



House of Commons
Committee of Public Accounts

Preparing for sporting success at the London 2012 Olympic and Paralympic Games and beyond

**Forty-second Report of
Session 2007–08**

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

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The Committee of Public Accounts

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Summary

The Department for Culture, Media and Sport (the Department) and UK Sport have responsibility for elite sport in the United Kingdom. They have set goals for the Great Britain teams to finish fourth in the Olympic medal table and second in the Paralympic medal table at the London 2012 Games. Achieving the goal set for the Olympic team in particular will require a step change in performance, with British athletes needing to win almost twice as many gold medals as they won at Athens in 2004.

To support these goals for London 2012, the government has agreed a package of funding in the seven years up to March 2013 of over £700 million, almost doubling the direct funding UK Sport provides to sports and elite athletes. This will be sourced mainly from the Exchequer and the National Lottery, while the Department is required to raise £100 million from the private sector.

This Report follows up recommendations in our previous Report on supporting elite athletes published in July 2006.¹ We found then that many funded sports had not met their medal targets at the Athens Games in 2004 and concluded that UK Sport should look to achieve a better return from its expenditure in future. In particular, we raised concerns about the way UK Sport measured and reported its own performance and highlighted the need for greater clarity about the level of performance required from individual sports in order to secure future funding. We recommended improvements in how UK Sport demonstrated best use of the increased funding that would be available in the run-up to the London 2012 Games.

Following the Athens 2004 Games, UK Sport adopted a ‘no compromise’ approach to funding Olympic and Paralympic sports, concentrating its spending on those sports most likely to win medals. Subsequently, with the 2012 Games to be hosted in London, UK Sport moved to funding all Olympic and Paralympic sports, even those not expected to win medals. UK Sport continues to plan on the basis that it will receive all of its funding up to 2012. However, there remains a risk that the £100 million from the private sector will not all be raised. Failure to raise it could harm Great Britain’s medal prospects at London 2012 and its plans to deliver a wider sporting legacy from the Games.

In 2006–07 and 2007–08, UK Sport comfortably met its targets for achievement at elite sporting events. Its targets were set at just 75% of the targets that UK Sport had agreed with individual sports for medals and top eight finishes. In order to drive continuous improvement towards the Olympic and Paralympic goals, UK Sport’s targets for the years between Games should be significantly more demanding. UK Sport currently describes its medal table ambitions for the London 2012 Games as ‘ultimate goals’, which it will convert to firm targets following a review of each sport’s performance at Beijing in 2008.

A wider government objective for the 2012 Games is to increase levels of sports participation in the UK. There is a risk that, unless the activities of a wide range of public,

1 Committee of Public Accounts, Fifty-fourth Report of Session 2005–06, *UK Sport: supporting elite athletes*, HC 898

private and voluntary bodies are properly co-ordinated, the focus on winning medals could distract the Department's attention from encouraging ordinary people to participate. There is no clear evidence that elite sporting achievement influences people to take up sport in the long term, and Olympic medallists in certain sports such as rowing and equestrianism do not represent the make-up of the wider population, with a disproportionate number coming from privileged backgrounds.

On the basis of a Report by the Comptroller and Auditor General,² we took evidence from the Department and UK Sport on their funding strategy for medal success at London 2012; their setting of targets and monitoring of progress towards the Games; and their approach to securing wider and long term benefits from elite sporting success.

² C&AG's Report, *Preparing for Sporting Success at the London 2012 Olympic and Paralympic Games and beyond*, HC (Session 2007–08) 434

Conclusions and recommendations

- 1. The Department has yet to begin raising the £100 million it needs from the private sector to fund elite sport, even though we first raised concerns about the size of this challenge nearly two years ago.** The Department plans to start its fundraising after the Beijing 2008 Games, although it could not say what it had to offer to attract private sector donors, or provide any guarantees that the money would be raised. The Department should work with its advisors to develop firm proposals for how it will attract private sector donors and in what timeframe it would be realistic to obtain firm commitments.
- 2. UK Sport is due to give sports the first £20 million of the money to be raised from the private sector during 2008–09, but it has yet to receive funds to enable it to do so.** If the Department cannot raise the full £100 million or it is raised too late, then the Great Britain teams' medal chances at the London 2012 Games could be harmed. UK Sport should identify what action it will take in the 2008–09 financial year to address any shortfall, including how individual sports will be affected. In developing its contingency plans, it should seek to protect the funding of those sports most likely to win medals at the London 2012 Games.
- 3. Concerns about what funding will be available have created uncertainty for the sports governing bodies, making it harder for them to plan ahead on the basis of firm financial commitments.** After the Beijing Games in 2008, UK Sport should share with sports its contingency plans in the event of a shortfall in funding. To help sports to plan up to London 2012, it should discuss with each sport how its funding might be affected, based on up-to-date assessments of how much of the £100 million will be raised.
- 4. The Department and UK Sport's medal table goals at the London Olympic and Paralympic Games in 2012 are demanding and UK Sport acknowledges that meeting them will require a step change in the performance of athletes.** The Beijing Olympic and Paralympic Games later this year will provide a key indicator of progress towards UK Sport's medal table goals for the London 2012 Games. UK Sport should, within six months of the Beijing Games, publish an action plan setting out how it will address any weaknesses in the performance of the Great Britain teams. It should set out clearly what impact its assessment of performance at Beijing has on the medal targets set overall, and for individual sports for the London 2012 Games. UK Sport should also make clear the consequences of any changes it makes to targets on its funding allocations.
- 5. Following our 2006 Report, UK Sport has agreed a broader range of targets to measure its own performance, all of which it has comfortably exceeded, indicating that the targets set were not sufficiently stretching.** The performance targets UK Sport has agreed with the Department are set at the level of 75% of the targets it sets for individual sports. We do not consider that agreeing targets at 75% of the level it sets for others is satisfactory as an indicator of UK Sport's own performance. In the new Funding Agreement covering the period April 2008 to

March 2011, UK Sport and the Department should agree targets for UK Sport at the same level as the aggregate of the targets for individual sports.

6. **The Department is aiming to secure a sustained improvement in sports participation before and after the London 2012 Games, but there is no conclusive evidence that winning Olympic and Paralympic medals influences levels of participation in the community.** The Department has a target for two million more people to participate in a sport or physical activity by 2012. It should review existing evidence on how elite sporting success impacts on sports participation and undertake new research where there are gaps in the evidence. In the light of this research, it should work with UK Sport and the home country sports councils to develop an action plan on how it will use sporting success at the London 2012 Games to improve levels of sports participation before, during and after the Games.
7. **UK Sport believes elite athletes can act as role models and inspire young people from all walks of life to take up sport. It holds no data on the background of the 1,400 elite athletes it currently funds, however, and told us it did not consider the information to be relevant.** We believe, on the contrary, that this information would provide a clearer picture of who is receiving public funding, and be a basis for identifying opportunities for the Department, UK Sport and the home country sports councils to work together to increase the socio-demographic spread of athletes in some sports, from grass roots to elite participation. In common with other lottery distributors, UK Sport should collect data on the socio-economic and educational backgrounds of the athletes it funds and we find the refusal to do so both unjustified and disturbing.
8. **UK Sport is aiming to establish a world class system of support for elite athletes which will last beyond 2012. Its success in doing so will depend on its ability to work effectively in partnership with a range of other parties in the public, private and voluntary sectors.** The Department should establish a steering group to co-ordinate the activities of all those seeking to deliver its sporting objectives before, during and after the London 2012 Games. The group's remit should be to exploit opportunities for its members to work together on initiatives to maximise the sporting benefits and legacy of host nation status. A key objective should be to enhance the links between grass roots and high performance sport so as to make the most of the opportunity presented by the increased spending on both sports participation and elite athletes.

1 Funding sporting success

1. The Department for Culture, Media and Sport (the Department) has a strategic objective to achieve a sustained improvement in UK sport before, during and after the London 2012 Games, in both elite sport and grassroots participation. UK Sport, which is sponsored by the Department, is the government body with responsibility for leading the development of elite sport. Their shared goals for London 2012 are for Great Britain to finish fourth in the Olympic medal table and second in the Paralympic medal table. They also aim to build a legacy for elite sport in the UK once the Games are over.³

2. To support these goals, the Government has agreed a funding package of £722 million from April 2006 to March 2013, doubling the direct funding for elite sports and athletes from £300 million to £600 million. The money will come mainly from the Exchequer and the National Lottery, with £100 million to be raised from the private sector. UK Sport funds elite athletes through its World Class Performance programme in two ways. It funds the governing body responsible for each Olympic and Paralympic sport to provide a range of support to its athletes, including coaching, training, sports clothing and equipment, and sports science and medicine services. It also makes personal grants to athletes to help them prepare for elite events, covering their basic living expenses and equipment, as well as training costs not covered by the governing body. At the time of our hearing, UK Sport was funding some 1,400 athletes⁴ it considered likely to win Olympic or Paralympic medals or to have the potential to do so.⁵

3. After the Athens Games in 2004, UK Sport adopted a funding strategy based on the principle of ‘no compromise’, concentrating funding primarily on those sports and those athletes most likely to win medals. In deciding which athletes to fund for the Beijing Games in 2008, UK Sport has been proactive in withdrawing or increasing funding to sports based on a range of factors, including performance. **Figures 1 and 2** shows how much money sports received from UK Sport for the Athens and Beijing Olympic cycles, together with the number of athletes that UK Sport currently funds on its podium programme. These are athletes UK Sport considers most likely to win medals in the next four years. UK Sport’s funding decisions are principally based on an assessment of each sport’s current performance and future potential. It has also made strong governance and financial stewardship a condition of funding for each governing body.⁶

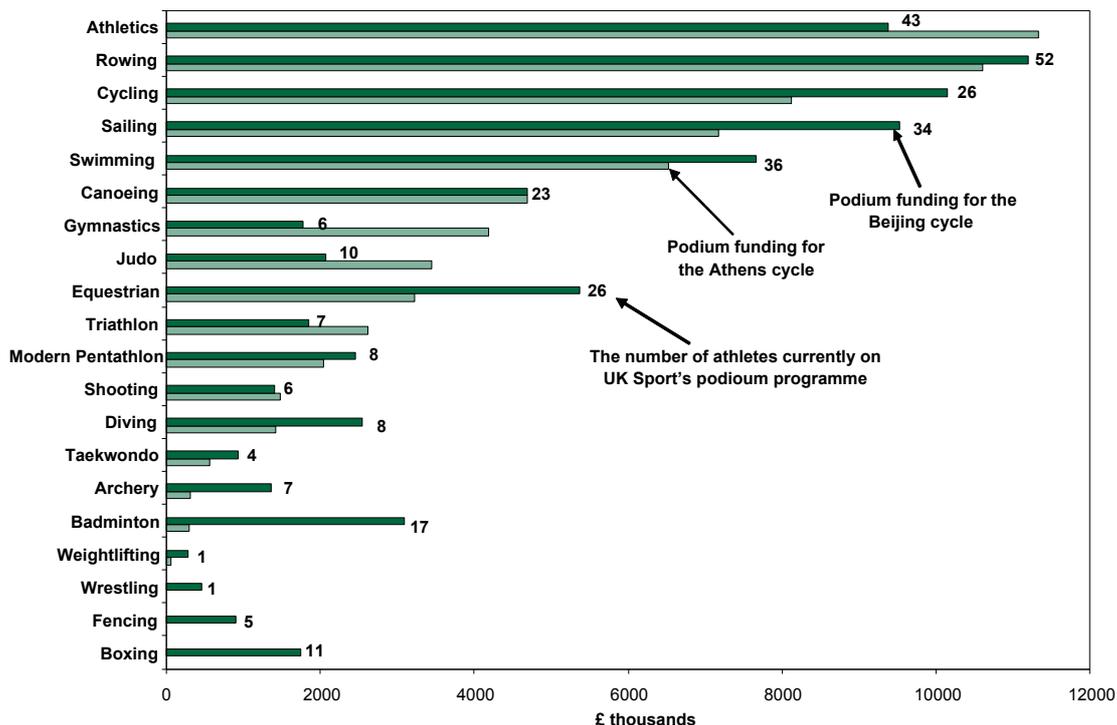
3 C&AG’s Report, *Preparing for Sporting Success at the London 2012 Olympic and Paralympic Games and beyond*, HC (Session 2007–08) 434

