost £2.4 million so we hope you do better next time. May I thank both you and Mr Keen? You are both on a difficult wicket, but you have performed with great charm and commitment today and we are very grateful for your obvious enthusiasm.

Dame Sue Street: Chairman, would you mind if I boringly made one correction for the record? I said earlier, right at the beginning, that UK Sport has responsibility for the talent pathway now; I understand that is from 1 April. The other thing is to say that there should be no doubt about the complete commitment of the Government, of this Department, of UK Sport and everyone else to stage a magnificent Olympic Games in 2012.

Chairman: For the record, I must withdraw my unfortunate remark about Australian culture. The Clerk is relaying our apologies to Sir Les Paterson, the Minister for Culture. Thank you very much.

Monday 6 March 2006

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Greg Clark
Helen Goodman

Kitty Ussher
Mr Alan Williams

Sir John Bourn KCB, Comptroller and Auditor General, National Audit Office, was in attendance.

Mr Marius Gallaher, Alternate Treasury Officer of Accounts, HM Treasury, was in attendance.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

UK SPORT: SUPPORTING ELITE ATHLETES (HC 182)

Witnesses: **Dame Sue Street DCB**, Permanent Secretary, Department for Culture, Media and Sport and **Liz Nicholl MBE**, Director of Performance and Acting Accounting Officer, UK Sport, gave evidence.

Q153 Chairman: Good afternoon, welcome to the Committee of Public Accounts, where today we are taking the unusual step of summoning witnesses back because of some confusion about answers which were given about whether or not we have a target for the 2012 Olympic Games. Obviously there is quite a large degree of public interest in this matter. Ms Nicholl, why did you not make it clear when we were questioning you at the main hearing that ministers had not yet decided, that you were offering a range of targets, that this was advice to ministers and therefore you did not wish to comment? That is a defence civil servants often use, so why did you not use it? Why did you give us the impression that there was no target?

Ms Nicholl: I think we made it very clear that actually a submission to government which was under consideration by ministers included a range of targets which were directly linked to a funding request which had been put to accompany those targets.

Q154 Chairman: I do not recall you saying that it was advice to ministers. A number of questions were put to you and the clear implication of your answers was that there was no target. I understand that there is no target because ministers have not yet agreed it. You did not say that, did you?

Dame Sue Street: In answer to Question 95 Liz Nicholl said “. . . we have made a submission to the DCMS, to ministers and to the Treasury for funding support”. I entirely agree that did not set out all the scenarios, but it did clarify that that was the position.

Q155 Chairman: Ms Nicholl at the hearing you said “The target for 2012 has not yet been set” and in your letter to me, Dame Sue, you said “. . . an Olympic medal target for 2012 has not been agreed or set”. Yet UK Sport’s funding agreement for 2003–06 includes a target of fifth place in the Olympic medal table in 2012. That is right, is it not?

Dame Sue Street: I regret the way in which the language has been used and I completely understand the concerns, as indeed do ministers. The position is that no final target has been agreed or set. As the Secretary of State made clear since this hearing in her

letter of 16 February “The Government remains of the view that it is too early to set a precise medal target at this stage”. What we have done, and I apologise to the Committee for this, is to confuse in various documentation long-term aims, goals and specific, measurable, agreed, resourced targets. We shall in future publish a glossary which will make it absolutely plain what we mean by a target, but no firm target has been set for 2012.

Q156 Chairman: You did not mention this funding agreement when you were asked several questions on this and when you wrote to me, Dame Sue, why did you not set the record straight about this funding agreement? Again you did not mention it; it would have been an opportunity for you to say that you were sorry. It says in this document *Funding Agreement between the United Kingdom Sports Council and the Department for Culture Media and Sport*,¹ “2012 Summer Olympics . . . Team GB’s place in the medal table is measured by the number of gold medals—fifth”. You could have put that in your letter, could you not? That would have resolved some of the confusion.

Dame Sue Street: Paragraph three did attempt to set the record straight. We said that UK Sport’s 2003–06 funding agreement and the annual review showed that UK Sport’s long-term goal was to move towards fifth in the Olympic medal table. Of course the funding agreement was examined by the NAO and the confusion arises in a detailed table where the wrong word is used, for which I am sorry.

