



National Audit Office

Preparing for Sporting Success at the London 2012 Olympic and Paralympic Games and Beyond

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SUMMARY

1 On 6 July 2005, the International Olympic Committee announced that London would host the 2012 Olympic and Paralympic Games, providing the opportunity for the United Kingdom to use the 2012 Games as a catalyst to raise the standard of sporting achievement amongst its elite athletes. The Department for Culture, Media and Sport (the Department), along with others including UK Sport, a non-departmental public body responsible for elite sport in the UK, have an objective, as signed off by the Olympic Board on 29 March 2006, to:

‘achieve a sustained improvement in UK sport before, during and after the Games, in both elite performance – particularly in Olympic and Paralympic sports – and grassroots participation’.

2 At the Olympic and Paralympic Games, athletes from the United Kingdom compete together as the Great Britain and Northern Ireland teams, referred to in this report hereafter as the ‘Great Britain’ teams. The Department and UK Sport’s aims for elite performance at the London 2012 Games, described by UK Sport as ‘ultimate goals’, are for the Great Britain teams to finish fourth in the Olympic medal table and second, ‘moving towards first’, in the Paralympic medal table. To achieve fourth place in the Olympic medal table, the Great Britain team will need to improve by six places on its final position of tenth at the Athens Olympics in 2004, which UK Sport considers will require almost doubling the number of gold medals from nine to at least 17. UK Sport is also aiming to build an improved and lasting system of support for elite athletes, including coaching, and sports science and medicine, and training support, which will be sustainable beyond the 2012 Games.

3 The Department provides funding for elite sport through an agreement with UK Sport and monitors UK Sport's performance against targets included in this agreement. The government has agreed a package of funding for elite sport in the seven years from April 2006 to March 2013 of over £700 million, which will be sourced from the Exchequer, the National Lottery and the private sector. Within this amount, the direct funding UK Sport provides to the national governing bodies of sports and elite athletes through its World Class Performance programme has doubled to nearly £600 million.

4 This report follows up on reports on supporting elite athletes published by the National Audit Office in 2005 and the Committee of Public Accounts in 2006. These reports recognised that UK Sport's programme of funding had helped athletes to prepare for elite events, but raised concerns about the way UK Sport measured and reported its own performance. They also questioned whether UK Sport's wider management of the programme, such as its monitoring of the performance of the national governing body for each sport, was delivering a good return on the expenditure.

5 In this report, we focus on the funding UK Sport has allocated to prepare athletes for the Summer Olympic and Paralympic sports at Beijing in 2008 and at London in 2012. We examine what progress the Department and UK Sport have made in implementing the Committee of Public Accounts' 2006 recommendations, whether they have a clear funding strategy and performance framework through which to deliver their objectives for sporting success at London 2012 and beyond, and what steps they are taking to manage the emerging areas of risk.

6 Our research involved interviews, review of documentation and analysis of financial and performance data at the Department and UK Sport, a survey of the national governing bodies of all Olympic and Paralympic sports, and discussions with other important players in elite sport, such as the British Olympic Association, the British Paralympic Association and the British Athletes Commission (Appendix 1).

Overall conclusion

7 We conclude that the Department and UK Sport have acted on most of the recommendations made by the Committee of Public Accounts in July 2006. In particular, UK Sport has developed a strategy to deliver its goals for the 2012 Games and beyond. It has set the criteria by which funding decisions will be made with an emphasis on those sports and athletes most likely to win medals and which continue to demonstrate this through a track record of success. It has introduced a performance system designed to improve the governance and accountability of national governing bodies, whilst keeping them focussed on the goal of delivering medals and ensuring that performance is measured and reported transparently. By taking these actions, UK Sport has put in place criteria by which the value for money of its use of resources between now and 2012 can be evaluated. However, UK Sport has not implemented the Committee's recommendation to decide its medal targets for the London 2012 Games, or to agree targets with individual sports, although it proposes to do so after the Beijing Games in 2008. And while the Department has met the Committee's recommendation to draw on specialist fundraising expertise to help raise £100 million from the private sector it did not put out a tender for a fundraising partner until November 2007.

8 It is of course too early to judge whether UK Sport's strategy will ultimately deliver value for money or whether its aspirations for sporting success more than four years from now will be achieved. We have, however, identified risks to be addressed in a number of areas. There is a risk that the wider goals of the Department and UK Sport, in particular their aim to help develop Great Britain teams which can compete creditably in every Olympic and Paralympic sport at London 2012, may distract UK Sport's focus and funding from its primary goal of winning medals. Another key risk is that the £100 million, 17 per cent of direct funding for sports, which the Department plans to raise from the private sector may not materialise or may become available too late to influence the Great Britain teams' chances of success at the London 2012 Games. UK Sport will need to take firm decisions on which sports to stop funding, and when, if it is to minimise the impact of such a funding shortfall on medal performance in 2012 and on the longer term legacy for elite sport in the United Kingdom.

Main findings

Our main findings are as follows.

On UK Sport's funding strategy to deliver sporting success at the London 2012 Games

9 Following the Athens Games in 2004, UK Sport's strategy has been based on a principle of 'no compromise' which involves concentrating funding primarily on those sports and those athletes most likely to win medals. However, since the announcement that the 2012 Games would be held in London, the Department and UK Sport's objectives have broadened to include funding all Olympic and Paralympic sports to achieve creditable performances at the Games, even if these will not lead to winning medals, to further their aims to deliver an elite sporting legacy from the Games. In addition to increasing its financial support to the majority of Olympic and Paralympic sports that it funded at the Athens Games in 2004, UK Sport is therefore providing funding to another 16 Olympic and Paralympic sports for the first time.

10 In response to the Committee of Public Accounts' view that the link between performance and funding should be strengthened, UK Sport has made clear to national governing bodies that it will make funding decisions based on an assessment of current performance and future potential. In deciding which athletes to fund in the run-up to the Beijing Games in 2008, it has been proactive in withdrawing or increasing funding to sports based on a range of factors, including their medal performance.