4 Ev 14–15

5 Q 54; C&AG’s Report, para 1.6–1.7

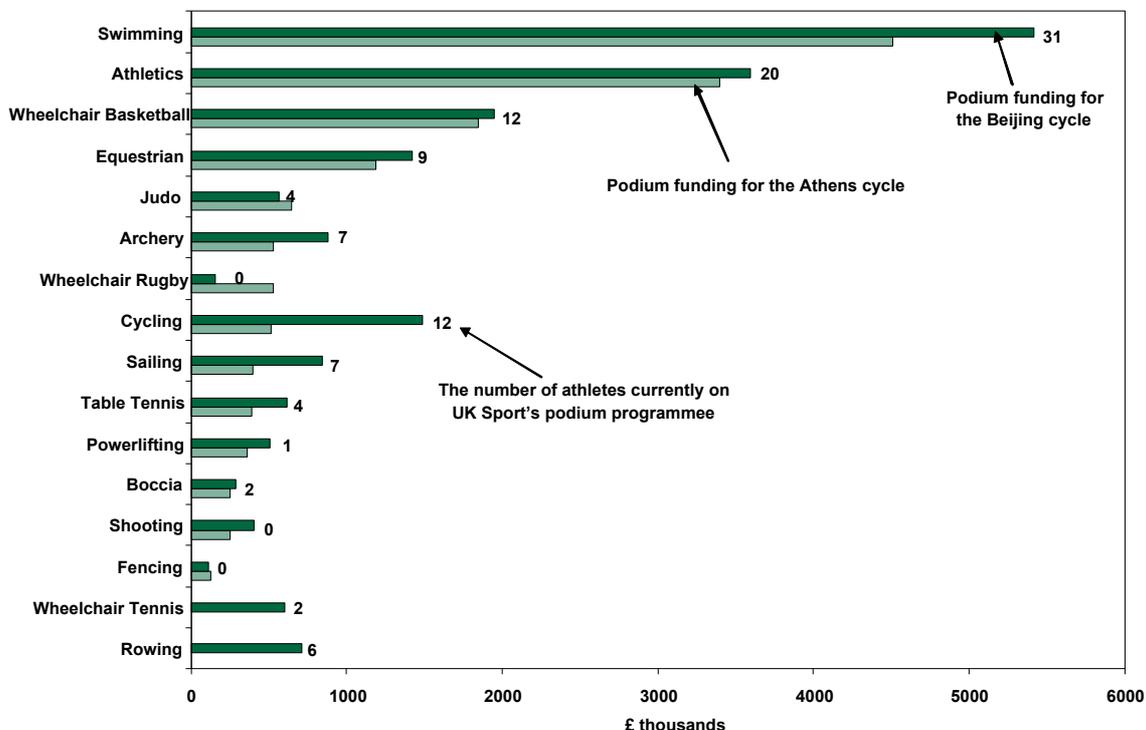
6 C&AG’s Report, paras 2.3, 2.8, 2.13, 2.19

Figure 1: UK Sport's funding of and athlete numbers competing in Olympic Sports at podium level at Athens 2004 and Beijing 2008



Note: Athletes on the Olympic podium programme are those considered likely to win a gold, silver or bronze medal in the next four years.

Figure 2: UK Sport's funding of and athlete numbers competing in Paralympic Sports at podium level at Athens 2004 and Beijing 2008



Note: Athletes on UK Sport's Paralympic podium programme are those considered likely to win a gold medal in the next four years.

Source: C&AG's Report, Figures 7 and 8 supplemented by data from UK Sport

4. Following the announcement that the 2012 Games would be held in London, the Department and UK Sport's objectives have broadened. UK Sport now aims to fund all Olympic and Paralympic sports which it judges can perform creditably at the Games, as well as those expected to win medals. It is now supporting athletes across 47 Olympic and Paralympic sports, many of them for the first time.⁷

5. Asked whether it had abandoned its 'no compromise' strategy by funding a wider range of sports, UK Sport told us that its strategy remained focussed on performance. For example, it had cut funding for athletics by 17% between the Athens and Beijing Games, based on its assessment that the level of funding was too high for a sport which was relatively under-performing and not achieving its potential. The additional funding available for London 2012, however, meant that UK Sport could now spend money on sports not likely to win medals in Beijing but which could be expected to compete creditably at the London Games and potentially produce medal winners. Fencing, for example, had a good track record in developing potential through its cadet programme but found it difficult to convert these cadets into medal potential athletes. UK Sport was now providing fencing with financial support right through to podium level for the first time, and the sport was working with one or two athletes who had medal prospects.⁸

6. UK Sport told us that it had high expectations of the performance of other sports it was funding. For example, the Great Britain cycling team had won 11 medals, nine of which were gold, at the world track championships in Manchester. And, following a significant increase in podium funding and the appointment of a Chinese coach, Great Britain's archers had won three medals at the recent world championships, a level of success unprecedented in recent years. In diving, where podium funding had nearly doubled, Tom Daley had recently become the second youngest British male ever to qualify for an Olympics, and there were other divers whom UK Sport expected to reap the benefits of its financial support. In sailing, Great Britain was currently the best in the world and UK Sport was confident of success at London 2012 based on some excellent recent results.⁹

7. UK Sport's plans to prepare athletes for the 2012 Games depend on the Department raising £100 million from the private sector, over which there was still considerable uncertainty. The Department had tendered for a fund raising partner in November 2007, some 16 months after we first raised concerns about the challenging nature of this task and had urged them to draw on specialist fundraising expertise. The Department was now in discussions with its preferred bidder, a sports marketing company called Fast Track, which was developing a number of propositions for further consideration.¹⁰

8. The Department had delayed starting to find ways to raise funds from the private sector. It said that Ministers had made a deliberate decision to prioritise the fund raising activities of the London Organising Committee of the Olympic Games (LOCOG), which was staging the London 2012 Games. This choice had been made on the basis that the prospect of not raising this money presented the bigger risk. LOCOG was looking to raise approximately

7 C&AG's Report, paras 1.4, 1.12

8 Qq 19, 61; C&AG's Report, para 2.14, Figure 7

9 Qq 20, 64, 69, 71

10 Q 122; C&AG's Report, paras 1.6, 2.27

one third of its £2 billion budget from private sector sponsorship. The Government wanted LOCOG to be self-financing, but was also the ultimate guarantor of funding for the Games and that guarantee included meeting any shortfall between the costs and revenues of LOCOG. The Department also believed that the Beijing Games later this year would create a good environment in which to raise the £100 million needed to fund elite sport, and that the right time to start was after Beijing.¹¹

9. The Department said that it was optimistic that it could attract private sector donors and was confident it could raise the £100 million, given the size of the sports market, which was worth some £16 billion and employed 400,000 people. It was also encouraged by LOCOG's success to date in attracting sponsors. It could not tell us what it had to sell, however, and acknowledged that the task was challenging and carried risk. It had no experience of raising such funding and there were no guarantees that the private sector would be willing to contribute as much as £100 million. The Department considered that the hugely increased public sector funding of elite sport provided a platform for persuading the private sector to get behind the Government and help sustain its efforts up to the London 2012 Games.¹²

10. We pressed the Department and UK Sport on what they were doing now given that they had no immediate prospect of receiving money from the private sector and that their plans were based on beginning to distribute this money to sports in the 2008–09 financial year. UK Sport was planning on the basis that it would receive £20 million a year from the private sector over five years, starting in 2008–09. UK Sport said they had developed a range of contingency plans for dealing with shortfalls in funding, depending on the amount involved. In the first instance, UK Sport planned to cut funding to sports with the lowest medal prospects in 2012. Depending on the size of the shortfall, however, it might also have to cut funding for athletes in sports with clear medal prospects. A funding shortfall could therefore affect the Great Britain team's medal performance at the London 2012 Games, as well as reducing UK Sport's capacity to build a legacy for elite sport that would last beyond 2012.¹³

11. UK Sport had never had a finance director, despite being responsible for the distribution of significant sums of public money. UK Sport told us that it recognised the need to raise its financial skills and capacity, particularly in view of the increase in its budget, and was about to appoint a dedicated finance director for the first time.¹⁴ The successful candidate took up the post in July 2008.

11 Committee of Public Accounts, Fourteenth Report of Session 2007–08, *The budget for the London 2012 Olympic and Paralympic Games*; HC 85, para 14

12 Qq 108–109, 122–123, 125

13 Qq 3, 4, 127; C&AG's Report, para 2.33

14 Qq 48–50

2 Setting targets and monitoring progress

12. In our 2006 Report *UK Sport: Supporting Elite Athletes*, we concluded that to make and to demonstrate best use of public money, UK Sport needed clearer goals and more reliable ways of assessing progress, including clear and unambiguous targets for medal performance at London 2012. We recommended that in the knowledge of the resources available to it in the run up to London 2012, these targets should be reflected in the targets it agreed with individual sports and reviewed in the light of performance at the Beijing 2008 Games.¹⁵

13. When we questioned UK Sport on what progress it had made in establishing clear and unambiguous targets, it told us that it describes its goals for medal table position at the London 2012 Olympic and Paralympic Games as ‘ultimate goals’, reflecting continuing uncertainties over performance and funding. It intended to convert these ultimate goals to high level targets after the Beijing 2008 Games, based on how sports had performed at the Games.¹⁶

14. We also recommended in 2006 that UK Sport should have a more rounded package of performance measures which went beyond medals won to look at other indicators of whether athletes were improving their performance, such as personal bests or world rankings. UK Sport accepted this recommendation and has since increased the breadth of the indicators against which it measures its performance, including by setting targets for the number of top eight finishes achieved by British athletes at major international events.¹⁷

15. UK Sport’s own targets are set at 75% of the aggregate of the targets UK Sport agrees with each sport. This adjustment reflects the fact that the Great Britain team performed at about this level in terms of total medals won at the last two Olympic Games. For those years in which the Games are not held, UK Sport measures performance against these targets based on the achievements of elite athletes at major international events in the Olympic and Paralympic sports it funds. In both 2006–07 and 2007–08, UK Sport easily exceeded its targets, in many cases by more than 50% (**Figure 3**).

16. The ease with which UK Sport met its targets raises the issue of whether they were meaningful and stretching. The Department told us that the margins between success and failure were small. For example, 0.545 of a second was the difference between winning and not winning five gold medals at the Athens 2004 Olympic Games. At the last two Olympic Games actual performance had been close to 75% of the targets set for sports, whereas in the Paralympics 90% of the medal target had been achieved in Sydney in 2000 and 85% in Athens in 2004. We proposed to the Department and UK Sport that the latter’s performance target should simply be the aggregate of sports’ individual targets. UK Sport said that it agreed fully with the C&AG’s recommendation that the targets should be reviewed to ensure they were sufficiently stretching. Both the Department and UK Sport

15 Committee of Public Accounts, *UK Sport: supporting elite athletes*

16 Qq 16–17, 115–116

17 C&AG’s Report, paras 3.8–3.9

agreed that, in negotiating the new Funding Agreement covering the period April 2008 to March 2011, they would look to make the targets more ambitious.¹⁸

Figure 3: UK Sport's performance against targets for 2006–07 and 2007–08

	2006-07			2007-08		
	Target		Actual	Target		Actual
	National Governing Body aggregate	Agreed between the Department and UK Sport		National Governing Body aggregate	Agreed between the Department and UK Sport	
Number of medals won by Olympic Pathway athletes in agreed targeted event for each sport.	40	30	51	40	30	45
Number of Olympic Pathway athletes finishing in the Top 8 at the agreed targeted event	76	57	85	76	56	65
Number of medals won by Paralympic Pathway (including Fast Track Programme) athletes at the agreed targeted event for each sport	104	78	108	56	43	53
Number of Paralympic Pathway athletes finishing in the Top 8 at the agreed targeted event	85	64	101	34	25	38

Source: C&AG's Report, Figure 15.