Q157 Chairman: Setting the record straight now: there is no target.

Dame Sue Street: The situation is exactly as I read onto the record earlier “The Government remains of the view that it is too early to set a precise medal target at this stage”.

Q158 Chairman: When do you expect to have a target?

¹ This document is available at: www.uk sport.gov.uk

 Department for Culture, Media and Sport and UK Sport

Dame Sue Street: We have said that the final target will not be set until after we have reviewed our performance at Beijing. Obviously UK Sport will look forward eagerly to knowing what resources they will have available to them in order to see what sort of position they are trying to go for, but the final target will not be set until after Beijing.

Q159 Chairman: Why have you backtracked from this target of fifth place which is in the funding agreement?

Dame Sue Street: I do not think anybody has backtracked.

Q160 Chairman: It was signed up between your Department and UK Sport, was it not? Is it a meaningless document therefore?

Dame Sue Street: It is certainly not meaningless, but the glossary in the next funding agreement will show that we have some lessons to learn. If anything the ambitions are higher than before. Depending on the resources, the ultimate goal for UK Sport is now fourth position, but they are not yet in a position to set—

Q161 Chairman: What is your target for the Beijing Olympics?

Ms Nicholl: To move towards the top eight in the medal table in Beijing.

Q162 Chairman: Just to sum up, how are you going to ensure that we get meaningful information in future in these hearings?

Dame Sue Street: We are revising the funding agreement which we are just about to sign and making sure that the NAO's comments are taken into account. We shall publish a glossary which will specify exactly what we mean as between an aim, a goal and a target and I shall obviously scrutinise these documents myself.

Q163 Chairman: You do understand that we were presented with rather inconsistent information which was difficult to understand.

Dame Sue Street: I agree that it was confusing and I regret that.

Q164 Greg Clark: Ms Nicholl, are you aware of the purpose of this Committee?

Ms Nicholl: I am aware of the purpose of the Committee in terms of it being accountable for public spending.

Q165 Greg Clark: Exactly. Your organisation already makes about £80 million a year of public spending and this is the one forum we have in which to hold you to account.

Ms Nicholl: Yes; I understand that.

Q166 Greg Clark: It is not a sport to see whether you can get through two hours without giving us the information we want. There is a serious purpose to this; this is a serious committee. According to Erskine May we can ask witnesses to give evidence on oath to this Committee, but if we were to do so, the oath

would require witnesses to tell the truth, the whole truth and nothing but the truth. It strikes me that here we have not necessarily had the whole truth. Would you agree with that?

Ms Nicholl: I am afraid I would not agree with that at all. I have reviewed my answers to the questions given at the last hearing and I stand by those answers, each and every one of them. I do understand why there has been confusion; I do understand that. I understand why I have been called back to clarify it. It is around the use of terminology, as Dame Sue described.

Q167 Greg Clark: Can we just explore that? I asked you whether you had a medals' target and you said no—Question 89 for the record. Ms Nicholl I asked you six times whether you had a target for 2012 and you said no. I have in front of me the report which the Chairman mentioned, the funding agreement relating to the period 2003–06. We are in that period of the funding agreement. It says very clearly “Targets . . . Summer Olympics GB's place in medal table 2012—fifth”. So you have in the current funding agreement between the DCMS and UK Sport a target, an extant target to be number five in the medals' table. So that cannot be the whole truth when you answered the question no, you did not have a target, can it? There may be another answer that you are looking to revise that, but the truth is that at the moment you do have a target and that is in your funding agreement.

Ms Nicholl: What Dame Sue has explained is the misuse of the word “target” in that respect. This funding agreement covers the period from 2003 to 2006. The terminology in point 2.4 of the funding agreement indicates that we have a longer-term goal for UK Sport to lead the UK to become one of the world's top five sporting nations. I was asked at the last hearing whether we had an aspirational target. Yes, we have an aspirational target to be in the top five in the world. That was placed in front of the Committee. I answered that question about whether we have a target for 2012 in the context of whether we have a set target, a confirmed target. We do not have a set target; we do not have a confirmed target, because that target has to be linked to resources available. It would be irresponsible for us to declare—