11 The Committee of Public Accounts drew attention in 2006 to the risk that neither the Department nor UK Sport had the skills or capacity to raise the £100 million from the private sector that formed part of the funding package. Having made the decision that fundraising for the £100 million should not cut across the London Organising Committee for the Olympic Games' efforts to sign up first-tier sponsors, the Department used this time to consult a range of figures in business and sport with fundraising expertise, as recommended by the Committee. In November 2007, the Department went to tender for a fundraising partner. There remains a risk that, especially in view of the many demands for private sponsorship to fund aspects of the London 2012 Games, the objective of raising all this money will not be achievable.

12 Should there be a significant funding shortfall, UK Sport is currently working on a range of contingency plans which it will finalise and discuss with sports following the Beijing 2008 Games. It is already too late, however, for UK Sport to protect the full funding it proposes for those sports it expects to win medals in 2012 if the worst case funding scenario should materialise. The implementation of any of its proposed contingency plans would impact on UK Sport's strategy to deliver an elite sporting legacy from the Games and might reduce the likelihood of achieving the Great Britain teams' medal aspirations at London 2012.

13 UK Sport has identified a need to raise further the level of its financial and commercial skills in order to ensure sound financial stewardship of the increased funding for which it is now responsible. It is planning to recruit a dedicated finance director in order to meet this need, and to separate the finance function from the corporate services directorate where it currently sits.

On setting targets and reporting performance

14 UK Sport's 'ultimate goals' for medal success at the London 2012 Games will require a step change in performance amongst elite athletes. The achievements of athletes at recent elite international events in a number of sports, including sailing, cycling, rowing, boxing, disability equestrian and disability shooting, suggest that performance levels in some sports are already improving significantly. 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. This 'host nation effect' would not in itself be enough to deliver UK Sport's Olympic goal, which is likely to require an improvement of eight or nine gold medals over the Great Britain team's performance at the Athens Games in 2004 if the relative performance of other nations remained the same. Changes in the performance of other nations since 2004, especially in the context of a general trend of increased spending on elite sport, sometimes referred to as a 'global sporting arms race', may also have implications for UK Sport in delivering its medal aspirations.

15 The Committee of Public Accounts recommended in their 2006 report that, on the basis that the resources were known, UK Sport should decide its medal table targets for 2012 and reflect them in the targets it agreed with individual sports, before reviewing those targets in the light of performance at Beijing in 2008. UK Sport's response to this recommendation in October 2006 was that, whilst an 'ultimate goal' for both Olympic and Paralympic success had been identified, no formal targets would be set until after a full review of performance in Beijing and the signing of a new funding agreement with the Department. UK Sport has maintained this line and has still not set formal targets, for individual sports or in aggregate, for medal performance in the 2012 Games. Although the funding package was agreed on the basis that the Great Britain teams would achieve the objectives of finishing fourth in the Olympic medal table and second moving towards first in the Paralympic medal table, UK Sport continues to describe these as 'ultimate goals'. It proposes only to set formal medal targets once it has had the opportunity to review with each sport their realistic expectations in the light of performance at the Beijing Games.

16 UK Sport has made progress in implementing the Committee of Public Accounts' wider recommendations about the way it measures and reports its own performance. It now supplements its targets for athletes winning medals with targets for athletes finishing in the top eight at major sporting events, and reports performance against these targets accurately and transparently, both for itself and for the sports it funds.

17 Performance has significantly improved in a number of sports over the years since the Athens Games in 2004. However, in the light of its aspirations for London 2012, there is a risk that UK Sport's interim targets set out in its funding agreement with the Department are not sufficiently stretching to provide adequate accountability or to drive continuous improvement up to London 2012. UK Sport's targets for medal wins and top eight finishes in the years between Olympic and Paralympic Games are currently set at 75 per cent of the aggregate of the targets it agrees with individual sports. In both 2006-07 and 2007-08 to date, UK Sport has easily exceeded almost all of these targets, in many cases by as much as 50 per cent, which suggests that they are set too low to be useful as performance measures.

On UK Sport's leadership and wider management of the World Class Performance programme

18 Since the Committee of Public Accounts' report in 2006, UK Sport has made significant progress in developing its performance monitoring and wider management of the World Class Performance programme, through which it supports the development of elite athletes with the potential to win Olympic and Paralympic medals. It has made clear to sports' national governing bodies the actions they must take to improve performance and has embedded these measures in its monitoring arrangements.

19 UK Sport has introduced a new self-assessment based performance system, 'Mission 2012', which is designed to monitor the progress of national governing bodies in the run up to London 2012 and beyond and to highlight any risks to achieving their goals. Although early days, most national governing bodies were positive about the new process and recognised its importance in providing accountability for the significant extra funding they now received. However, more needs to be done to clarify with sports' governing bodies the way Mission 2012 will be used alongside wider monitoring activities. In particular, some governing bodies were unclear how UK Sport would use the information from Mission 2012, alongside other performance information, to make funding decisions or how it would intervene if sports identified significant risks to achieving their goals.

20 The Committee of Public Accounts concluded in 2006 that more value could be secured from national governing bodies' spending on sports science and medicine. We found that UK Sport had made good progress in measuring and increasing the take-up of services, but had not yet been able to demonstrate the value for money they provided. Through its oversight of the English Institute of Sport, UK Sport is taking steps to increase the responsiveness of the Institute's services to athletes' needs. It acknowledges that there is more to do to deliver greater value for money from the Institute and is undertaking a review of how sports science and medicine is delivered to support elite athletes in England.

21 Whilst UK Sport provides the strategic lead from government for elite sport in the United Kingdom, it faces the challenge of delivering its objectives through a range of other stakeholders with prominent roles in the support of UK's athletes. While UK Sport works well in collaboration with the majority of these stakeholders, a number of those we consulted highlighted the scope for confusion or duplication between its activities and those of the British Olympic Association, which is also delivering services to strengthen sports' governing bodies and help prepare elite athletes for Olympic success.

Recommendations

22 We make the following recommendations to address risks to the delivery of the government's objectives for sporting success at the London 2012 Olympic and Paralympic Games:

On UK Sport's funding strategy to deliver sporting success at the London 2012 Games

a UK Sport has not set formal medal targets with each sport for the London Games or provided clarity about what funding each sport can expect to receive until 2012 should it continue to meet the targets set in the interim.