17. The British Olympic Association had estimated that Great Britain would have finished seventh in the Olympic medal table had the Olympic Games been held in 2007. This might suggest that aiming for eighth in the Olympic medal table at Beijing was a soft target, but UK Sport considered that, while the British Olympic Association's ranking was based on evidence from world and European championship events, it was not 'Olympic evidence'. Moving from tenth at Athens in 2004 to eighth in Beijing in 2008 was still a huge challenge and it considered that the move to fourth place at London 2012 would require a further step change in performance.¹⁹

18. Following increased spending on elite sport, host nations can typically expect to win an extra six or seven gold medals at an Olympic Games and to win medals across a wider range of sports. UK Sport recognised, however, that work was required to maximise the host nation benefits as they would not happen automatically, especially against a background of increased spending on sports by other nations. Host nation status alone would not therefore be enough to achieve fourth place in the Olympic medal table at

18 Qq 10, 13–14; C&AG's Report, para 3.17

19 Qq 93–94

London 2012. If the relative performance of other nations were to remain the same as at Athens in 2004, UK Sport considered that the impact of host nation status, maximised properly, could be expected to move Great Britain to fifth or sixth in the Olympic medal table.²⁰

19. UK Sport estimated that to achieve its goal of fourth place, Great Britain would need to win at least 17 Olympic gold medals, or at least eight more medals than Great Britain had won at Athens in 2004. UK Sport does collect intelligence on what other nations were doing to maximise their performance within sports and on how much they were spending on performance, but it was not always easy to do so as not all nations were open with information of this sort.²¹

20 Qq 97, 101, 106; C&AG's Report, paras 1.13–1.18

21 Qq 120–121; C&AG's Report, para 1.19

3 Securing wider and long term benefits from elite sport

20. In addition to seeking sporting success at the London 2012 Games, UK Sport is aiming to build a world class system of support for elite athletes that will last beyond the Games. The Department said that the Prime Minister had announced an extra £120 million for elite sport for the two years beyond 2012 to support participation by UK athletes at the Commonwealth Games to be held in Glasgow in 2014.²²

21. The Department's objectives for the London 2012 Games extend to grassroots participation in sport. This raises questions about how the Department's doubling of resources to help elite athletes win medals is going to benefit ordinary men and women, such as those playing sport at the weekend. The Department told us that elite sport was just the pinnacle of the pyramid approach to funding sport in the United Kingdom. Below this was a broad base of people participating in sport at every level in the community, and that was reflected in the Government's funding and the Lottery funding for community sport, which had also significantly increased. The Department had a target for two million more people to participate in a sport or physical activity by 2012. Anecdotal evidence suggested that funding for elite sporting success could also play a part as athletes, such as Dame Kelly Holmes, could be effective role models and inspire young people to take up sport. UK Sport was, however, unable to provide firm evidence that winning medals had a positive influence on participation in sports at a grass roots level. We do not consider that the examples provided by the Department to illustrate how success in a small number of sports may have generated grass roots participation provide firm enough evidence on which to draw this conclusion.²³

22. We also questioned whether the success of athletes within certain sports funded by UK Sport, such as rowing, sailing and equestrianism, provided role models to encourage people from all socio-economic groups and all parts of the United Kingdom to take up sport. Many people were deprived of opportunities to participate in such sports by lack of access to the necessary facilities. UK Sport drew attention to initiatives seeking to develop elite athletes from a wide range of backgrounds. UK Sport's *Sporting Giants* initiative had sought to identify people from all backgrounds meeting certain age and height criteria who had the potential to become rowers, volleyball players and handball players. The Amateur Rowing Association's *Project Oarsome* was another example of a scheme seeking to introduce a sport to people from all walks of life. UK Sport did not collect data on the social background of those athletes benefiting from the £600 million of funding through to London 2012 or those who had successfully competed at Olympic and Paralympic level.²⁴ It refused to do so on the grounds that it did not consider social background relevant in determining either athletes' potential or its investment strategy.²⁵

22 Qq 7–9, 62; C&AG's Report, *Preparing for Sporting Success at the London 2012 Olympic and Paralympic Games and beyond*, HC (Session 2007–08) 434

23 Qq 5–6, 52, 83, 88; C&AG's Report, para 1.6

24 Qq 85–86, 137; C&AG's Report, para. 4.11

25 Q 86; Ev 19

23. One potential barrier to the achievement of the London 2012 objectives for elite sport and increasing grass roots participation in sport is access to facilities. We referred to evidence, for example, that the United Kingdom now had only six 10-metre high Olympic standard diving boards, and that 90% of pools in London have had their diving boards removed due to concerns over health and safety. The provision of adequate sporting facilities to promote participation at all levels rested not with UK Sport but with the UK's sports councils, whose primary remit was grass roots participation. UK Sport worked closely with the home country sports councils on any obstacles to elite sporting success which they, based on their wider responsibilities, could help to address.²⁶

24. If UK Sport is to achieve its objectives to secure long term benefits from the London 2012 Games, it will have to work collaboratively with a range of stakeholders. There is a multiplicity of organisations involved in elite sport, including UK Sport, the home country sports councils, the British Olympic Association and the national governing bodies of sports, and there is a risk they will not work together coherently. UK Sport said the administrative arrangements were more coherent than they had ever been, particularly since all responsibility for elite sport had been transferred to UK Sport in April 2006. We asked UK Sport whether there was any risk of 'turf wars' between the different agencies in the run up to London 2012. UK Sport said that all those responsible for sport in the United Kingdom wanted to achieve the same things in Beijing in 2008 and in London in 2012.²⁷

25. UK Sport is developing a business case for a new model in which responsibility for drug detection in sport would be the role of a National Anti-Doping Organisation, independent of UK Sport. The new body would progress existing work on testing and intelligence gathering. Its creation would also allow closer links with law enforcement agencies and help address issues earlier, such as by addressing the supply of drugs. As an independent body it would have its own budget, which would be determined as part of the consideration of the business case.²⁸

26 Q 71; C&AG's Report, para 4.8

27 Qq 90-92

28 Qq 72, 77

Formal Minutes

Monday 23 June 2008

Members present:

Mr Edward Leigh, in the Chair.

Mr Richard Bacon

Paul Burstow

Mr Ian Davidson

Mr Philip Dunne

Mr Austin Mitchell

Geraldine Smith

Mr Don Touhig

Draft Report (*Preparing for sporting success at the London 2012 Olympic and Paralympic Games and beyond*), proposed by the Chairman, brought up and read.

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

Paragraphs 1 to 25 read and agreed to.

Resolved, That the Report be the Forty-second 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 till Wednesday 25 June at 3.30 pm.]

Witnesses

Wednesday 2 April 2008

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Mr Jonathan Stephens, Permanent Secretary, Department for Culture, Media and Sport; **Mr John Steele**, Chief Executive and **Ms Liz Nicholl OBE**, Director of Elite Sport, UK Sport

Ev 1

List of written evidence

Department for Culture, Media and Sport

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Third Report	Building for the future: Sustainable construction and refurbishment on the government estate	HC 174 (Cm 7323)
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Fifth Report	Evasion of Vehicle Excise Duty	HC 227
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Seventh Report	Excess Votes 2006–07	HC 299
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Ninth Report	Helping people from workless households into work	HC 301 (Cm 7364)
Tenth Report	Staying the course: the retention of students on higher education courses	HC 322 (Cm 7364)
Eleventh Report	The compensation scheme for former Icelandic water trawlermen	HC 71 (Cm 7364)
Twelfth Report	Coal Health Compensation Schemes	HC 305 (Cm 7364)
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Second Special Report	Evasion of Vehicle Excise Duty	HC 557 (Cm 7366)

Oral evidence

Taken before the Public Accounts Committee

on Wednesday 2 April 2008

Members present

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Mr Ian Davidson

Mr Philip Dunne
Keith Hill

Mr Tim Burr, Comptroller and Auditor General, **Mr Rob Prideaux**, Director, National Audit Office, were in attendance and gave oral evidence.

Ms Paula Diggle, Treasury Officer of Accounts, HM Treasury, was in attendance.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

PREPARING FOR SPORTING SUCCESS AT THE LONDON 2012 OLYMPIC AND PARALYMPIC GAMES AND BEYOND (HC434)

Witnesses: **Mr Jonathan Stephens**, Permanent Secretary, Department for Culture, Media and Sport, **Mr John Steele**, Chief Executive and **Ms Liz Nicholl OBE**, Director of Elite Sport, UK Sport, examined.

Q1 Chairman: Good afternoon to the Committee of Public Accounts. Today we are looking at the Comptroller and Auditor General's Report, *Preparing for sporting successes at the London 2012 Olympic and Paralympic Games and beyond*. We welcome back to our Committee Jonathan Stephens, the Permanent Secretary of the Department for Culture, Media and Sport. I do not know why you are not in the middle of the table, Mr Stephens—you have been demoted. I always like to have Permanent Secretaries in my eye line, in the middle.

Mr Stephens: I am missing that, simply because Mr Steele is the Chief Executive of UK Sport.

Q2 Chairman: So you reckon he is the lead witness today, is he? Anyway, he is here, John Steele, the Chief Executive of UK Sport; and Liz Nicholl, who is Director of Elite Sport. I will start with you anyway, Mr Stephens. You will recall our last report and we made a recommendation that you raise £100 million from the private sector. Why has it taken so long to identify where it is going to come from?

Mr Stephens: Ministers deliberately chose to prioritise the raising of funds for the running of the London 2012 Games. The organising committee has a £2 billion budget to be raised from a variety of private sources. The government has had to guarantee that budget in full. It includes some £700 million or so to be raised from UK sponsor and ministers decided that that was the biggest risk that should take priority. They believe also that Beijing will provide the opportunity and platform for beginning to raise the £100 million.

Q3 Chairman: But Mr Steele you should have had the first £20 million yesterday, should you not, and you got nothing; what are you going to do about it?

Mr Stephens: Perhaps I can just pick up on that? Ministers and UK Sport have agreed that UK Sport should continue to plan on the basis and budget on the basis—

Q4 Chairman: That they are going to get it.

Mr Stephens: . . . of the original assumption, which was for a flat line profiling of the £100 million over the five relevant years, and they have agreed that that should be reviewed post-Beijing.

Q5 Chairman: One thing that really interests me, Mr Stephens—perhaps Mr Steele can answer this but it is for you, Mr Stephens—we are talking here about £10 million per gold medal, most of which are Paralympic gold medals—and that is not to say that they are any less worth while, but it is a lot of money per medal—and what I am interested in is how it is going to filter further down to ordinary people. So I would like you to outline for the Committee how in doubling our resources for elite athletes we are going to ensure that the ordinary young man and young woman doing weekend sports is going to benefit from all of this, because that is what I suspect most of the population care about?

Mr Stephens: Mr Steele is welcome to join in as well. The object of the money is to support medal performance in Beijing and in London. Obviously that is part of an overall approach to support. The government believes in supporting what it thinks of as a pyramid of sport at which elite performance is at the pinnacle of the pyramid but fits with and needs to be accompanied by a broad base of participation at every level in the community, and that is reflected in the government's funding and the Lottery funding, not just for UK Sport but for community sport, which is also very significantly increased; so the two need absolutely to march hand in hand. One of the government's commitments is towards 2012 supporting two million more people participating in

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sport and physical activity, and that is very much part of providing the pathway through to elite athletes for the future and also the base of support for elite performance.

Q6 Chairman: Do you want to add to that, Mr Steele?

Mr Steele: Yes, Chairman. We strongly believe that there is a link between participation and elite sport and I think that for those people that have been involved in elite sport they can normally trace back to the day when they were inspired and enthused by an elite sports person, a role model, and that made them take up the sport; it made them become enthusiastic and passionate about the sport; and those role models—and Dame Kelly Holmes is a great example—inspired the youth of today to choose sport and see it all the way through. So at the elite end of the sporting pyramid we need those role models to create our champions of tomorrow.

Q7 Chairman: So, Mr Steele, you are going to double spending on elite sports after 2012; what is going to happen after 2012? You will not fall off the cliff edge at that stage?

Mr Steele: No, we have every intention of going from strength to strength, Chairman, and that is because we have a dual mission for 2012. Part of that is medal success at home Games, but also beyond that it is about a world class performance system.

Q8 Chairman: How do you intend to fund this? Mr Stephens, have you received assurances from ministers that once all the interest goes away at the end of August 2012 we will not see a sudden cut in funding?

Mr Stephens: Indeed, and the Prime Minister last week said that he would guarantee funding for elite sport beyond 2012 for at least two years.

Q9 Chairman: What, until Glasgow?

Mr Stephens: For at least two years leading up to support participation by athletes across the UK at the Glasgow Commonwealth Games.

Q10 Chairman: Can we look at the targets now? If we look at figure 15, really, Mr Stephens, these targets are pretty undemanding, are they not? Let us look at this figure. You can see that in terms of the National Governing Body aggregate, in the first line number of medals won by Olympic Pathway athletes at 40 and then the target agreed between the Department and UK Sport is only 30, and the actual—and this is for 2006–07—is 51, and you can see that going all the way down. So really these targets, so-called, are meaningless, are they not?

Mr Stephens: The government has very strong ambitions with UK Sport for improving performance from a low point at the time Atlanta Games towards the goal of raising performance to fourth place in the medal table.

Q11 Chairman: Just remind me how low a point that low point was?

Ms Nicholl: In Atlanta 36.

Mr Stephens: 36. So we are committed to—

Q12 Chairman: Of course you are committed and of course you are going to raise performance but I am just saying that looking at these figures these targets are so undemanding, judging by recent history, as to be virtually meaningless.

Mr Stephens: I think that partly reflects the success.

Q13 Chairman: Why do you not drop the second line and say that the target should be the first line all the way through?

Mr Stephens: We are currently re-negotiating the new funding agreement and I do expect that the funding targets will be more ambitious going forward. I do not think it is right that they should be set at 100% of the targets for each of the individual sports that UK Sport sets targets for because of course there is a risk around each individual target—it is not reasonable to expect 100% of 40 or more targets to be achieved. But I quite accept that I think there is something to look at here to set more stretching targets and I do not think that UK Sport would disagree with that.

Q14 Chairman: So they are targets, they are not just objectives?

Mr Stephens: Yes, these are targets.

Mr Steele: Chairman, if I could add to that as well. In sport it is important to set stretch targets and I know you discussed it at the last PAC. However, when you set stretch targets at high performance level the margins are tiny—0.545 of a second was the difference between five golds and not winning five golds at Athens. So you set those stretch targets and it is evidence historically that an absolute target would be around 75% of those. What we need to improve on—and I think the recommendations in the Report are very clear and I would agree with them—between Olympic Games the percentages we were using have not turned out to be as finely tuned as we would want and we are looking to change that for the next agreement.

Q15 Chairman: So what happens if our GB teams comfortably exceed expectations in Beijing? Presumably you will raise your targets will you, Mr Steele? Either you will raise your targets or will you give us the money back?