Q168 Greg Clark: I did not ask whether you had a firm target. This is the point. Going back to my original question on the purpose of this Committee, the public purse has spent quite a lot of money asking Sir John and his colleagues to conduct an investigation into UK Sport. They have produced a very good Report and we have one opportunity to inquire into it. So when asked a question about targets there are one or two routes you could take. You could have decided to be helpful to the Committee and explained that you may not have a confirmed target, but your funding agreement contains a target and you are hoping to revise it to go from fifth to fourth. Or you could have done what you chose to do which was to say flatly no six times to the question “Do you have a target?”. This leads me to fear that actually you were not being terribly

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helpful to the Committee in trying to understand this. Let me explain the context for this. The reason that this is relevant is that your whole funding regime for Olympic sport is about setting targets for particular sports and if a discipline does not have a target attached to it, it does not get any funding. Yet we have a situation in which UK Sport seems to be ducking and diving and trying to avoid committing to a public target itself. Is it not the case that for athletes who have lost their funding because they did not have a target it smacks of hypocrisy?

Ms Nicholl: I beg to disagree. It would be irresponsible for any coach to set a target without knowing that target is achievable. A target for 2012 is not achievable unless we have the appropriate resource to go with it. If we go back to the funding agreement, the funding agreement formally covers the period 2003-06. The actual table which is referred to is an extension of the period 2003-06, but in UK Sport's perspective, the period beyond 2006 was not a formal part of the funding agreement, it was a table which described our aspiration to move towards the top five in the world in 2012.

Q169 Greg Clark: It was an annex to the funding agreement entitled *Targets Towards Meeting Overall Goals for 2012*.

Ms Nicholl: It was incorrectly titled and that is the point we are making.

Q170 Greg Clark: If it was incorrectly titled, you could have shared that with the Committee and advised us, yet we have only discovered this after the event. We did not know about it at the time. You could have helped us with that. We have discovered from information which has come into the public domain subsequently that your aim is to increase the target from fifth, as it has been in the funding agreement, to fourth.

Ms Nicholl: Yes.

Q171 Greg Clark: I should like to understand the reason for not sharing this with us. You could have perfectly well told the Committee during the last hearing that actually you would like to increase it to fourth, but that depended on resources. I am not sure that Dame Sue needs to give advice on the answer to this question. You could have said that you were looking to get extra resources to increase it from fifth to fourth and that would have been helpful. May an I understand whether you have been part of any discussions or any talk that you wanted to save this announcement either for the Budget or some other announcement?

Ms Nicholl: Absolutely not.

Q172 Greg Clark: There is no suggestion that this was being held back in order to be presented in some flamboyant way later on.

Ms Nicholl: No.

Q173 Greg Clark: As far as you knew, at the time you gave evidence, you had participated in or knew of no discussion about when this would be announced.

Ms Nicholl: Absolutely and I do not know today when a decision might be announced which is why we are unable to say when we shall have a target for 2012 because it is inextricably linked to a funding decision which is in the hands of ministers.

Q174 Chairman: Why did you not say that at the time?

Ms Nicholl: I think I did say that at the time. If I did not, it was not my intention not to say it.

Q175 Kitty Ussher: Is it not the case that this document *A Sporting Chance for 2012*, which has proved so controversial is in effect part of an internal conversation between the Department and the various quangos which you sponsor? It presents options for your consideration as to how you should bid for resources to the Treasury. Is that correct?

Dame Sue Street: Yes, that is correct.

Q176 Kitty Ussher: Therefore the fact that several options are listed there—and I draw your attention and other members' to page six “Option One: . . . 4th in Olympics . . . 1st Paralympics . . . Option Two: . . . 4th Olympics . . . 1st Paralympics . . . EXCEPT football . . . Option Three: . . . 4th Olympics . . . 1 Paralympics’ and some qualifications to that “Option Four: . . . 6th in the Olympics . . . 2nd in Paralympics . . . Option Five: Stand Still . . . 8th in Olympics . . . 2nd in Paralympics” *et cetera*—proves that in fact there was no target at the point this document was written and they were merely options. Do you agree?