■ **UK Sport should agree firm medal targets with each sport for 2012 as soon as possible after the Beijing Games and in time to inform funding decisions for the start of the 2012 Olympic cycle in April 2009.** It should then confirm the level of funding it will provide until 2012 for each sport it expects to win medals, subject to achieving their performance targets at major events in the years leading up to the Games.

b There is a risk that, in the light of many demands for private sponsorship of the Games, the £100 million to be raised from the private sector to support elite athletes may not all be achievable.

■ **The Department should work with its consultant, Fast Track, to produce an early assessment of the feasibility of raising £100 million from the private sector, given the many demands on the private sector to sponsor other parts of the Olympic programme.** It should develop an action plan to test the willingness of potential donors and, in time to inform funding decisions for the start of the 2012 Olympic cycle, should make an estimate of what private sector funding it expects to be made available and in what timeframe.

c Private sector funding may not be secured in time to influence medal performance in 2012 and the uncertainty could constrain UK Sport's ability to commit funding early enough in the Olympic cycle.

■ **The Department and UK Sport should obtain assurance as early as possible that the funding from the private sector can be secured in a timely way, so that money can be distributed to sports in accordance with UK Sport's intended funding profile.** In the light of the uncertainty about funding levels, UK Sport should avoid distributing too high a proportion of the extra funding to those sports with no medal potential at the Games.

d UK Sport has identified a range of contingency plans for how it would withdraw funding from sports in the event that there is an overall funding shortfall. However, it does not intend to finalise its approach or discuss it with national governing bodies until after the Beijing 2008 Games.

■ **Once it has assessed performance at the Beijing Games, UK Sport should decide on its strategy for funding the range of Olympic and Paralympic sports based on different assumptions about the extent of any funding shortfall.** This strategy should include detailed planning of how it will protect the funding that will be needed by podium athletes in the sports where medal success is most likely, and analysis of the possible impact of its decisions on overall medal performance. It should then discuss with national governing bodies how they might be affected should these plans need to be implemented so that they can develop contingency plans of their own.

On setting targets and reporting performance

e A step change in performance is required to achieve the objectives set for sporting success in 2012, but the targets agreed in UK Sport's funding agreement with the Department for 2006-07 and 2007-08 were set at a level which has not proved challenging.

■ **In their next funding agreement, the Department and UK Sport should agree more demanding interim targets by which to measure UK Sport's progress in the years between the Beijing 2008 Games and London 2012.** In particular, they should re-assess whether UK Sport's targets for medals and top eight finishes at major events in the years between Olympic and Paralympic Games, currently set at 75 per cent of the aggregate of the targets which UK Sport agrees with individual sports, are sufficiently stretching to provide adequate accountability and to drive continuous improvement up to London 2012.

f The medal table position of the Great Britain Olympic and Paralympic teams in 2012 has limitations as an indicator of UK Sport's performance. It is subject to a range of factors outside UK Sport's control, including the relative performance of other nations, and disregards the number of silver and bronze medals won.

■ **The Department and UK Sport should supplement the target for medal table position, which depends only on the number of gold medals won, with measures which reflect wider aspects of performance at the Games, such as the total number of medals won.**

For example, they should consider introducing a measure of 'market share' to reflect the Great Britain team's percentage share of all the medals available at the Games, possibly based on a weighted value for each position on the podium. This would provide a more rounded measure of performance which could be compared between Games.

On UK Sport's leadership and wider management of the World Class Performance programme

g Some sports told us they were unclear about how UK Sport intended to use information gathered through its 'Mission 2012' performance system to make funding decisions and improve performance.

■ **UK Sport should clarify to sports how it will use 'Mission 2012' alongside its other systems for monitoring and enhancing the capacity and performance of national governing bodies.** It should ensure that sports understand how Mission 2012 assessments will affect decisions on how many athletes to fund and how UK Sport will act to address risks to sporting success which the assessments identify.

h UK Sport has made progress in measuring the take-up of sport science and medicine by athletes but is yet to demonstrate the value for money of these services.

■ **As part of its review of how the English Institute of Sport provides sports science and medicine services to elite athletes, UK Sport should set clear criteria for measuring the value for money of these services in the future.** These criteria should combine measures of take-up, utilisation and accessibility of services with measures of their effectiveness, including indicators which reflect the impact of services on the performance of athletes.

i UK Sport faces the challenge of coordinating its activities with those of others and there is particular scope for confusion or duplication between its activities and those of the British Olympic Association in providing support to elite athletes.

■ **UK Sport should work at a strategic level with the British Olympic Association** to ensure that the Association's initiatives to further support governing bodies and individual athletes complement the broader support which UK Sport's funding provides.

PART ONE

Background

UK Sport's role is to develop elite athletes to represent Great Britain and Northern Ireland at the Olympic and Paralympic Games

1.1 UK Sport is the government body with responsibility for leading the development of elite sport in the United Kingdom and is sponsored by the Department for Culture, Media and Sport. The Department itself is responsible for wider Government policy in the culture, media and sport sector (including the National Lottery), and delivers much of its policy objectives through non-departmental public bodies such as UK Sport. UK Sport receives funding from the Exchequer via the Department and receives a share of income from the National Lottery. UK Sport's objectives and performance targets are set out in a three year funding agreement with the Department. The overall aim of UK Sport's work is to help the UK's elite athletes to win medals at the Olympic and Paralympic Games. To achieve this, it provides funding and support through its World Class

Performance programme to the national governing bodies whose role it is to oversee the development of each Olympic and Paralympic sport from grassroots to podium level.

1.2 Through the World Class Performance programme, UK Sport provides:

- funding to sports' national governing bodies to provide services to elite athletes such as coaching, training, competition, sports medicine, sports science, and technical support (such as clothing and sports equipment); and
- personal grants to individual athletes, known as Athletes Personal Awards, to cover their basic living expenses and sporting costs, such as those of travelling to and from training and for sporting equipment not provided by the governing body.

1.3 **Figure 1** illustrates some of the practical ways in which UK Sport's support helps elite athletes to improve their performance and win medals.