Mr Steele: The resources for which we budgeted are for the ultimate goal in 2012 and after Beijing we will review all of the performances there—and the current signs are that it could be a very positive Games—and we will make cuts if necessary in some areas and we will increase in other areas, but what we are looking to do is to ensure that all of the targets feed up and ensure that we deliver that ultimate goal.

Q16 Chairman: So when you do exceed expectations at Beijing, as the Report makes clear that you almost certainly will, you are going to make these targets more demanding, are you; or you are going to give us the money back? The answer is yes, is it? A simple yes will do.

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Mr Steele: The targets will be reviewed and—

Q17 Chairman: So you cannot say what you will do? You say that you will just accept the better performance and you will just carry on with these undemanding targets, will you?

Mr Steele: No, we will review whether performance is poor or good. We will review accurately with the systems we put in place and that is the way we should do it. The facts will come out of Beijing, performance outcomes will be seen and we will review those effectively.

Q18 Chairman: Why have you abandoned your no compromise approach and you are going to be giving out money to all sorts of sports with no chance of winning medals?

Mr Steele: The no compromise approach, which is what we call the way of targeting investment where medals and sports are most likely to be successful, has not been abandoned; in fact it is very strong and we are working very hard on it, and part of that is current performance and part of that is huge potential. In addition to that the funding submission that we put to government back in 2006 was very clear on this. There is also an ability to invest in sports that are not likely to medal in Beijing, and that is the creditable performance sports you will have seen referred to in the Report.

Q19 Chairman: This is a fascinating figure 7. Why have we never funded fencing, for instance? I thought historically that we have a very good history of winning medals going back 100 years in fencing. Why is it at the bottom of the league?

Mr Steele: Chairman, can I ask my colleague to answer that?

Ms Nicholl: Pre the additional funding coming for 2012 UK Sport was focused only at the Podium level—we were able to support athletes that had medal potential in that Olympic cycle. Fencing has had a good track record of bringing athletes through, a very good competitive cadet programme. What the fencing programme has found difficulty in doing over recent years is converting those very good cadets into medal potential athletes. Now with the 2012 funding we have been able to fund the pathway right through from very good cadets to the potential Podium level. So they have one or two medal prospects that we really need to work on and support them with.

Q20 Chairman: My personal interest in sport is sailing and presumably we are going to be there at the top, are we, Ms Nicholl, in sailing?

Ms Nicholl: Absolutely; we are the best sailing nation in the world at this point in time.

Q21 Chairman: And you are going to give us an absolutely commitment here that this seafaring nation is not going to have a disaster in 2012? This is down to you, is it? What are you doing about it? Tell us what you are doing about it to make sure that we retain our reputation as the best sailing nation in the world.

Ms Nicholl: In London in 2012 I am sure we can be confident. We have some excellent sailing results.

Q22 Chairman: We are going to be the top nation, top dog, are we?

Ms Nicholl: And it is a matter of them retaining it. They are currently the top nation; it is a matter of retaining it.

Q23 Chairman: But we are going to retain it are we?

Ms Nicholl: That is what the sailing fraternity would say as well; that is their target, absolutely.

Chairman: We are in your competent hands. Mr Bacon.

Q24 Mr Bacon: I would like to ask first of all about targets, which the Chairman touched on. Mr Steele, you have become Chief Executive fairly recently and Ms Nicholl was our witness as Acting Chief Executive the last time. Does your remuneration include a bonus?

Mr Steele: Yes, it does.

Q25 Mr Bacon: How is the bonus calculated?

Mr Steele: On a performance plan which is monitored quarterly through the year.

Q26 Mr Bacon: Does the performance plan have any relation to these targets?

Mr Steele: It relates to delivery of funding agreement amongst other performance indicators.

Q27 Mr Bacon: I am talking about the targets in figure 15. Is there any relationship between the targets in figure 15 and whether they are achieved or not and your remuneration?

Mr Steele: The relationship would be that the targets in figure 15 would be reflected in the funding agreement in terms of the overall targets we set and my—

Q28 Mr Bacon: I am not quite sure I understand that. I am really asking, and it is very obvious—and the Chairman made this point—they are not stretching targets. The National Governing Body aggregate for the first row there is 40, the agreement between the Department and UK Sport was 30 and the actual was 51 and carrying this through all the way through the actual significantly exceeded the target. What I am saying is, does your remuneration or your bonus have anything to do with the fact that the actual exceeds the target? Are you remunerated more because the actual exceeds the target?

Mr Steele: No.

Q29 Mr Bacon: You are not?

Mr Steele: No.

Q30 Mr Bacon: At all?

Mr Steele: No.

Q31 Mr Bacon: Ms Nicholl, you have been in post since 1999, do you have a bonus?

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Ms Nicholl: I do.

Q32 Mr Bacon: How is your bonus calculated?

Ms Nicholl: On the basis of delivery of objectives which relate to—

Q33 Mr Bacon: What are your objectives?

Ms Nicholl: The objectives relate to the delivery of the responsibilities of the performance directorate, they are not specifically linked to—

Q34 Mr Bacon: You do not get more money if we get more gold medals?

Ms Nicholl: It is not as crude as that, if you do not mind me saying.

Q35 Mr Bacon: I put it crudely deliberately but there may be a slightly more sophisticated way of putting the same point: if we do better in the Olympics do you get a bonus—a bigger bonus than you otherwise would if we do badly?

Ms Nicholl: No.

Q36 Mr Bacon: It sounds to me a rather poorly constructed bonus arrangement. I would have thought it would be a good bonus arrangement where you got more money if we got more medals.

Ms Nicholl: I would say that our objectives linked to performance-related pay at UK Sport are those for which as individuals we can be held fully accountable and responsible for the delivery of them. So they are very much more specific about the responsibilities on a particular post in terms of delivery.

Q37 Mr Bacon: Can I ask about the Finance Director—and this is probably a question for you, Mr Steele? It says in paragraph 2.35 that: “UK Sport currently has no Finance Director.” This Report was published on 20 March and I presume that is still accurate, is it?

Mr Steele: We have been in the process—

Q38 Mr Bacon: I am asking is it still accurate?

Mr Steele: It is.

Q39 Mr Bacon: Is there no Finance Director as of today?

Mr Steele: No.

Q40 Chairman: Today is 2 April. For how long has there been no Finance Director?

Mr Steele: We have had a Head of Finance—

Q41 Mr Bacon: That was not my question. For how long has there been no Finance Director?

Mr Steele: We have never had a Finance Director.

Q42 Mr Bacon: You have never had one?

Mr Steele: No.

Q43 Mr Bacon: For how long have you been in existence as UK Sport?

Mr Steele: July 2005.¹

Q44 Mr Bacon: Really? So for nearly three years you have never had a Finance Director. What was your budget when you started?

Mr Steele: What we have had is a Head of Finance.

Q45 Mr Bacon: What was your budget when you started in 2005?

Mr Steele: Around £50 million a year.²

Q46 Mr Bacon: Mr Stephens, do you not think that £50 million is enough to warrant a Finance Director for an organisation from the outset?

Mr Stephens: I think it is very important that we have a professionally qualified finance operation.

Q47 Mr Bacon: Why has there not been one for the last three years?

Mr Stephens: They have that. The burden of the comment is on the “director” rather than the “professionally qualified”. They had a Head of Finance who reported to a Director of Corporate Services, which is a familiar organisation for a way of organising these things for a relatively small organisation, which is what UK Sport has been. As the Report recognises, as I think the management recognise that as they have grown their budget has grown and it is now appropriate to have a Finance Director and they are putting that in place.

Q48 Mr Bacon: Mr Steele, it says in the Report “by April 2008”; you are on track to do that, are you?

Mr Steele: We are; that will happen this week.

Q49 Mr Bacon: So you know who it is?

Mr Steele: We do.

Q50 Mr Bacon: Has he or she accepted?

Mr Steele: They have but I would not like to say anything for confidentiality reasons, but that is the stage of the process we are at.

Q51 Mr Bacon: Excellent. I would like to ask about funding by sport. In figure 9 it sets out the changes in Podium funding between Athens and Beijing and in particular it is really focusing on sports which won medals but did not meet their targets and sports which won no medals. It is interesting to see athletics decline and athletics, I think I am right in saying, Mr Steele and Ms Nicholl, is one of the bigger sports in terms of the amount of funds that it gets but it has none the less gone down. Did I understand you earlier to say that the funding will be reviewed after

¹ *Note by witness:* Mr Steele misheard the question. He responded that he had been in post since July 2005. In fact UK Sport has formally been in existence since 1 January 1997.

² *Note by witness:* The budget when UK Sport came into existence and its early years was as follows:
 1997 (first 3 months)—£3.953 million (Exchequer)
 1997–98—£11.791 million (Exchequer)
 1998–99—£11.549 million (Exchequer)
 1999–2000—£36.174 million (combination of Exchequer and Lottery and Home Country contributions)

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Beijing to see how it goes and the numbers may then go up again between Beijing and London, is that right?

Ms Nicholl: The funding for all the sports across all the sports is reviewed post-Beijing and will be allocated on the basis of current performance and future potential relative to a responsibility to contribute to the ultimate goal in 2012.

Q52 Mr Bacon: It is not clear from this but you may know this, and this is really what I am after, what levels of participation are there in each of these sports? One knows that there are major athletics clubs all over the country and there are people who are quite serious activists, as it were, but not necessarily elite, in each of these sports whether it is athletics, cycling, diving or whatever it is. Do you have a handle on how many people participate in athletics, in cycling, in diving, in gymnastics and in shooting?

Ms Nicholl: It is not a relevant factor in our funding decision, so it is not something that we monitor in terms of we do not capture the detail; that is much more relevant in relation to the home country sports councils that are charged with investing in increasing participation.

Q53 Mr Bacon: Because you are only looking at elite, you mean?

Ms Nicholl: Yes, we are looking at the very best so these are very tight programmes with a limited number of athletes being funded from the point at which their potential to become future medallists at Olympic and Paralympic level is identified.

Q54 Mr Bacon: The Report says somewhere that you are currently funding 465 elite athletes, is that right?

Ms Nicholl: We are currently funding 1,400.

Q55 Mr Bacon: I am sorry, in paragraph 2.11 the Podium programme is 465 athletes.

Ms Nicholl: Podium level, yes.

Q56 Mr Bacon: Then there is another 600 or so on top of that, is that right?

Ms Nicholl: There are some at Podium level, some at development level and the total is about 1,400 across those two.

Q57 Mr Bacon: Is it possible to send us a note with a breakdown of how many individuals there are in each of the sport?

Ms Nicholl: Absolutely, yes.³

Q58 Mr Bacon: Also because the figure does not include every sport what I am really asking for is a rehashed version of figure 7 but with numbers attached to it so that you can see irrespective of whether they met their target for medals or not and irrespective of whether they won no medals, that you can show us the funding in each sport for Athens and

what is now proposed for Beijing—in other words, an expanded version of figure 9 for each Olympic discipline. Is it possible you can do that?

Ms Nicholl: We can do that, yes.

Mr Bacon: That would be great; thank you very much.

Q59 Mr Dunne: I would like us to start by looking at figure 5 on page 15 which shows—picking up on the Chairman's opening questions—that the target in terms of medals for London 2012 for the regular Olympic Games is to achieve 60 medals, which is precisely double the level achieved in Athens 2004. Are you able to give us a breakdown of that 60 or is that somehow confidential from the competitive point of view in terms of sport?

Ms Nicholl: I should explain that when we established our ultimate goal we projected what might be possible on a sport by sport basis in order to give us the assurance that this was indeed possible. Those figures will become targets and post-Beijing we will review current performance and the future potential for sports as at that point in time and each sport will agree a target with us for 2012 performances. So the breakdown that is more relevant, more agreed, more appropriate is the breakdown as agreed by sport for our London 2012 targets.

Mr Dunne: Chairman, I do not know if we will be reviewing this again in a year's time or so? If the Auditor General could indicate whether we are expecting to look at this again next year post-Beijing so that we would be able to see such targets set out there?

Mr Burr: Absolutely, yes.

Q60 Mr Davidson: Nevertheless, it is a very, very significant increase to get fourth in the medals table, and comparing that ambition with the funding of sports set out in table 7 could you give us some indication in broad, numerical proportionate terms of what proportion both athletics and swimming are to that 60 total because my sense is that those are the two sports which have, I think, the largest number of medals available and yet in the case of athletics, as Mr Bacon was saying, the funding proposed has been significantly reduced. So what proportion of the 60 is accounted for by those two sports at the moment?

Ms Nicholl: I do not have that figure with me here but certainly can provide that. It is true to say that in the Olympic programme the number of medals available in athletics is the most of any sport and so it is an important sport in terms of our investment to support them in delivering a significant number of medals in London 2012.⁴

⁴ *Note by witness:* Athletics and Swimming are estimated to account for 20% of the total medals needed in 2012. These are medal estimates however and not related to firm targets for 2012 for each sport (these will be finalised post-Beijing for the 2009–13 investment period). The finalised figures will be available early in 2009 and UK Sport will write to the Committee with this information.