Dame Sue Street: Yes, I do. I hope in a way that we do not have to rely on that document for proof. We have always tried to assist the Committee in good faith. There is no firm agreed target, although I understand how the confusion has arisen. The chronology is exactly as you say. A funding submission came to the Department and we both regret the inconsistent use of language. We then engage and are still engaged in discussion with the Treasury and if you refer to my letter and to my evidence I sought to give you every clear signal that that was the position we were in. We were actively discussing with the Treasury something which matters to the Committee and to all of us, which is how much resource we can have and what then might be the interim target subject to review at the time of the Beijing Olympics.

Q177 Kitty Ussher: I should have thought that it was quite clear from reading this that the management of UK Sport would probably have liked you to adopt a target of fourth, but that was part of an internal conversation and it was not government policy. Is that correct?

Dame Sue Street: I think that is very helpful.

Q178 Kitty Ussher: This is pretty much a report to government, albeit from part of the public sector, rather than a report of government, of government policy. Is that correct?

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Dame Sue Street: That is correct.

Q179 Mr Bacon: I thought the exchange with Kitty Ussher was extremely helpful and it elucidated the position as we now all understand it. When the Chairman said “I cannot believe that you are being entirely open with us, because you may not have set targets as a term of art . . . I cannot believe there have not been discussions at the highest level of what progress we are intending to make up to 2012 . . . There must have been”. You replied “. . . I am certainly keeping nothing from you”. That is what struck me as so odd. Surely the correct answer should have been that of course there had been discussions at the highest level of the progress you were intending to make up to 2012, but unfortunately you were not yet in a position to share that with us because these were options which you had put up to ministers; they had not yet decided and until they had it was not set government policy in the way you have just explained with Kitty Ussher. That is the case, is it not? That would have been a more helpful reply.

Dame Sue Street: In retrospect, I certainly could have been more helpful, but I was not intending to keep anything from anybody. I was clear that Liz Nicholl had put the submission and the fact that it existed on the record and that I was explaining that we were in very active discussion about the amount of money in order to set a target.

Q180 Mr Bacon: There must be some people who are looking at this and wondering what on earth this rather *recherché* small point is all about, but actually, I do not know whether you heard Lord Butler of Brockwell, Robin Butler the former Cabinet Secretary, giving evidence to the Public Administration Committee the other day, but he was saying, as he would, would he not, now he is retired—and they all do when they have retired—that he thought the legislature was too supine and that the executive was too powerful? The reason I am glad you are back, and I hope next time you meet with your fellow Permanent Secretaries you tell them that you had to come back, is because I think Lord Butler of Brockwell is right and this legislature is too supine. It is important that officials do their best to help. We understand that there are limits, in circumstances like this where policy has not yet been set, to the extent to which one can help, but I get the distinct impression that what Mr Clark said is correct, that most officials look upon this Committee as something to get through for a couple of hours. I had dinner with a former Comptroller of the Audit Commission who used to be a very senior civil servant, a G2 official, who said he used to sit down for hours and—I must not put words into his mouth because I did not record them but he said something along the lines—think what lies they could tell to the PAC. I am not suggesting that is what you did, but you did say “I am certainly keeping nothing from you”. I think it is very important. I have often thought about why it is that this Committee has such a reputation for being so confrontational. I have new reason to think about

that because I recently got married and one of my wife’s favourite refrains if she is irritated is to say “Don’t treat me like I’m a witness at the PAC”. What I realised is that the reason why they become confrontational exchanges rather than more intelligent discussions, which are more illuminating, is when we get answers which are not answers to the questions we ask. It would be generally helpful if officials were able to delineate between where they can and cannot answer and where they cannot answer simply to say so and to say why. That would help promote a more intelligent and broad and useful discussion on all sides.

Dame Sue Street: I shall certainly reflect on everything you have said. I have appeared many times before this Committee. My fellow Accounting Officers will testify that I always say to them that we are there to assist the Committee and I do not think anyone is more thorough in preparation or indeed more sincere in saying that you have a job to do and I want to help you.

Mr Williams: May I just make one observation? Having read all the background, while there is no doubt that the evidence was somewhat misleading, in my own mind I am absolutely satisfied that there was no deliberate intent to mislead this Committee. That is all I want to say.

Q181 Greg Clark: I entirely accept that. Looking forward, there are two reasons that this is relevant. One is this business of setting a target yourselves when you are imposing them on others. The second is that the Olympic sports are getting rather concerned as to when they are going to have certainty about their funding. They still do not know and what you have said today does not hold out any concrete hope that there is a date by which they will know. In concluding may I just urge you to go as quickly as you can and to press your ministers to give them that certainty because if we are to do as well as we hope to in 2012 they need to know where they stand.