1 How UK Sport's funding helps athletes to improve their performance

After coming fourth place in Sydney in 2000, **Leon Taylor (10 Metre Synchronised Diving)** won a silver medal at Athens in 2004. Taylor has benefited from working with **World Class Coaches** – Chen Wen, from China (the top diving nation), and Briton Adam Sotheran, a graduate of UK Sport's Elite Coach programme. He also has access to **world class training facilities and equipment** including facilities in Sheffield equipped with trampolines, springboards, and video analysis equipment, while UK Sport's Research and Innovation programme led to the development of Europe's first pool-based diving harness, so that coaches can work with Taylor to learn complex dives quickly and safely. Receiving an **athlete personal award** means Taylor, can train with his diving partner Peter Waterfield even though they live hundreds of miles apart. Hitting water at nearly 40 miles an hour and learning new and complex dives meant he suffered a number of injuries. The Athlete Medical Insurance Scheme funded by UK Sport has provided Taylor with the best **medical support**.

Source: UK Sport

David Roberts (Disability Swimming)

David Roberts is a Disability Swimmer with seven Paralympic gold medals. Since 2003 Roberts has been able to train at **Disability Swimming's** new **High Performance Centres** where he has access to a 50 metre pool, physiology, strength and conditioning services and dedicated coaching support. Roberts was able to attend **holding camps** in South Africa to prepare for the World Swimming Championships in 2006 where he won six medals and has also attended two acclimatisation camps in Macau, to prepare for Beijing. The UK Sport backed Paralympic World Cup in Manchester provides Roberts with opportunities for international competition, and with the performance and numbers of swimmers supported through the Disability Swimming World Class Programme increasing domestic swimming events also now provide more competitive opportunities.

1.4 UK Sport currently provides funding to all Olympic and Paralympic sports that will be competing at London 2012 with the exception of Olympic football and tennis which are financed independently of government (Figure 2). Funding is provided at a podium level to support athletes most likely to win medals at the Games and below this level to develop athletes with the potential to win medals and to identify future talent.

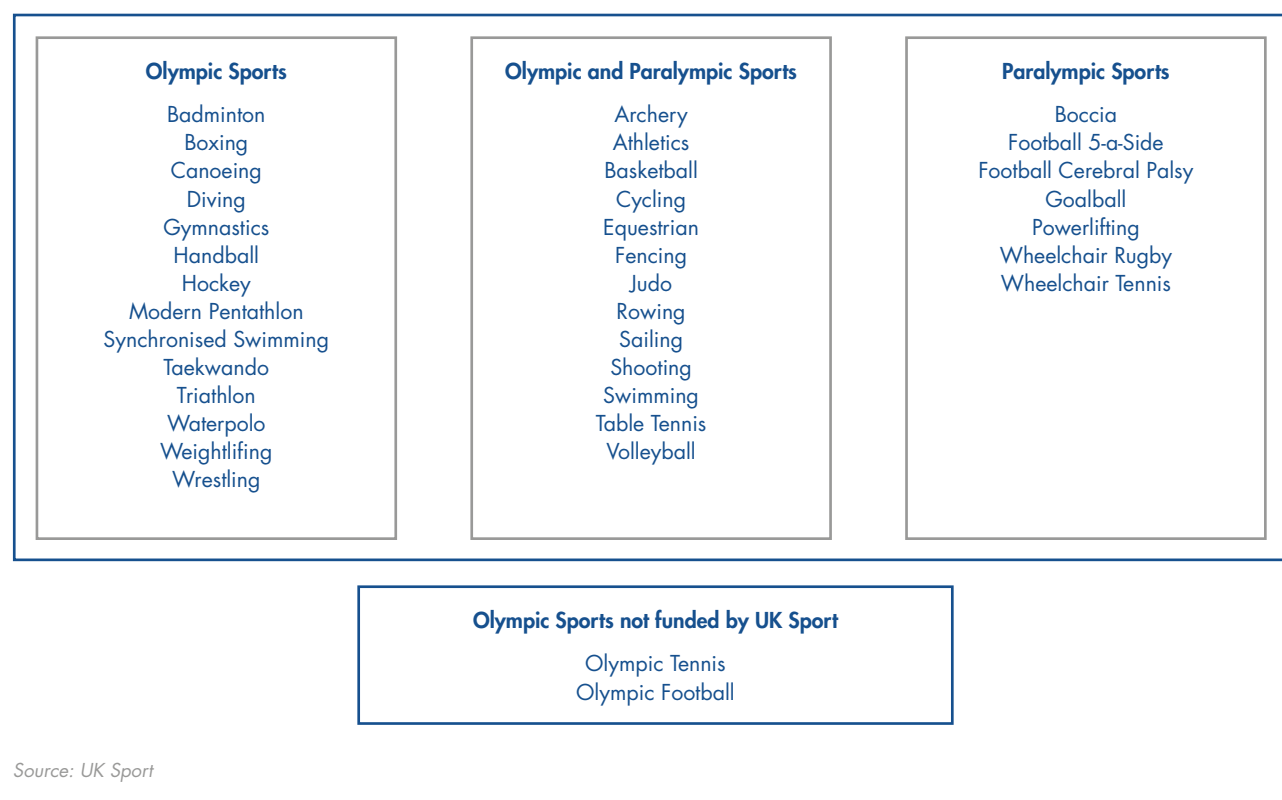
UK Sport has been awarded significantly more funding than ever before to meet its objectives for London 2012

1.5 Following a poor performance at the 1996 Games in Atlanta (where the Great Britain team finished 36th in the Olympic and fourth in the Paralympic medal table), the introduction of lottery funding for elite sport for the first time in 1997 was an important factor in delivering improvements in the Great Britain teams' performance at the Olympic and Paralympic Games in Sydney in 2000 and Athens in 2004 (tenth in the Olympic and second in the Paralympic medal tables at both Games).

1.6 UK Sport's funding package for its Summer Olympic and Paralympic World Class Performance programme up to the London 2012 Games has nearly doubled to help it achieve its 'ultimate goals'¹ of fourth place in the Olympic and second, while moving towards first, in the Paralympic medal tables. In the seven years between April 2006 and March 2013, encompassing both the Beijing 2008 Games and the London 2012 Games, the funding package will be £722 million. Of this amount, £422 million is funding UK Sport had already secured for the period – £284 million of lottery funding and £138 million of Exchequer funding. In January 2006, the Government announced that UK Sport had been awarded an additional £300 million of funding for elite athletes up to the London 2012 Games, £200 million of which would be funded by the Exchequer with a further £100 million to be raised from the private sector.