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Q61 Mr Dunne: In which case why are we cutting the budget by nearly £2 million?

Ms Nicholl: The cut was about an appropriate level of investment so at that stage the total number of athletes that athletics was funding with our resources was deemed to be too great and when sports are relatively under-performing and not achieving their potential our approach has always been to support them in supporting fewer athletes with better support and really get the system of support right and create that world class environment and then grow from there. So it was a conscious decision to help athletics make those reductions in athletes to really focus on quality support, so the reduction actually in financial terms was not huge because of the potential the sport must achieve in 2012.

Q62 Mr Dunne: Are we changing the way that each individual sport is being administered? Is that part of your remit that you are concerned that too much of this is being absorbed by administration by the sport itself or is that being bypassed, it is going direct to the athlete?

Mr Steele: No, it is a combination really and what we are doing, which we were not doing before, we are looking at a much broader range of factors around success and medal success, whereas previously we had what was rather a blunt instrument and was recognised as that at the last PAC of just medal success. We are now looking at governance, we are now looking at all the support which is necessary to put into a sport and for a sport to develop to produce medals on a sustained basis, and part of that is governance.

Q63 Mr Dunne: I note from table 7 that of the top six sports four are what I think Lord Coe would refer to as sitting down sports—rowing, cycling, sailing—I suppose is mostly done sitting down although people stand up at some point—and canoeing is done sitting down, and the funding for all those where sitting down takes place is up significantly. Is that allocated purely on the basis of prospects for medal success? Is that the primary criteria that you use in increasing the allocations in those directions?

Mr Steele: The no compromise funding strategy which I mentioned earlier is about two components: one is medal success and current performance and the other is about future potential, and the future potential looks at a range of factors and that might be the development that the sport is looking at, so young athletes; it might be the systems they have in place—there is a range of things which we can then look at as a combination of factors and say that this sport is likely to produce a performance level in the future. That takes us away from what we talked about earlier, the narrow margins that can be misleading if you just look at medal success.

Q64 Mr Dunne: We have just had great success in cycling at the world track championships in Manchester where we won nine of the 18 medals available; is that on or better than expected in terms of your targets for cycling?

Mr Steele: We won 11 of the medals and nine golds at the world championships and, as you rightly say, that sport is now ranked number one in the world and is a huge success and very promising for Beijing. That actual event was not the targeted event so in between Olympic Games we have a major event each year which is used as the test event for that sport and this year of course for cycling at an Olympic year would be Beijing. Last year at the world championships we were also ranked one and we were very successful there with 11 medals again with seven golds. That was a test event that particular year so this year it has not counted.

Chairman: I am afraid there is a division in the House so we will have to go and we will come back as quickly as possible.

The Committee suspended from 4 pm to 4.05 pm for a division in the House.

Q65 Mr Dunne: Thank you, Chairman. Moving on to the next sport in which I have a particular interest, which is target shooting, I note that funding for target shooting is going down. This is not a sitting down but a lying down sport, which of course is not allowed to take place in this country at all. Could you give us some indication of where training takes place for target shooting and would it not be better value for money for the taxpayer for the government to reconsider the legality of target shooting practice taking place in this country than having to send our medal hopes abroad for their training?

Mr Steele: As far as where training takes place.

Ms Nicholl: In Europe.

Q66 Mr Dunne: But not in the UK?

Ms Nicholl: They actually do spend a lot of time overseas in Europe.

Q67 Mr Dunne: Are they allowed to do any target shooting practice in the UK?

Ms Nicholl: I understand that there may be some arrangements being made with the MoD but obviously the legislation affects target pistol shooting and it affects three Olympic disciplines but it does not affect all the disciplines.

Q68 Mr Dunne: Do you know what proportion of the funding made available, which has declined I think by £100,000, according to figure 9, what proportion is spent on travel?

Ms Nicholl: I could not tell you the exact amount but we could give you an estimate if you would like that.

Q69 Mr Dunne: Would it be possible to send us a note about the impact of the overseas cost of the three disciplines you mentioned if it goes beyond target shooting as that would be helpful.⁵ The next sport in which I have a constituency interest is

⁵ *Note by witness:* The three Olympic Pistol disciplines affected by gun legislation are: rapid fire, 50m (men) and 25m (women). It has been estimated by the Performance Director of British Shooting that the cost of having to train overseas for these disciplines will account for £135,000 of the £1.4 million podium funding available for Beijing 2008.

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archery where I am pleased to see funding is increasing because one of our medal successes last time round was a constituent of mine, Alison Williamson who won the bronze for Britain in archery. Is this an area where we anticipate making medal gains, and could you tell us how and when you will be defining the target for that? Is that again a post-Beijing target?

Ms Nicholl: For 2012 all the targets for all the sports will be set post-Beijing but certainly we do hope to see performers' gains in archery. For example, in the recent world championship the archers came back with three medals, which is unprecedented in recent years. They have a new Chinese coach, and a very good team effort now behind supporting the athletes and so we are very optimistic about archery.

Q70 Mr Dunne: Are we improving archery facilities in the UK?

Ms Nicholl: Archery facilities generally, the national squad is training quite a lot at Lilleshaw and I know that the Grand National Archery Society is in discussions with Sport England about improving the facilities at Lilleshaw.

Q71 Mr Dunne: Diving is a sport that is also getting an increased allocation according to chart 7, despite the fact that facilities for diving have been reduced around the country very dramatically. According to the Great Britain Diving Federation there are now only six 10-metre high Olympic standard diving boards left in the UK after, for example, 90% of London's pools had their diving boards removed over the past decades because of fears of health and safety. What is this programme doing to help restore diving to the public?

Mr Steele: I will make clear that facilities is not an area that we invest in; it is not an area of responsibility for us, but of course it overlaps with our need to ensure that elite sport can move forward and we work closely with sport England to make sure that we illustrate to them any potential obstacles to elite sport which are facilities-based. In terms of diving, you will be aware that Tom Daley recently was the youngest British male to ever qualify for an Olympics and that is some achievement in itself.⁶ So there are individuals within diving which will reap the benefits of our world class programme, so they will have personal support and all the sports science and sports medicine necessary that you wrap around an elite athlete. So those are happening. At the same time our Mission 2012 Programme, which you will have seen in the Report is the way that we monitor and assess what are the big issues, what are the obstacles which could be blocking elite performance is also making sure that we keep an eye on things like facilities to ensure that athletes and sports are not being disadvantaged. At the moment there are some very positive performances coming out of diving.

⁶ *Note by witness:* While Tom Daley is the youngest individual male competitor to qualify, in fact the youngest ever was Kenneth Lester, who went to the 1960 Olympics as a rowing cox.

Q72 Mr Dunne: Mr Stephens, a couple of questions for you. In December the Minister announced that UK Sport would be taking responsibility for doping through a new National Anti-Doping Agency (NADO). Could you tell us how it will do that and with what budget and will that budget come out of UK Sport's existing budget or is it a separate DCMS budget?⁷

Mr Stephens: That was an agreement reached with UK Sport so perhaps I can look to Mr Steele to answer that.

Mr Steele: Yes the separation of NADO, the first phase of that, is that we have been asked by government to work up a business case for that and that is being done at the moment to be presented to ministers at the end of this month. I would stress that the reasons for separation are to really progress the model. We have an extremely effective National Anti-Doping Organisation at the moment but we need to look ahead and see what is required in the future, so it will be a different type of organisation in the future with closer links to law enforcement agencies and trying to go upstream, if you like, to where are the drugs in sport coming from and who is introducing them, as opposed to just concentrating on testing and intelligence there. So after that business case we would expect to have instructions from government on which options they would like to look at in the future.

Q73 Mr Dunne: Mr Stephens, do you expect that this will have its own budget?

Mr Stephens: Yes.

Q74 Mr Dunne: Do you have any sense of what that is likely to be? That will presumably be an increase over the current provision and will have a much wider remit?

Mr Stephens: That has not been agreed yet. An element of UK Sport's existing budget is for the existing anti-doping responsibilities and that will obviously carry on with the new organisation. But we have not agreed the budget for the new organisation yet.

Q75 Mr Dunne: When would you expect to do so?

Mr Stephens: When we have considered the business case.

Q76 Mr Dunne: So by the time we meet again next year?

Mr Stephens: I am sure, yes.

Q77 Mr Dunne: In the context of genetic advances the difficulty in determining what is a performance enhancing drug and what is not are becoming more and more difficult to detect so that in the future, for example with the use of stem cell it may be possible to repair muscle tissue from injection of adult stem cell from the athlete's own generation. Have you determined whether or not that would be regarded as a performance enhancing drug?

⁷ *Note by witness:* The announcement in December 2007 was in fact that a new National Anti-Doping Agency will be set up separate from UK Sport, where it is currently situated.

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Mr Steele: I think what we are looking at the moment is the fact that a new NADO has to have a whole range of capacities and skills and research is certainly one of those, or at least to be able to tap into cutting edge research in exactly the sorts of areas you have just described, and that would be part of any new NADO organisation's responsibilities.

Q78 Mr Dunne: Mr Stephens, has the Department considered the impact of the Human Fertilisation Embryo Transfer Bill shortly to come to the House on issues such as doping in sport?

Mr Stephens: I am not conscious of the Department considering that.⁸

Q79 Mr Dunne: Is that something that you ought perhaps consider?

Mr Stephens: I am happy to do so.

Mr Steele: Also I think the World Anti-Doping Authority clearly is leading in terms of research and cutting edge of what can and cannot be done in these technological areas and clearly the NADO has a close relationship with them.

Q80 Mr Dunne: The final question from me, Chairman. Mr Stephens, could you comment on press reports about the number of personnel within your Department who are overseeing the Olympic London 2012 delivery? I think it referred to 48 civil servants working in your Department overseeing the ODA, which itself has some 200 people. Can you confirm that that is correct?

Mr Stephens: Yes, it is.

Q81 Mr Dunne: Do you think that that is a reasonable level of oversight from your Department?

Mr Stephens: Absolutely for a budget of £9.3 billion which has some very significant risks associated with it.

Q82 Mr Dunne: And what is the cost to your Department of that team of people on an annual basis?

Mr Stephens: Perhaps I can write to you with that detail but I hope that the Committee would support our close examination and consideration of value for money and keeping the Olympics to budget.⁹

Chairman: I am sorry, there is another division. We will try to come back as quickly as possible and then Mr Davidson will start.

The Committee suspended from 4.15 pm to 4.21 pm for a division in the House.

Q83 Mr Davidson: One of the reasons behind the emphasis on winning medals is this concept of role models and so on and it generating a wider interest. Is there actually much evidence that that really

works? You gave us a couple of anecdotal examples earlier on but what evidence is there that it works across the board because I am conscious that, for example, when England were in the football World Cup the consumption of alcohol went up considerably, which is not necessarily an indicator that people were involving themselves in sport. Similarly in rugby, I am not sure whether or not England get into the final has led to a much larger of number of people taking up the sport. What evidence is there that that actually works in terms of grass roots participation?

Mr Steele: There are participation figures after major events which show an increase in participation and I think that happened after the success in The Ashes and after the Rugby World Cup in 2003, but of course the secret is not just to have a blip and a brief increase in participation, and that is what I was talking about earlier that in sport we need to ensure that, yes, there is medal success, yes, there are trophies, championships, medals won but actually what we are doing is creating a world class system which keeps sustainable performance happening over and over again. If we do that at the elite level then that will definitely impact on participation and increase it. To go back to what you were talking about, I cannot provide for you direct evidence of that happening but I could make enquiries and try and send you a note.¹⁰

Q84 Mr Davidson: I think it would be very helpful, Chair, if we did have something along those lines and if the National Audit Office then commented on that because I must confess I am not convinced that this actually happens. If we look, for example, at chart 7, which gives the sports that are getting most money for the Beijing cycle the top three are rowing, cycling and sailing. Rowing and sailing, I would have thought, are not sports that are generally open to all—they are predominantly upper class sports based in private schools and the like. There is a degree of social exclusion there and to what extent are you able to demonstrate that the amount of money that rowing gets impacts upon wider populations such as those in my constituency?

Mr Steele: I think the figures that were asked for earlier will go some way to expressing those in terms of the breakdown of athletes in relation to the investment which we said we would send on before. I think it is important to note that of the 1400 athletes on our world class pathway the Scottish input and the Welsh input actually are punching above their weight *per capita*. So there are more of those athletes than you would expect. So in terms of our investment I think there is a good spread across the home countries in terms of home country breakdown in GB.

Q85 Mr Davidson: That covers as it were what my colleague referred me to as the regionalist aspect but the social class aspect within it, I am not sure even

⁸ *Note by witness:* We have consulted with colleagues at the Department of Health who have advised that there are no implications for doping in sport that could be envisaged through this Bill.