Dame Sue Street: I shall certainly report back to them.

Q182 Chairman: That has been a very useful hearing. We have tidied up some loose ends and we understand the situation much better now. Like Mr Williams, I am sure there was no deliberate intent to mislead, but the information given to us could have been fuller and we therefore could have understood it at an earlier stage. We do now fully understand the situation. This is not a *recherché* point as Mr Bacon said, because there is enormous public interest in this and these sports are entitled to know where they stand. I am sure you agree with that, do you not?

Dame Sue Street: Absolutely.

Q183 Chairman: I know it has been a busy day for you Dame Sue and I am very sorry we had to bring you back. We very rarely do it, but thank you very much for coming.

Dame Sue Street: Not at all; thank you very much.

Chairman: We now have another inquiry.

Memorandum submitted by the National Audit Office

Report by the Comptroller and Auditor General, *UK Sport: Supporting elite athletes* (HC 182 Session 2004-2005)

1. The Comptroller and Auditor General's Report "*UK Sport: Supporting elite athletes*" was published on 27 January 2005 and included data relating to Athens Olympic cycle, which ran from April 2001 to March 2005. The purpose of this note is to update key figures in the report by providing funding data for the Beijing Olympic cycle, which runs from April 2005 to March 2009.

2. In total during the Beijing Olympic cycle, UK Sport plans to award funding of £104.2 million under the World Class Performance Programme (see table below). This compares with £92.4 million awarded during the Athens Olympic cycle, as shown in *Figure 5 on page 12* of the Comptroller and Auditor General's Report.

THE COST OF THE WORLD CLASS PERFORMANCE PROGRAMME

<i>Recipient of funding</i>	<i>Athens Olympic cycle</i>		<i>Beijing Olympic cycle (budgeted)</i>	
	<i>£ million</i>	<i>% of awards</i>	<i>£ million</i>	<i>% of awards</i>
Summer Olympic sports	68.1	73.7	77.4	74.3
Summer Paralympic sports	15.4	16.7	20.5	19.7
Sub-total Summer Olympic and Paralympic sports	83.5	90.4	97.9	94.0
Winter Olympic sports	2.6	2.8	4.3	4.1
Non-Olympic or Paralympic sports	3.5	3.8	0	0
British Olympic Association and British Paralympic Association	2.8	3.0	2.0	1.9
Total World Class Performance Programme awards	92.4	100.0	104.2	100.0
UK Sport's administration costs	6.2		7.4	
Total cost of World Class Performance Programme	98.6		111.6	

NOTES

1. The figures shown for the Beijing Olympic cycle are budgeted amounts and may change during the course of the four-year cycle. The figures include estimates for expenditure on athlete personal awards, calculated by using an average personal award for a set number of athlete places.

2. Not all figures cast correctly due to rounding.

Source: *UK Sport*

3. The Comptroller and Auditor General's Report focused on the funding of £83.5 million awarded in support of Summer Olympic and Paralympic sports during the Athens Olympic cycle between April 2001 and March 2005. In the Beijing Olympic cycle, UK Sport plans to award £97.9 million to Summer Olympic and Paralympic Sports. Details of the funding for each individual sport are provided below, updating Appendix 1 on pages 41 and 42 of the Comptroller and Auditor General's Report.

WORLD CLASS PERFORMANCE PROGRAMME FUNDING AWARDS IN SUPPORT OF SUMMER OLYMPIC AND PARALYMPIC SPORTS

<i>Sport</i>	<i>Athens Olympic cycle: total funding by sport (funding to national governing body and individual athletes)</i>		<i>Beijing Olympic cycle: total funding by sport (funding to national governing body and individual athletes) (budgeted)</i>	
	<i>£000</i>	<i>%</i>	<i>£000</i>	<i>%</i>
Olympic sports				
Athletics	11,334	13.6	9,638	9.8
Rowing	10,607	12.7	11,505	11.8
Cycling	8,114	9.7	10,443	10.7
Sailing	7,178	8.6	9,789	10.0
Swimming	6,526	7.8	8,166	8.3
Canoeing	4,684	5.6	4,813	4.9
Gymnastics	4,183	5.0	2,251	2.3
Judo	3,488	4.2	2,179	2.2
Equestrian	3,223	3.9	5,540	5.7
Triathlon	2,623	3.1	2,008	2.1
Modern Pentathlon	2,045	2.4	2,261	2.3