2

UK Sport is funding all but two Summer Olympic and Paralympic sports expected to compete at London 2012



¹ Following the Committee of Public Accounts hearing in 2006, the Department and UK Sport agreed a glossary of terms in which it defines an "ultimate goal" as "The maximum outcome that the organisation can possibly aspire to achieve for a given activity, assuming all required resources and knowledge are in place".

1.7 Over the seven year period UK Sport’s annual funding to support its World Class Pathway programme will rise from £80 million in 2006-07 to over £120 million in 2012-13 (Figure 3). Of the total £722 million, UK Sport plans to distribute £588 million directly through its World Class Performance programme and a further £134 million will fund the administrative costs of the programme and other services for elite athletes. A full breakdown of this funding is as follows.

Direct funding for sports through the World Class Performance programme: £588 million (81 per cent)

- £468 million (65 per cent) to national governing bodies to provide coaching and other services to their athletes;
- £120 million (17 per cent) to elite athletes as personal awards.

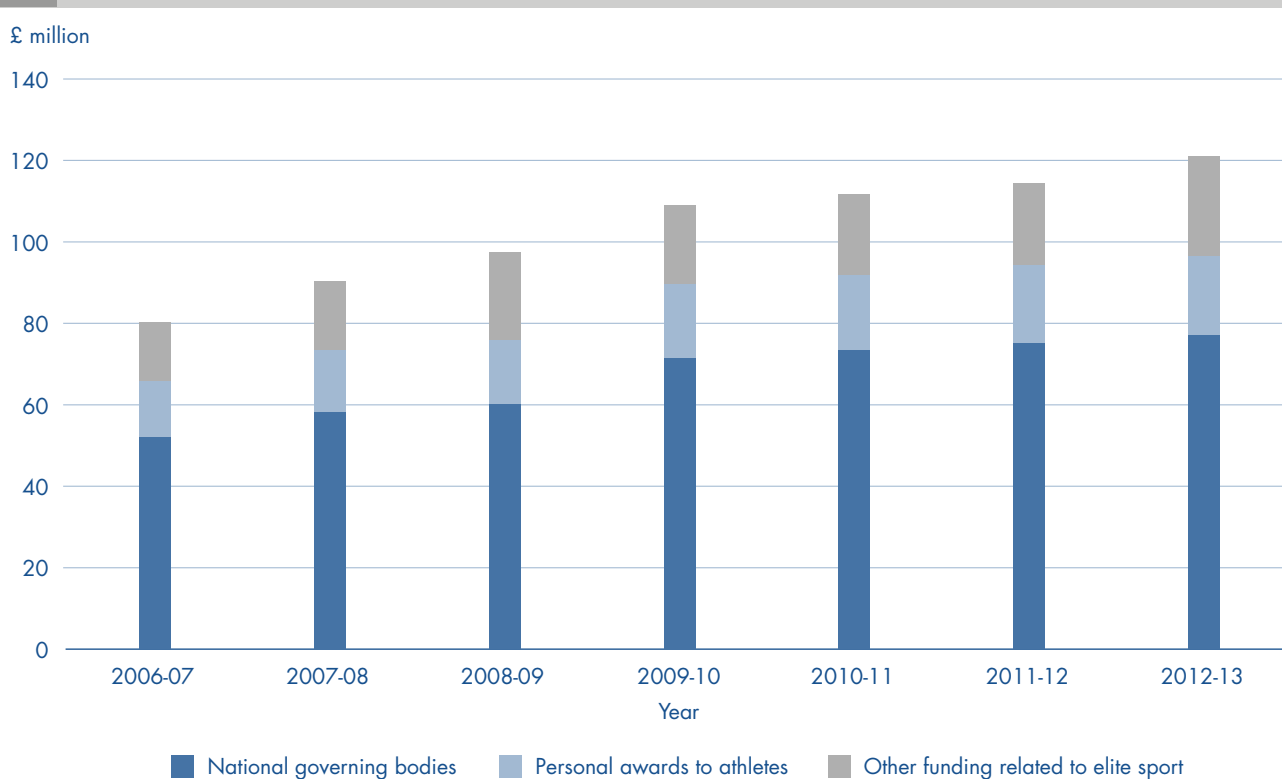
Other funding related to elite performance: £134 million (19 per cent)

- £46 million (six per cent) to support activities such as athlete medical care, performance staff development and technology projects;
- £41 million (six per cent) to fund UK Sport’s administrative costs in running the World Class Performance programme;
- £32 million (four per cent) to fund the operational services of the English Institute of Sport; and
- £15 million (two per cent) to national governing bodies to support as required the final preparations for the Beijing 2008 Games and London 2012 Games, including the camps where athletes acclimatise.

UK Sport works with a range of other organisations to deliver its objectives

1.8 UK Sport works with a range of other organisations that deliver support, funding and services to national governing bodies and elite athletes (Figure 4).

3 UK Sport’s spending on the Summer Olympic and Paralympic sports is projected to rise from £80 million in 2006-07 to a peak of over £120 million in 2012-2013¹