⁹ Ev 15–16

¹⁰ Ev 16–18

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that my constituents would be adequately represented within the Scottish contingent. Coming back to the question of equestrianism as well—

Ms Nicholl: Could I just add that in terms of a good example of how rowing has broadened its horizons and not relying now on just individuals coming up through the public school system it has a development programme called *Project Awesome* and it is actually reaching out to school level youngsters and those at university as well and it is bringing a lot more individuals now into the rowing programme from other walks of life. Particularly if we work that we do at UK Sport, Sporting Giants, which was a national initiative inviting those individuals over a certain height and weight to put themselves as potential rowers and volleyball players and handball players there are a number of those that have come through just by picking up the phone and saying, “I would like to have a go at doing that.”

Mr Davidson: I recognise that effort is being made but things like equestrianism, for example, it does help obviously to have a horse and there are not many people in my constituency that either have a horse or have ever had a horse or whoever indeed are likely to have a horse! The same cannot, I must confess, be said of fencing because a number of my constituents have swords!

Mr Bacon: A lot of them have knives though!

Q86 Mr Davidson: What evidence is there that sports such as equestrianism and fencing are actually genuinely open to all? What statistics do you have about the make-up of the elite athletes group at the moment? How many of them are public schoolboys and girls?

Ms Nicholl: We do not actually collect that data.¹¹

Q87 Mr Davidson: Can you get that for me, please?

Ms Nicholl: It would take us some time if we asked all 1400 funded athletes.

Q88 Mr Davidson: We have until Beijing! Both of you are involved in netball and rugby respectively, both of which have common people in them but that is not the case though for some of these other sports. So you have not monitored that at all?

Mr Steele: We see our mission as elite sport, so it is delivering medals, it is building a world class performance programme. Of course we want to have as many talented people in that as possible but participation and inclusion are not a direct objective for that.

Q89 Mr Davidson: I understand that that to some extent is not your problem, that is Mr Stephens' problem, so let us hear how he has sorted it.

Mr Stephens: I was going to say that that is absolutely the responsibility of Sport England and the equivalent bodies in Scotland, Wales and Northern Ireland. They have a very strong objective around broadening and deepening participation at the community level, including under represented groups, and those are the key objectives.

Q90 Mr Davidson: One of the issues I did ask about is this question of role models and if we find that there is a disproportionate number of people in the elite sports group who have public school origins that might very well be a good role model for other public school youngsters, but youngsters at schools in my area would not necessarily see a public school boy or girl on a horse as being a role model because they would see that as something that was just beyond their capacity—not only possibly physically but also financially—and that is why I think it is important. If we could have those statistics and have them checked by the National Audit Office then that would be very helpful, Chairman. Could I ask about the multiplicity of organisations? We have UK Sport, we have National Sports bodies, we have the British Olympic Association; we have ruling groups for every sport; is that coherent?

Mr Steele: I think the sporting landscape, as it is described, is pretty much as coherent as it has been.

Q91 Mr Davidson: That is not a yes or a no though, is it?

Mr Steele: I believe it is coherent, yes, and the reason for that is that back in April 2006 there was a transfer of responsibility where government looked to clarify the landscape, so to make it clear where youth sport was governed, the participation of club piece with the home countries or Sport England and the elite piece with us, and a number of sports at the time said, “This is what we have been waiting for, this is a big step towards clarifying the landscape.”

Q92 Mr Davidson: So between now and Beijing we can expect not to hear any stories about turf wars and all the rest of it?

Mr Steele: We want the same thing; we all want to achieve in Beijing and we all want to achieve in London 2012.

Q93 Mr Davidson: That is fine, if you will give us an assurance that we are not going to have those sorts of difficulties then I am perfectly happy with that, it is in the record now and it will come up at your trial! Can I just pick up the point—I think the Chairman touched on this earlier on—about the target for Beijing to be eighth in the Olympics and already ranked seventh in the world by the British Olympic Association, and the question of whether or not that is a soft target. I did not catch all of your response and maybe you can just clarify that for me again?

Mr Steele: I can assure the Committee that eighth in Beijing is not a soft target. I think eighth in Beijing and the ultimate goal of fourth in the Olympics and second in the Paralympics for London is a huge challenge and I think that the Report alludes to that.

¹¹ *Note by witness:* UK Sport does not seek to determine the school background of athletes and could only seek to collect this information from individual athletes at significant cost. This information is not considered to be relevant in determining either athlete performance potential or UK Sport investment strategy. Also see Ev 19

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There will be a huge step change in performance to achieve that, and that is what we are intending to achieve.

Q94 Mr Davidson: You have seen the Report that we have and it is indicating here, in paragraph 2.24, that you are already ranked seventh, so to do one place worse than that does not seem to be particularly stretching it. I do not quite understand that juxtaposition.

Mr Steele: In Athens we were tenth so we are looking to move from tenth to eighth in Beijing. The seventh is the BOA's ranking which is based on non-Olympic competition, so world championships, European championships. So it is not Olympic evidence. What is Olympic evidence is that at Athens we were tenth.

Q95 Mr Davidson: Can I ask about the host nation factor? Given what has happened elsewhere presumably you would automatically expect to move up two or three places. You have taken that into account in terms of your targets, have you?

Mr Steele: Host nation effect is huge and as the Report alludes to it can be up to six or seven gold medals and the evidence is there for that. That in itself will not be enough. I think part of the host nation effect starts right back when you win the Games itself and there is a change in ambitions and that is exactly what happened, and it was only a matter of days after winning the bid that the BOA, ourselves and sports governing bodies sat in a room and said, "What is it we want from this home Games?" And the ambition is massive. Also an increase in resources and of course making sure that those resources are maximised in terms of performance returns is what we are about.

Q96 Mr Davidson: You mentioned earlier that you were tenth in Athens. If the host nation effect is massive is it massive enough to move you up four places, so that you would normally expect to be sixth and we can then distinguish that that would happen anyway and that your efforts would then hope to move you forward another couple of places?

Mr Steele: Host nation effect is judged from when the bid is won to when the home Games take place. So in this case it is from Athens to London and in that case six or seven gold medals would not be enough, as the Report says, when looking at numbers of medals.

Q97 Mr Davidson: Where would it move you to? I am trying to establish who gets the credit. If you move us forward you will deserve credit for something. If you are going to get a certain amount of boost because of home nation status anyway let us just try to distinguish which is which.

Mr Steele: I understand. I suppose the way to look at it is that host nation effect is not automatic—it does not happen as soon as you win the bid. You have to maximise it, you have to tap into it and nations that do not tap into it properly will only win

a couple more medals—maybe none. It is about maximising it and we intend to try to go beyond the average of that.

Q98 Mr Davidson: I understand that; I am trying to understand what the average is. Can I just clarify from the National Audit Office, using the home nation boost what would you expect Britain to move to from tenth?

Mr Prideaux: As Mr Steele said, we think six or seven medals and I think that that would certainly move them up several places.

Q99 Mr Davidson: How many is several?

Mr Prideaux: I cannot say.

Q100 Mr Davidson: Shall we say four? Is four reasonable?

Mr Prideaux: I think four is reasonable.

Q101 Mr Davidson: So they would move from tenth to sixth under the impact of home nation status, so your target is rather demanding because you only want to move from sixth to fourth place?

Mr Steele: No because the host nation effect is not on the next Olympics, it is on the home Olympics.

Q102 Mr Davidson: I understand that; I was being generous to you by comparing it to Athens.

Mr Stephens: Could I support Mr Steele? What we are saying here is that this is not an automatic effect; it does not happen just because you have been awarded the Games. What it is is an observed effect at the host nation status that catalyses a huge effort and more resources and there is absolutely no doubt that achieving fourth place in London 2012 is hugely ambitious and there will, I hope, be huge congratulations if we achieve that.

Q103 Mr Davidson: I can see when I am being sidestepped. Can I just clarify what your target is for Beijing?

Mr Steele: Beijing target is second in the Paralympics and eighth in the Olympics.

Q104 Mr Davidson: So if you are eighth in the Olympics and you do actually get four places up from the visiting home nation status that would put you at fourth, so in fact the elite athlete programme would not have got you any further at all then.

Mr Steele: The number of places is where we came in Athens to where we are coming in London. That is what I was saying, you judge host nation effects on the home games from when the bid was one, so you miss Beijing.

Q105 Mr Davidson: So we will settle for four and so that will be four and two then.

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Mr Steele: It is not an exact science by any means.

Q106 Mr Davidson: No, I understand that.

Mr Steele: To take an estimate of what you are saying I think host nation effect itself might get to sixth or fifth if it is maximised properly but we still have to go beyond that—there is more than that needs to be done.

Q107 Mr Davidson: I understand that. Can I just clarify about the private sector and their involvement? You seem to be getting a degree of difficulty in getting money out of them and given that there will be enormous numbers of private sector endorsements available and so on and so forth, why is the money not flowing forward more readily for this elite athlete sponsorship?

Mr Stephens: It is not a degree of difficulty, it is a conscious decision by ministers that the right time to go out to stimulate that is post-Beijing.

Q108 Mr Davidson: So you are quite confident that you will get all the money that is necessary.

Mr Stephens: As the Report says, it is a challenging target; it is something new that we have not tried before—

Q109 Mr Davidson: Is that a yes or a no?

Mr Stephens: It is a challenging target. There are no guarantees because it is private sector funding, so there cannot be any guarantees. It is a challenging target, I think it is realistic and the right time to start is after Beijing.

Q110 Mr Davidson: That is a yes then, is it? You anticipate getting the money, do you? Should we be worried about this now at this stage?

Mr Stephens: We hope that it is realistic. There are risks around it, there is no guarantee.

Q111 Mr Davidson: I understand. We were just a bit anxious about the point that we recommended last time that you set up a relationship with the private sector, somebody that could help you get that and it took you 18 months from our last recommendation to do that. Was there any particular reason for that delay?

Mr Stephens: As I explained, ministers consciously decided that the right priority was raising a sponsorship income from the running of the Games in 2012 and also the Committee's recommendation was not about the appointment of a paid consultant and we have used the time before going out to tender to discuss the options with a number of businesses.

Q112 Mr Davidson: And you are quite satisfied that the time scale that you are operating to will be sufficient to raise the money in time to have the effect that you want? You will not be turning round to us later on and saying, "It was ministers that held us back from raising this money, otherwise we would have done it earlier and we would have had this, this and this effect."

Mr Stephens: I am quite satisfied that this is the right time. Equally, I repeat, there are no guarantees for this. This requires a partnership across government that is put in, that has more than governed its own funding for this, that will set up the framework. Sport needs to cooperate in terms of the sporting success and provide any opportunities around sponsorship and of course the private sector actually needs to come forward with the money.

Q113 Mr Davidson: One final point on a slightly different issue, if I could raise it with you, Mr Stephens. I saw in the press yesterday complaints from UKCAT that the training provision for construction workers on the Olympics was not going to be to the standard that they were expecting—I think it was NVQ2 rather than 3, if I remember correctly. Can you clarify that for us? Have you reached an agreement with UKCAT about the necessary training that is required?

Mr Stephens: If I may, may I suggest that the Chief Executive of the Olympic Delivery Authority writes to the Committee on this?¹²

Mr Davidson: Fine. Thank you, Chairman.

Q114 Chairman: One or two questions arising from Mr Davidson's questions which I would like to ask—and I think Mr Bacon also has a supplementary in a moment. So coming fourth is your ultimate goal, is it?

Mr Steele: Yes.

Q115 Chairman: What is your target then?

Mr Steele: The ultimate goal would become a high level target after Beijing, where we have all the performance results from Beijing to look at.

Q116 Chairman: "The ultimate goal would become a high level target after Beijing"?

Mr Steele: Yes.

Q117 Chairman: So when we next meet we will have a specific target, will we?

Mr Steele: Yes, Chairman, we will.

Q118 Chairman: And at that stage, as you will have exceeded expectations you will be giving us some of our money back, will you?

Mr Steele: I do not think that before the review, Chairman, I can comment on that.

Q119 Chairman: But as Mr Davidson said, we will discuss that at your trial!

Mr Steele: I think what is important to remember is that the funding submission that we put to government identified a set resource to be put into this mission and along the way we will have to make many changes and reviews to make sure that that resource is best used and we get the maximum performance return from it.

¹² Ev 18–19

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Q120 Chairman: We are not going to get anywhere on that but we will obviously return to this after Beijing. We had a long discussion with Mr Davidson about this host nation effect but what worries me is how you are actually going to turn this effect into medals when other nations are also increasing their funding quite rapidly. I just wonder whether, contrary to what Mr Davidson was suggesting, the host nation effect might be rather less in the future than it has been in the past?

Mr Steele: I think we have to be very aware of what other nations are achieving and that happens at two levels. One is at the sports level when they have to look at who are in their disciplines, who are they competing for, where they should best target and place their athletes to maximise performance within their sports, and of course on a broader level in terms of performance investment we need to intelligence gather there as well, Chairman, and that is what we do.

Q121 Chairman: So you are intelligence gathering around the place?

Mr Steele: We are. It is not always easy; not every nation is quite as open with what they are spending as we are here, but we have certain ways of gathering that intelligence and we do that.

Q122 Chairman: We have had several discussions about private funding. How are you setting about making this an attractive proposition for donors? What is your campaign?