<i>Sport</i>	<i>Athens Olympic cycle: total funding by sport (funding to national governing body and individual athletes)</i>		<i>Beijing Olympic cycle: total funding by sport (funding to national governing body and individual athletes) (budgeted)</i>	
	<i>£000</i>	<i>%</i>	<i>£000</i>	<i>%</i>
Shooting	1,484	1.8	1,436	1.5
Diving	1,421	1.7	2,623	2.7
Taekwondo	568	0.7	939	1.0
Archery	311	0.4	1,172	1.2
Badminton	291	0.3	480	0.5
Weightlifting	55	0.1	232	0.2
Fencing	—		924	0.9
Wrestling	—		459	0.5
Softball	—		513	0.5
Sub-total	68,137	81.6	77,371	79.0
Paralympic sports				
Swimming	4,509	5.4	5,269	5.4
Athletics	3,397	4.1	3,421	3.5
Wheelchair basketball	1,850	2.2	1,911	2.0
Equestrian	1,188	1.4	1,389	1.4
Judo	648	0.8	538	0.5
Archery	531	0.6	1,038	1.1
Wheelchair rugby	527	0.6	1,117	1.1
Cycling	516	0.6	1,326	1.4
Wheelchair tennis	473	0.6	568	0.6
Sailing	400	0.5	717	0.7
Table tennis	390	0.5	809	0.8
Powerlifting	357	0.4	625	0.6
Boccia	254	0.3	327	0.3
Shooting	248	0.3	526	0.5
Wheelchair fencing	125	0.1	327	0.3
Rowing	—		610	0.6
Sub-total	15,411	18.4	20,518	21.0
Total	83,547	100.0	97,889	100.0

NOTES

1. The figures shown for the Beijing Olympic cycle are budgeted amounts and may change during the course of the four-year cycle. The figures include estimates for expenditure on athlete personal awards, calculated by using an average personal award for a set number of athlete places.
2. Not all figures cast correctly due to rounding.

Source: UK Sport

Supplementary memorandum submitted by UK Sport

Question 44 (Mr Richard Bacon): *UK Sport administration costs for Athens olympic cycle (olympic and paralympic) 2001–05*

<i>Administrative Cost</i>	<i>Cycle (£)</i>	<i>Average Annual (£)</i>
Direct Staff Costs	1,170,659	292,665
Legal / Expert Advice	163,976	40,994
Governance & Compliance	379,115	94,779
General Administration (IT, room hire, postal etc)	222,210	55,552
Media & Marketing	664,487	166,122
Office Overheads (Incl % of salaries from other departments)	2,958,289	739,572
Corporate Costs (VAT, Depreciation etc)	648,126	162,031
TOTAL	6,206,862	1,551,715

**Exchange of correspondence between the Chairman of the, Committee and Dame Sue Street DCB,
Permanent Secretary, Department for Culture, Media and Sport**

Dear Dame Sue,

SUPPORT FOR ELITE ATHLETES: TARGETS FOR THE 2012 GAMES

At the Committee's hearing into *Support for elite athletes* on 6 February, we discussed the subject of medal table targets for the Great Britain team at the 2012 Olympics. In answer to questions from Members, Liz Nicholl said—

"We are unable to set a target at this point." (Qs 84 & 85)

"The target for 2012 has not yet been set and cannot be set until we know the resources that we have available." (Q 89)

"... we cannot actually set a target clearly until we know the resources available." (Q 106)

"It would be irresponsible to set a target for 2012 until we know the funding which is available." (Q 130)

"You are asking whether we have set a firm target for 2012 and the answer is no, it is absolutely resource dependent." (Q 131)

And, in answer to a question from Mr Clark, you told the Committee:

"... we shall have to look at the chances for 2012 and make final decisions both on the medal target and the money." (Q 102)

Yesterday we received UK Sport's submission, *A sporting chance for the Chancellor's 2005 pre-Budget Report*, in which we note the following:

"UK Sport's ultimate goal... is to finish 4th in the 2012 Olympic medal table, finishing as top European nation, and retain our 2nd place in the Paralympics, whilst aiming for the top spot."