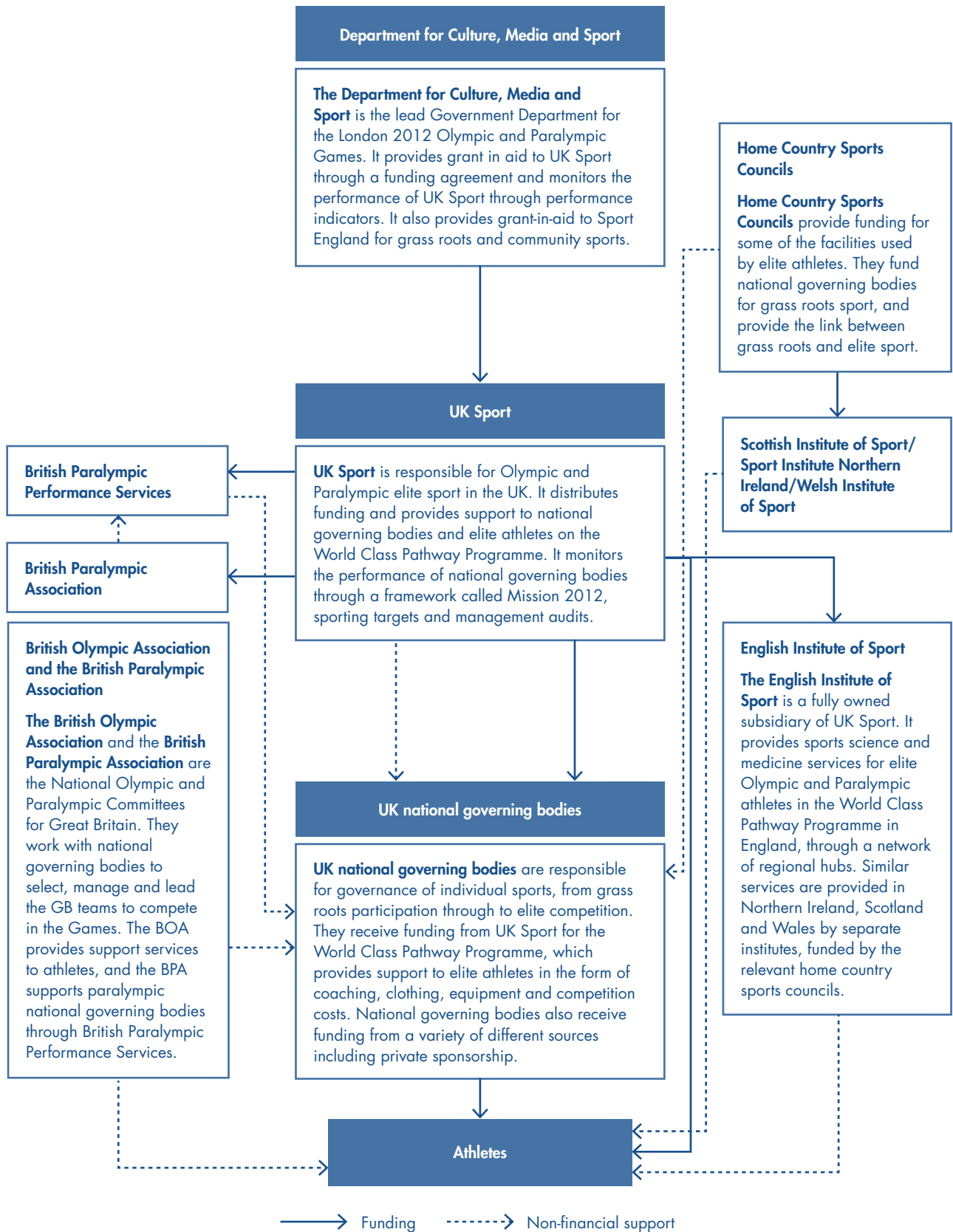


Source: National Audit Office

NOTE

¹ The spending profile between April 2009 and March 2013 will be subject to review following the Beijing 2008 Games.

4 The delivery chain for providing support and funding to Olympic and Paralympic sports



Source: National Audit Office

1.9 The responsibilities of UK Sport in relation to Olympic and Paralympic sport have increased since April 2006. Until that time, UK Sport provided funding to Olympic and Paralympic athletes at the podium level only, and the development of talented athletes below that level was the responsibility of the home country sports councils – **Sport England, Sport Northern Ireland, sportsotland,** and the **Sports Council for Wales**. Since 2006, these bodies have continued to provide funding for grass root sport in the UK and to be responsible for identifying and developing talented athletes to move on to UK Sport's World Class Performance programme. They also fund many of the training facilities used by elite athletes. They also support elite athletes from the home countries who do not reach the standards defined by UK Sport as criteria for Olympic funding, but may represent England, Northern Ireland, Scotland or Wales at the Commonwealth Games and other international events.

1.10 The **British Olympic Association** and the **British Paralympic Association** are the national committees for Great Britain and Northern Ireland, recognised by the International Olympic Committee and the International Paralympic Committee respectively. They work with national governing bodies to select, manage and lead the Great Britain Olympic and Paralympic teams to compete at the Games and run the Olympic and Paralympic camps where the Great Britain teams prepare in advance of the Games. They are both independent of Government and are funded mainly through commercial sponsorship and fundraising activities, although UK Sport is the sole funder of British Paralympic Performance Services, a wholly owned subsidiary of the British Paralympic Association established to provide support to Paralympic sports. The British Olympic Association is a key stakeholder in delivering the Government's sporting objective for the London 2012 Games (paragraph 1). The Association has lead responsibility for securing UK Olympic and Paralympic success in the Games; and for promoting, through sport, the Olympic ideals across the 2012 programme.

1.11 The **English Institute of Sport** is a wholly owned subsidiary of UK Sport, having been funded by Sport England until March 2006. It provides sports science and medicine services to elite athletes in England through a network of regional centres. Each of the sports councils for Northern Ireland, Scotland and Wales also fund similar institutes to service athletes throughout the rest of the UK.

Since the announcement of host nation status, UK Sport's objectives for the 2012 Games have broadened

1.12 Host nation status guarantees qualification for the majority of Olympic and Paralympic events. Following the government's decision to allocate additional funds for Olympic and Paralympic athletes for the London 2012 Games, UK Sport has stated its wider intention to support athletes across the full range of sports (Figure 2), so that competitive teams have an opportunity to represent Great Britain and Northern Ireland in every sport at the London 2012 Games, subject to the selection policies of the British Olympic Association and the British Paralympic Association. A likely consequence is that the British Olympic Association and the British Paralympic Association will lead the largest Great Britain team in recent history to compete at the Games – more than 500 Olympic and some 200 Paralympic athletes. This compares to around 300 Olympic and 200 Paralympic athletes likely to be competing in Beijing, and 270 Olympic and 170 Paralympic athletes who competed in Athens in 2004.

A step change in performance is needed to deliver UK Sport's goals

1.13 To achieve its 'ultimate goals' for London 2012 of reaching fourth place in the 2012 Olympic medal table and moving towards first in the Paralympic medal table, UK Sport recognises that a major improvement in performance by the UK's athletes is needed. **Figure 5** shows that since the Seoul Games in 1988, the Great Britain teams' positions in the Olympic and Paralympic medal tables have been broadly stable, apart from a significant fall in its position in the Olympic table in Atlanta in 1996. UK Sport estimates that achieving its 'ultimate goals' for the London 2012 Games would require Great Britain's team to win 60 Olympic medals, including at least 17 golds, and at least 55 Paralympic gold medals. So the Great Britain team needs to improve its performance significantly over recent Games.