Mr Stephens: We are in discussions with Fast Track who is the preferred bidder as a result of the tender process and they are developing a number of propositions for further discussion with us. In fact they have meeting with ministers tomorrow, as it happens. But the fundamental pitch underpinning this is that the government has more than doubled its commitment in financial terms to elite sport. Success in Beijing, which we have been talking about, will be primarily based on hugely increased public sector funding, government grant and Lottery, and ministers believe that that provides the basis of a platform for saying to the private sector, "Now it is your turn to get behind this and sustain and develop it to London 2012."

Q123 Chairman: That is all very general. Presumably you are going to give them all sorts of incentives, are you not? You must be thinking about this now. You cannot do what they do at football matches, can you—you cannot have their names around the stadium and things like that, can you?

Mr Stephens: It is certainly true that the traditional rights model is unlikely to contribute hugely because the rights by and large are owned by different bodies. So with UK Sport, with Fast Track and others we are developing looking at alternative models of raising this funding.

Q124 Chairman: I just wonder whether you are not being too optimistic. I have heard nothing from you today to suggest to me that this is going to be a terribly attractive advertising option for private companies.

Mr Stephens: I am agreeing with the Report that it is a challenging target to achieve. On the other hand, it is on the basis that the government will be putting in £500 million—

Q125 Chairman: But just because the government puts in money does not necessarily spur the private sector to put in money; the private sector puts in money because it wants to have advertising opportunities and options to advance its own brand name. You have not told the Committee anything of what options you have given to the private sector to do that. Maybe it is not appropriate at the Olympic Games, but I just wonder whether you are not being very optimistic.

Mr Stephens: I am agreeing that it is a challenging target. At the same time in terms of raising sponsorship for the running of the Games in 2012 LOCOG performed very well and got sponsorship commitments in the form of about £300 million towards their target of more than £700 million, so that provides a degree of confidence. The sports market is of the order of £16 billion, employs 400,000 people, so the economic interest in this is huge. There is a range of opportunities to exploit; there are obvious markets around individual wealthy donors, business support and also whether there is any way to maximise the support of the general sports participating population.

Q126 Chairman: When will this money start flowing, do you think?

Mr Stephens: The assumption is that it first starts flowing in 2008/2009.

Q127 Mr Bacon: The Chairman has just asked a question that I was going to ask about when it starts flowing, but if the worst case scenario materialises, as it says in paragraph 2.34 it is already too late for UK Sport to protect the full funding that it proposes for those sports it expects to win medals, and judging by the shortfall in the LOCOG funding from the private sector I share the Chairman's fears that the full funding may not be forthcoming. I wonder is there a contingency plan that does not involve, as paragraph 2.33 says, possibly cutting funding from developing elite athletics in those sports with clear medal prospects?

Mr Stephens: Just to clarify, there is no shortfall in the LOCOG funding. In fact they are on if not slightly ahead of targets.

Q128 Mr Bacon: I probably have the wrong Olympic body but when we last looked at the Olympic budget there was a shortfall in private sector funding compared with what was originally anticipated, was there not?

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Mr Stephens: That is on the construction side.

Q129 Mr Bacon: There were about 20 different bodies with the word “Olympic” in them, I know.

Mr Stephens: But in terms the body that is raising private sponsorship for the running of the Games they are actually far ahead of any previous Games. No previous Games have had more than one major sponsor signed up by the time of the previous Games. The organising committee currently have five top sponsors—

Q130 Mr Bacon: Who are they?

Mr Stephens: From memory they are Lloyds TSB, Adidas, British Telecom, British Airways, EDF Energy and the next tier down of sponsorship by Deloitte.

Q131 Mr Bacon: Thank you. I would just like to turn to Mr Davidson’s question about the social background of participants in these different sports. Do you happen to know, Mr Steele, what proportion of medal winners went to public schools?

Mr Steele: I do not.

Q132 Mr Bacon: I have heard that it is as high as 80%. This is only an anecdotal figure but it sounds like this information is available. Ms Nicholl, do you have any idea about this?

Ms Nicholl: No, I do not know the actual detail but I do recall that post-Athens there was press coverage around that and I think there was some independent collection of data, but never formally collected data.

Q133 Mr Bacon: Is it able to be found out and could you find it out and send it to us?

Ms Nicholl: We probably could find that data; it would take a little time and we would have to go back to each of the medallists to check that.¹³

Q134 Mr Bacon: That would be very helpful. May I ask, were you educated at public school?

Ms Nicholl: No, I was not.

Q135 Mr Bacon: Were you, Mr Steele?

Mr Steele: I was, yes.

Q136 Mr Bacon: Were you, Mr Stephens?

Mr Stephens: I am a grammar school boy myself.

Mr Bacon: Excellent, first class! One of each! Thank you very much, Chairman.

Q137 Chairman: But actually it is a serious point because if we are talking about widening participation it is pretty worrying if £700 million is going into advancing our cause in elite sports and 80% of medals are won by people who went to

public school. You must be worried about this, must you not, in terms of widening participation amongst the general population?

Mr Steele: As I said before, Mr Chairman, we are not about participation, but I think from a personal perspective—

Q138 Chairman: You told me a lot earlier about how you were going to trickle this down and how these people were role models and all the rest of it.

Mr Steele: That is the way I understand role models work and there is a genuine value in a role model, but going back to what Mr Davidson was saying in my experience in elite sport and coaching and playing in it I think it is more inclusive than it was and I think traditionally there are some sports that you could point to and say, “Yes, those are particular to a part of our society,” and I think that is less of an issue now than it was a few years ago, but that is just from my experience in sport.

Q139 Mr Davidson: I think it is fair, Chairman, that it is less of an issue than it was before but that is not to say that it is adequate. I do not think I shall be satisfied until the medal winners reflect the percentage of areas we each have in society and once we see public schoolboys and girls dropping down to the same percentage that we have in society as a whole then I would not believe that elite sport is open. I understand your position, you work with what you have and it is not your job to change things, I understand that. Can I come back to the point that I was making earlier on and on reflection I am a bit concerned by Mr Stephens’ answer because the point I was making, just to clarify it, was about UKCAT saying that the Olympic Authority have launched a report saying that 1,000 youngsters from the local area will receive training and 90% of that however is only going to be NVQ2 which is essentially semi-skilled, rather than NVQ3 which would be equivalent to a modern apprenticeship. Government policy is quite clear in terms of wanting to see modern apprenticeships and rather than just passing this to the Authority to respond to us I would have thought that this is something that the 48 civil servants that you have supervising ought to be dealing with, and this is not something that you should pass on to somebody else but ought to be something that you are responding directly to us.

Mr Stephens: It is simply that the training will be delivered in partnership with the Olympic Delivery Authority and so they are responsible. I am very happy to agree and reply and write back myself. I just did not want to hazard an answer without checking the position.

Q140 Mr Davidson: I understand that. But this is in the newspaper so it must be true and therefore we would want to be clear from you as the responsible official whether or not this is following government policy because if government policy has been evaded on this then who knows what else is happening.

¹³ *Note by witness:* UK Sport does not seek to determine the school background of athletes and could only seek to collect this information from individual athletes at significant cost. This information is not considered to be relevant in determining either athlete performance potential or UK Sport investment strategy.

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Mr Stephens: I am very happy to write back. I would just like to reinforce the point I was making earlier, that with a very large, very significant budget, £9.3 billion of direct government funding, plus £2 billion at risk that the government has guaranteed the private sector funding, I believe that close monitoring and control is absolutely right and provides and guarantees value for money and control of the budget, and I have absolutely no problem with defending that level of resource.

Q141 Mr Davidson: But you were not aware of this? Despite 48 civil servants you have monitoring it?

Mr Stephens: I want to check the precise position before replying.

Q142 Mr Bacon: It sounds as if it is 48, compared with the total expenditure on the Olympics if it results in better management control then it is probably money very well spent and the salary bill in proportion is miniscule. Can you just send us a note with who these 48 people are and what they do? An organogram with who they are, what rank they are in the civil service, what they all do and what the cost is?¹⁴

¹⁴ Ev 15–16

Mr Stephens: Yes.

Q143 Chairman: It is not strictly in order but as I make the rules here anyway it does not matter. When we went to the Olympic site Mr Armitt told us that there were 80,000 Olympic hangers-on that were going to descend on London in 2012. What is this story about these people being allowed to have a special fast name for the sporting nonemclature? This is very un-British. I hope you are going to stamp on this. Whilst the rest of us are taking the train out to the site these people are going to be in special designated lanes.

Mr Stephens: Perhaps I had better offer a note on that because it is a high priority to make sure that athletes, participants, officials, referees, umpires, judges all get to their events on time—that is a major part of the transport commitment. Perhaps I could write with the details?¹⁵

Q144 Chairman: But not these 80,000 hangers on? A last point, Mr Stephens. We can see that Ms Nicholl is an international netball star and we see that Mr Steele is a successful player and coach, what have you ever done in sport?

Mr Stephens: I think third eleven at football and cricket, I fear, is the height of my achievements!

Chairman: Thank you very much gentlemen and lady.

¹⁵ Ev 19

 Supplementary memorandum submitted by the Department for Culture, Media and Sport

Question 57 (Mr Richard Bacon): *Breakdown of funding and athletes by sport*

NUMBERS OF FUNDED ATHLETES PER SPORT AND THE FUNDING FOR EACH SPORT FOR ATHENS AND BEIJING

Olympic summer sports—Podium support details

<i>SPORT</i>	<i>Athens' cycle Podium investment £000</i>	<i>Beijing cycle Podium investment £000</i>	<i>Podium athlete numbers</i>	<i>Development athlete numbers</i>
Archery	311	1,357	7	8
Athletics	11,334	9,386	43	67
Badminton	291	3,090	17	25
Basketball	n/a	n/a	0	58
Boxing	n/a	1,747	11	18
Canoeing	4,684	4,684	23	41
Cycling	8,114	10,147	26	51
Diving	1,421	2,550	8	20
Equestrian	3,223	5,376	26	40
Fencing	n/a	896	5	11
Gymnastics	4,183	1,775	6	61
Handball	n/a	n/a	0	36
Hockey	n/a	n/a	0	71
Judo	3,448	2,072	10	31
Modern Pentathlon	2,045	2,456	8	15
Rowing	10,607	11,198	52	49
Sailing	7,178	9,526	34	38
Shooting	1,484	1,399	6	19
Swimming	6,526	7,667	36	60
Synchronised Swimming	n/a	n/a	n/a	16

<i>SPORT</i>	<i>Athens' cycle Podium investment £000</i>	<i>Beijing cycle Podium investment £000</i>	<i>Podium athlete numbers</i>	<i>Development athlete numbers</i>
Table Tennis	n/a	n/a	n/a	10
Taekwondo	568	929	4	12
Triathlon	2,623	1,853	7	15
Volleyball	n/a	n/a	n/a	45
Water Polo	n/a	n/a	n/a	48
Weightlifting	55	280	1	9
Wrestling	n/a	454	1	10

Paralympic summer sports—Podium support details

<i>SPORT</i>	<i>Athens' cycle Podium investment £000</i>	<i>Beijing cycle Podium investment £000</i>	<i>Podium athlete numbers</i>	<i>Development athlete numbers</i>
Archery	531	877	7	4
Athletics	3,397	3,594	20	22
Boccia	254	288	2	4
Cycling	516	1,491	12	0
Equestrian	1,188	1,424	9	11
Fencing	125	115	0	1
Football	n/a	0	0	0
Goalball	n/a	0	0	0
Judo	648	565	4	1
Powerlifting	357	508	1	6
Rowing	n/a	712	6	5
Sailing	400	846	7	3
Shooting	248	401	0	4
Swimming	4,509	5,416	31	13
Table Tennis	390	616	4	10
Volleyball	n/a	0	0	0
Wheelchair Basketball	1,850	1,948	12	0
Wheelchair Rugby	527	157	0	13
Wheelchair Tennis	473	600	2	8

Questions 82 (Mr Philip Dunne) & 142 (Mr Richard Bacon): *Staff in the DCMS's Government Olympic Executive*