"Or submission, based on medal targets, is for an average of £49.9 million per year of additional funding to be invested from 2006–07 to 2012–13."

"The level of investment needed... is determined by... the medal target set for the Games."

"By determining Team GB's targeted finishing position in the 2012 medal table, we can therefore calculate how many medals, medallists and athletes we require."

"The ultimate Olympic target for 2012 is to reach 4th in the medal table and finish as the top nation in Europe."

"The Paralympic target for 2012 is to finish 2nd in the medal table but to finish top of the medal table."

In response to my question *"I cannot believe that you are being entirely open with us, because you might not have set targets as a term of art... I cannot believe there have not been discussions at the highest level of what progress we are intending to make up to 2012... There must have been. Surely you can share it with us now?"* (Q 103) you replied, *"I am certainly keeping nothing from you."* I was surprised, therefore, to see that each of the five options set out in UK Sport's submission gives a target finishing position and also specifies the precise number of medals necessary to achieve that position for each option.

My Committee met yesterday and is very concerned at this apparent disparity. It would not be good enough to claim that these are only "options", as the summary on the very first page makes clear, as note above, that *"UK Sport's ultimate goal... is to finish 4th in the 2012 Olympic medal table, finishing as top European nation, and to retain our 2nd place in the Paralympics"*. The Committee would like an immediate reply, and will summon you and UK Sport to speak before it again the week after next unless a satisfactory answer is received.

Mr Edward Leigh MP
Chairman
Committee of Public Accounts

16 February 2006

Dear Chairman,

Thank you for your letter of 16 February about elite athletes and medal targets for 2012. I appreciate that the Committee have some concerns and I am pleased to have this opportunity to clarify the matter.

Can I confirm at the outset that the evidence we gave was accurate and in good faith. I have of course scrutinised it in the light of your letter and to ensure that it is not inconsistent with UK Sport's funding submission to ministers.

The Committee is aware that an Olympic medal target for Beijing in 2008 has been confirmed as moving towards eighth in the medal table. Before London won the right to host the 2012 Games, UK Sport's 2003–06 Funding Agreement and 2004 Annual Review showed that UK Sport's long-term goal was to move towards fifth in the Olympic medal table for 2012.

It is a matter of fact, however, that an Olympic medal target for 2012 has not been agreed or set. As Ms Nicholl and I sought to explain at the hearing, the Government and UK Sport are clear that a medal target would not be agreed or set until a funding package was in place. And of course, any aspirational medal position for London 2012, agreed in advance of the Beijing Games, would have to be reassessed in light of our performance there.

UK Sport's funding submission appears in places to contradict this position by saying that their ultimate goal is to finish fourth in the Olympic medal table by 2012. Although referred to as an ultimate position, I can understand why this is unhelpful and why you and the Committee are concerned. Both Ms Nicholl and I agree that, in retrospect, the use of the various terms "ultimate goal", "target" and "aspiration" should have been more consistent. As I said to the Committee in reply to Q132, "*It is fair to distinguish between a longer-term aim as described in the Report and a final set target.*" The submission could certainly have made this distinguish clearer.

Both Ms Nicholl and I are, however, clear that fourth place in the 2012 medal table represents UK Sport's most ambitious proposal to Government, within a menu of other possibilities and associated costs, and not an agreed to set Government or UK Sport target.

You will understand that I was not—nor am I now—in a position to pre-empt ministerial decisions on the resources to be made available. I tried to make clear at every opportunity that the issue was under active consideration, "*It is very live at the moment . . .*" (Q 101), "*We are negotiating with the Treasury . . .*" (Q103), "*It is extremely live, extremely active.*" (Q 105). Given the ongoing discussions, we could not be more specific although Ms Nicholl did tell the Committee that we aspired to do better in London than Beijing (Q 129).

I am sorry if I have given the Committee cause for concern and offer my sincere apologies for any misunderstanding.

Dame Sue Street DCB
Permanent Secretary
Department of Culture, Media and Sport

21 February 2006