1.14 Figure 5 shows that to meet UK Sport's 'ultimate goal' the Great Britain Olympic team would need to:

- win eight more gold medals than in Athens in 2004, an increase from nine to 17 medals; and
- win 30 more medals in total, twice the number it won in Athens.

5 The Great Britain team's actual and target performance at the Olympic and Paralympic Games from 1988 to 2012

	Seoul 1988	Barcelona 1992	Atlanta 1996	Sydney 2000	Athens 2004	Beijing 2008 (indicative targets and medal estimates)	London 2012 (goals and medal estimates)
Olympic Games							
Position in medal table	12th	13th	36th	10th	10th	8th	4th
Total medals	24	20	15	28	30	35	60
Gold medals	5	5	1	11	9	10	17
Paralympic Games							
Position in medal table	3rd	3rd	4th	2nd	2nd	2nd	2nd
Gold medals	63	40	39	41	35	35	55

Source: National Audit Office/UK Sport

NOTE

The estimated number of Olympic and Paralympic medals required to deliver the medal table positions in Beijing and London based on the medal table at the Athens 2004 Games.

1.15 The Great Britain Paralympic team has a target to finish second and win an estimated 35 gold medals at Beijing in 2008, the same number as it won in Athens in 2004, but would need to win an estimated 20 more gold medals, a 57 per cent increase, to meet its goal at the London 2012 Games.

1.16 We asked the Sport Industry Research Centre at Sheffield Hallam University to examine the impact that hosting the Games has on the number of medals a nation is likely to win. They found that hosting the Games has a positive impact on performance due to a number of factors. The host nation:

- typically increases its spending on elite sport ahead of the Games, as is happening in the UK;
- has a right to contest more events;
- has athletes who are often familiar with venues and facilities; and
- has the benefit of the support of home crowds.

1.17 As a result:

- the "host nation" typically wins six to seven more Olympic gold medals than it would have done had the Games been held elsewhere;
- three of the last five hosts of the Paralympic Games have performed better than they did in the preceding Games and won more gold medals.

1.18 This host nation status and the increased funding that it involves should help the Great Britain team to improve its performance for London 2012, but may not be enough on its own to achieve fourth place in the Olympic medal table. If the relative performance of other nations at London 2012 were to remain the same as at Athens in 2004, the impact of host nation status could be expected to help the Great Britain team to achieve fifth place in the Olympic medal table, based on an anticipated 15 or 16 gold medals.

1.19 There are also global factors that may make it more difficult for the Great Britain teams to achieve such a significant improvement in their medal table positions. The number of nations competing for medals has increased, with the number of nations to have won an Olympic medal at the Games rising from 52 in 1988 to some 80 in 2000 and 2004. And in what is sometimes referred to as a 'global sporting arms race'² many nations have also increased their spending on elite sport in recent years.

1.20 In the rest of this report, we examine:

- UK Sport's funding strategy for delivering sporting success at the London 2012 Games and how the risks to funding are being managed;
- how targets are set and performance is measured and reported; and
- UK Sport's leadership and wider management of the World Class Performance programme.

2 De Bosscher, V., Bingham, J., Shibli, S., Van Bottenburg, M and De Knop, P. (2007) *The Global Sporting Arms Race: An international comparative study of sports policy factors leading to international sporting success*, Meyer & Meyer Sport (UK) Ltd, Oxford. Oakley, B. and Green, M. (2001) *The production of Olympic champions: International perspectives on elite sport development systems*, *European Journal for Sport Management*.

PART TWO

UK Sport's funding strategy

2.1 In this part of the report we examine UK Sport's strategy for funding sports to deliver sporting success at London 2012 and beyond, and assess the effect of this strategy on the funding provided to individual sports in the run-up to the Beijing Games in 2008. We also examine UK Sport's and the Department's plans for managing risks to funding.

UK Sport's strategy is to concentrate funding on those sports most likely to win medals whilst supporting the development of others

2.2 Following the National Audit Office's report *UK Sport: supporting elite athletes*,³ in January 2005 the Committee of Public Accounts⁴ noted in their 2006 report that UK Sport was continuing to fund sports which had disappointed at the Athens Games, including the ten sports which had won no medals despite having received nearly £14 million between them. They recommended that, to secure best value from its funding, UK Sport should "make clear to sports what level of performance will be required for them to continue to receive funding during the course of the Beijing cycle, and the circumstances in which funding might be withheld."

2.3 In February 2005, UK Sport announced its funding strategy for summer Olympic sports for the Beijing Games, based on a principle of 'no compromise', following lessons learned from the Athens and Sydney Games. UK Sport's 'no compromise' approach was to concentrate funding on those sports and athletes it judged to have the most potential to win medals, based on past performance, medal availability in the sport and future potential.

2.4 With the additional funding awarded to UK Sport in March 2006, UK Sport's strategy broadened to support the objective for all Olympic and Paralympic sports to achieve creditable performances at the London 2012 Games, even if they were not expected to win medals (paragraph 1.12). UK Sport is therefore now also directing funding towards the development of sports where medals are a more distant prospect and is providing funding to 16 Olympic and Paralympic sports for the first time. Also doing so carries the risk of diluting the 'no compromise' strategy. UK Sport anticipates that by supporting more athletes at a development level in a greater number of sports, it will enable medals to be won for the first time in events where the UK has no track record of Olympic and Paralympic success. Our work on the impact of host nation status supports this aim, as we found that host nations did not just win more medals but also won medals across a wider range of sports than ever before.

UK Sport is planning to increase funding to sports each year up to London 2012

2.5 UK Sport awards its funding over four year cycles, reflecting the period between Games. Funding for the Beijing 2008 Games covers the period from April 2005 to March 2009, and funding for the London 2012 cycle runs from April 2009 to March 2013. Given that typically between four and eight years is needed for talented athletes to progress through the development stage and on to the podium programmes, some of the funding in each four year cycle is intended to support, develop and prepare athletes to win medals at the end of the following cycle.

³ HC 182, SE/2005/9, Session 2004-05.

⁴ *UK Sport: supporting elite athletes*, HC 898, Fifty-fourth Report of Session 2005-06.