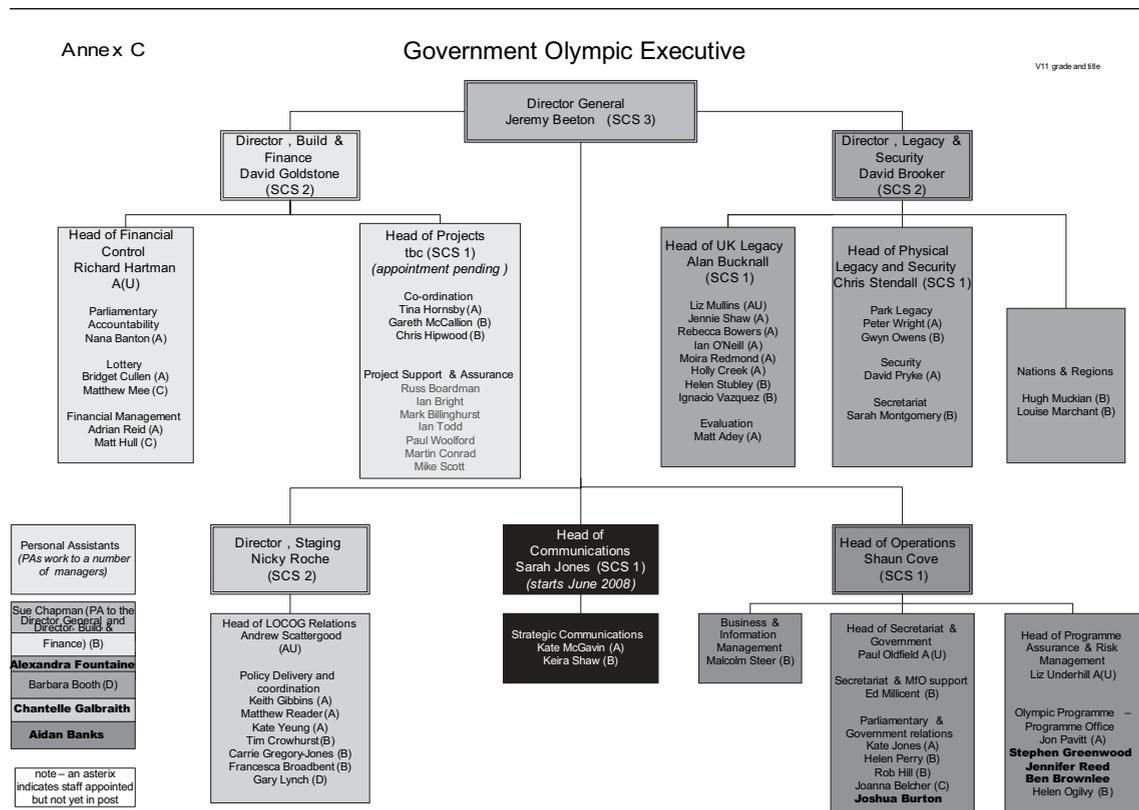
The Government Olympic Executive (GOE) is the team within the Department for Culture, Media and Sport responsible for overseeing the Olympic programme, reporting to the Minister for the Olympics, who is directly answerable to the Prime Minister. Since the PAC hearing the number of permanent civil servants in the team has increased to 53. GOE also uses interim and agency staff where appropriate. There are currently 14 such staff providing interim project assurance, programme management, secretarial and administrative support.

The Director General has an annual salary of £220,000 and the Director of Build and Finance has a salary of £180,000 per annum. The remaining 51 staff are broken down into the following pay bands:

<i>Grade</i>	<i>Pay Band</i>	<i>Headcount</i>
SCS2	£81,600 to £160,000	2
SCS1	£56,100 to £116,000	3
A(U)	£49,918 to £64,065	5
A	£42,770 to £52,985	18
B	£27,560 to £35,335	18
C	£21,242 to £25,178	3
D	£16,796 to £20,395	2
Total		51

The current estimated monthly cost of the 53 permanent civil service staff plus the 14 interim and agency staff is £470,000 (including national insurance, employers pension contributions and VAT).

The attached organogram, below, shows the 53 GOE civil servants, by grade, plus the 14 interim and agency staff (in red).



Question 83 (Mr Ian Davidson): *Evidence to support medal winning generating grass roots participation in Sport*

Please see below several examples of sporting success promoting participation:

Amateur Rowing Association (ARA)—Project Oarsome

The Coxless Pair in Rowing won Britain their only Gold medal at the Atlanta Games in 1996. Following this achievement, rowing clubs reported significant increases in people wanting to row and the ARA piloted a national programme called Project Oarsome to increase club capacity and target young people.

Project Oarsome links rowing clubs to state schools, providing opportunities to at least 100 schools in the LEA sector. Since its inception and further roll out, Project Oarsome has produced the following results:

- An increase of over 100% in regular participation by young people and adults.
- Over 1,000 schools offering rowing, with the majority linked to clubs.
- A total increase of 35% in membership of the ARA.
- 106% growth in junior membership.
- 134% growth in qualified coaches at participating clubs.

The ARA is satisfied that elite success and publicity aligned with pre-prepared community sports development can produce long term increases in participation.

Rugby Football Union IMPACT Strategy 2003–06

Following England men's success at the 2003 Rugby world Cup, the RFU launched its IMPACT Strategy, which aimed to increase the number of players, coaches, officials and volunteers in the game.

In each year since 2003, this strategy has been evaluated and the results show the following:

2004

- Over 33,000 new players bringing the overall total to over 230,000.
- An additional 3,000 new volunteers supporting rugby clubs across England.
- A increase of nearly 10% in the number of mini/midi teams run by each club.
- To capitalise on the World Cup success the RFU organised the Sweet Chariot Tour to take the Webb Ellis Trophy around England. During the tour 250,000 people engaged actively in rugby and 18,800 registration forms were completed.

2005

- 18,000 new players bringing the overall total to over 250,000.
- A new total of 39,252 volunteers—almost 12% more than just before the 2003 World Cup.
- Over 1,000 new teams established.

2006

- Overall player total available to compare with 04/05?
- An additional 2,700 new young players recorded.
- A new total of 43,854 volunteers.
- The number of accredited clubs increased from 215–287 (under new RFU accreditation scheme).

England and Wales Cricket Board—Ashes success

Following the success of England men's and women's Ashes teams in 2005, the ECB reported the following positive impacts on participation:

2005–06

- 25% increase in junior memberships at clubs.
- 600% increase in equipment requests for children's kits with the Lord's Taverners Charity.

2006–07

- 27% increase in club and school cricket with a 37% rise in school years 5, 6.
- 45% rise in women's and girls' cricket.
- 22% rise in black and ethnic minorities playing cricket.
- 13% increase in volunteers.

British Cycling

British Cycling has moved from a world ranking of 17 to number 1 within the last 10 years. British Cycling membership figures are an excellent indication of participation levels and during the same time period membership has risen by 70%, from 13,000 members in 1997 to 22,000 in 2008. Since 2005 British Cycling has produced the following outcomes:

April 2005–January 2008

- 47% increase in Cycle Sport Membership.
- Recruitment of 30,000 16+ Recreational Cyclists into the Everyday Cycling initiative.
- 22% increase in the number of events organised and a 56% increase in the number of participants in events.
- 35% increase in racing licence holders.
- Diversification through Everyday Cycling into Active Recreation has been a significant factor in increasing participation in competitive events by 23% ie it has provided a pathway / stepping stone into the sport for participants.

UK Sport Sporting Preferences Survey 2004

Following the Athens Olympics and Paralympics, UK Sport commissioned TNS Sport to carry out a survey measuring the sporting preferences of the general public. The survey investigated whether UK sporting success in the summer of 2004 had had a positive impact participation in sport. Results showed that:

- 12% thought UK success had positively impacted on their participation in sport.
- 50% were generally doing more sport.
- 31% were taking part more regularly.
- 24% had taken up a sport for the first time.

UK Sport will be repeating this survey in November 2008 following the Beijing Olympics and Paralympics.

Positive Impact of sporting Role Models on Young People

There are a number of schemes in place to demonstrate and capitalise on the ability of elite athletes and sporting success to have a positive influence on the behaviours, attitudes and self-efficacy of disaffected young people. Elite athletes are able to make significant differences to young people's lives by providing leadership, inspiration and motivation through structured and innovative programmes.

ChangingLIVES (Living for Sport)—Partnership between Youth Sport Trust, BSKyB and DCSF

ChangingLIVES is an athlete role model scheme in which world class sports performers visit schools across the country to inspire and encourage behavioural change in 11–16 year olds who are experiencing difficulties or disengaged from school life.

Independent research found that a majority of the young people involved demonstrated improvements in confidence, social skills and behaviour, and teacher ratings of the success of SKY Living For Sport are consistently higher for schools with access to changingLIVES mentors (Institute For Youth Sport, Sept 2006).

The changingLIVES (Living for Sport) evaluation report (2006–07) highlighted the following achievements:

- Over 80% of teachers reported that students had benefited from the programme.
- Improvements in student conduct included increases in attendance, decreases in behaviour/referral problems, increases in students' confidence/self esteem and attainment, and improvements in attitude.
- The three main reasons for positive impact were the influence of the athlete mentor, an increase in students' self esteem and confidence, and students' enhanced ability to work as a team.
- The sustainability of impact is monitored annually. After one year 87% of students had sustained their post-project improvements with 13 schools reporting that 90% had sustained their improvements over 24 months.

The Respect Athlete Mentoring Programme (RAMP)

RAMP is delivered in partnership by Sport England, who are responsible for the community element, and the Youth Sport Trust who focus on education.

The programme aims to deliver 150 “mentoring packages” to positively influence disaffected and disadvantaged young people through the power of sport. Each mentoring package is tailor-made, based on the needs of the young person or people, and has a maximum of six “delivery days” by an allocated Athlete Mentor. Sixteen specifically recruited elite athletes are appropriately trained and supported to deliver a total of 900 “delivery days” in 14 selected RESPECT Action Areas.

The impact on young people is monitored by their “Engagement Level”—the mentors record a level between one (disengagement) and five (autonomy) at each meeting. Recent results have shown the percentage of young people achieving the highest levels of engagement rising from 42% in August 2007 to over 65% in January 2008.

National School Sport Champion—Dame Kelly Holmes

Dame Kelly was appointed in January 2006 to the government-backed National School Sport Champion (NSSC) role, which is managed by the Youth Sport Trust and supported by Norwich Union. In her first year Dame Kelly worked with over 28,000 pupils, teachers and others to inspire and motivate children to do more sport. She helped the Government to get 86% of children participating in two hours of high quality PE and school sport a week, (as at October 2007), beating the target of 85% by 2008 a year early. Dame Kelly is now working towards achieving the Government's offer of access to a minimum of five hours a week of PE and sport for all children by 2012.

Question 113 (Mr Ian Davidson): *Training provision for construction workers on the Olympic site*

The Olympic Delivery Authority's Employment and Skills Strategy focuses on getting people into work and training. The Olympic site becoming a National Skills Academy for Construction (NSAfC) is a critical part of this, co-ordinating training provision to meet the identified needs of the project. ODA will work with a range of public and private sector partners to help its contractors recruit the 9,000–10,000 construction workers that will be needed at peak in 2009–10 and enabling people to develop skills for careers after the Games. This will be a boost to construction training that otherwise would not have happened, and we are absolutely committed to creating a lasting employment and skills legacy.

Around 2,000 trainees are expected on the Olympic site over the period of construction and between 85% and 90% of these are likely to be trained to NVQ level 2, which is the qualification level accredited by Learning and Skills Council for the majority of construction operative roles. The exact number of trainees will be agreed by the NSAFc's Partnership Board as part of an on-going process of establishing its training plan.

Few workers will be on site long enough to complete an NVQ3 Apprenticeship: a number will commence on the Olympic site and then move on and achieve their NVQ3 as they progress into work elsewhere. The ODA and partners are putting in place on-site co-ordinators to facilitate this.

The ODA's Strategy has been welcomed by both the Trades Union Congress and Unite. UCATT was invited to attend meetings of the ODA's Corporate Social Responsibility Group for Employment & Skills, but did not attend. UCATT attended a site tour and briefing in January 2008 at which there was discussion of the ODA's Strategy, though I understand that it did not raise any particular issues on that occasion. UCATT accepted the ODA's invitation to the first Partnership Board which took place on 21 April.

Question 143 (Mr Edward Leigh): *Travel arrangements for Olympic Family during London 2012*

The IOC has very clear transport requirements that all host cities must meet, set out in the Host City Contract. In planning for the 2012 Games, LOCOG has to address the transport needs of spectators, its workforce and the "Olympic Family", a term used by the IOC to describe a wide range of accredited personnel. The Olympic Family comprises six broad client groups:

- The National Olympic Committees, including athletes and officials.
- International Federations.
- Media.
- International Olympic Committee.
- Marketing partners (sponsors).

These groups have a range of duties and commitments to their sports, athletes and countries. In accordance with IOC requirements, where car transport is required, they will be given access to it, although the vast majority will not have access to cars and will instead use shuttle buses from their hotels to the Olympic Park and other venues, as well as having free use of public transport. Reasons why car access will sometimes be required include: security, logistics, competition requirements, equipment, attending medal ceremonies, appeal tribunals meetings and multiple sports events at different venues.

On the matter of road access, the Olympic and Paralympic Family will need to be moved safely, quickly and reliably between the competition venues, accommodation and other key locations. Plans are advanced to create an Olympic Route Network (ORN), and a subsequent Paralympic Route Network. It will comprise a network of roads linking all competition and key non-competition venues. In general, the roads will still be available for use by all traffic during the Games, but on the busiest sections only, traffic lanes will be reserved for Games vehicles. The ODA, in partnership with Transport for London, the Highways Agency, the emergency services and those highway authorities through which it will pass, is designing the ORN.

Email from Department of Culture, Media and Sport

Question 86 (Mr Ian Davidson): *Education background*

I am afraid that we are not content to seek the further information Mr Davidson is interested in at this stage. As explained, the information would be costly to obtain and would not contribute to the delivery of UK Sport's stated objectives.

6 June 2008