2.6 Figure 3 shows that UK Sport's total annual spending on elite sport is planned to rise each year up to 2012-13. Over the seven years leading up to the London Games, the money UK Sport distributes annually will rise by half from £80 million in 2006-07, to over £120 million in 2012-13, the financial year during which the London Games will fall.

2.7 We looked at the assumptions behind UK Sport's financial model for profiling spending in this way, releasing increasing amounts of funding to sports over the seven years leading up to the Games. We found there were a number of factors underlying UK Sport's plans to increase funding to a peak in 2012-13. In particular the timing of the funding reflects UK Sport's view that the governance and capacity of some national governing bodies, especially those sports receiving funding for the first time, needed to be strengthened before it could introduce or increase funding to them. UK Sport also plans to increase its funding incrementally for the development of athletes in those sports with a realistic chance of being competitive, although not expected to win medals in 2012, to further its aims to deliver a legacy from the Games.

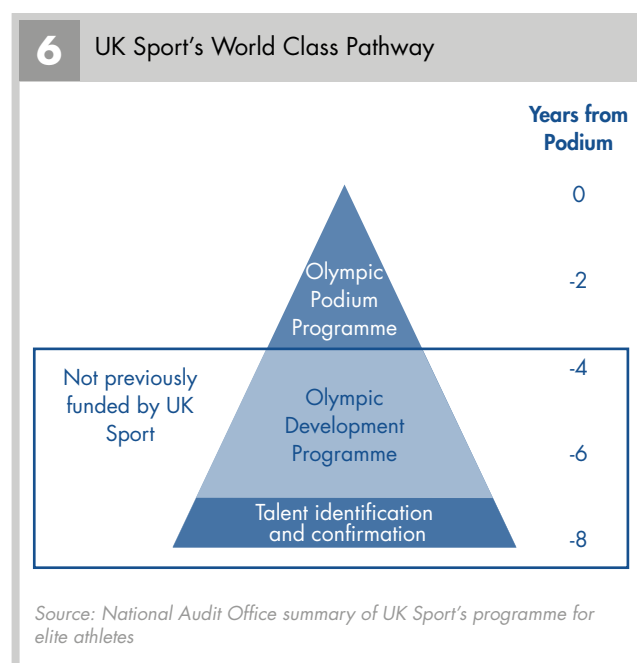
UK Sport has set clear criteria for its decisions about the level of funding to be allocated to each sport

2.8 In line with the Committee of Public Accounts recommendation (paragraph 2.2), UK Sport has made it clear to sports what level of performance will be required for them to continue to receive funding and the circumstances in which funding might be withheld. UK Sport awards funding to national governing bodies based on the following criteria.

- **Track record of success:** Medal availability and actual performance at previous Olympic and Paralympic Games and other top international events which indicate clear medal expectations.
- **Profiles of existing and emerging athletes:** Judgements about the potential of the sport to raise performance levels so as to win medals or achieve top eight finishes at future Olympic and Paralympic events.
- **Quality of the performance programme:** An assessment of the capability of the governing body to use resources effectively to create a performance pathway for developing athletes and to raise standards amongst its athletes, taking into account factors such as governance arrangements, the skills and experience of performance specialists, and the coaching and technical infrastructure in place.

2.9 UK Sport agrees a performance plan with each sport, setting out performance targets and how these will be achieved. UK Sport underpins its awards to sports through an assurance programme on the adequacy and effectiveness of the national governing bodies' policies, procedures and internal controls. In cases where UK Sport assesses there is insufficient assurance, funding to the sport is suspended. UK Sport also has additional criteria in place for those sports it is funding for the first time (paragraph 2.19).

2.10 Funding is provided by UK Sport to each national governing body through its World Class Performance programme, which supports elite athletes at three levels on the World Class Pathway (**Figure 6**).



2.11 Specific criteria are used to make decisions about the number of athletes to fund at each level of the Pathway.

- The **Podium programme** is for those athletes most likely to win medals at the Olympic and Paralympic Games within the next four years. UK Sport is currently funding 465 athletes at this level. It determines the number of athletes with realistic medal expectations based on a combination of results at the last Games, the sport's recent competitive track record measured by medals won and top eight finishes, medal availability at the Games and whether oversight and monitoring of athletes' progress by the national governing body shows sufficient improvement to indicate that a higher level of performance is achievable.
- The **Development programme** is for those athletes identified as having clear potential, but who are judged to be some four to six years away from achieving a podium position at a Games. UK Sport is currently funding over 629 athletes at development level, many of whom it hopes will enter the Podium programme before 2012. UK Sport determines its funding to sports at development level based on the number of athletes not yet on the Podium programme but who show the potential to join it within a few years or to achieve a top eight finish within the next Olympic cycle. The key factors in this judgement are athletes' recent competitive track record measured by medals won and top eight finishes at major international events, and UK Sport's assessment of the capability of the national governing body to oversee sufficient improvement in their performance.
- The **Talent Identification and Confirmation Programme** has the aim of developing a wider pool of athletes, typically six years or more away from the podium. The programme aims to achieve longer term growth based on an assessment of the sport's potential, taking into account the strength of the national governing body and the quality of its performance system, such as the coaching infrastructure.

2.12 UK Sport funds a similar performance pathway for Paralympic athletes, although there are differences in the criteria for entry to each level of the programme. The number of athletes UK Sport funds at podium level depends on the Paralympic sport's gold medal potential, and the number of athletes funded at development level depends on the sport's silver and bronze medal potential.

UK Sport has been proactive in taking decisions to withdraw or increase funding for sports since the Athens Games in 2004

2.13 We looked at how UK Sport has used its funding strategy in practice to make decisions in the run up to the Beijing Games in 2008 – a funding cycle extending from April 2005 to March 2009. Some £265 million is being distributed through the World Class Performance programme over the Beijing cycle, mainly by UK Sport⁵. Of the £265 million, £99 million (37 per cent) is funding athletes at podium level, of which £79 million is funding Olympic athletes and £20 million is funding Paralympic athletes. We focussed on the £99 million funding for podium athletes as this is provided only to those sports expected to win medals and allows comparison with the £83 million allocated to podium athletes during the Athens cycle (**Figures 7 and 8**).

2.14 We found that UK Sport has increased its podium funding to most sports for Beijing in 2008 compared with Athens in 2004. Figure 7 shows that for Olympic Sports, UK Sport has:

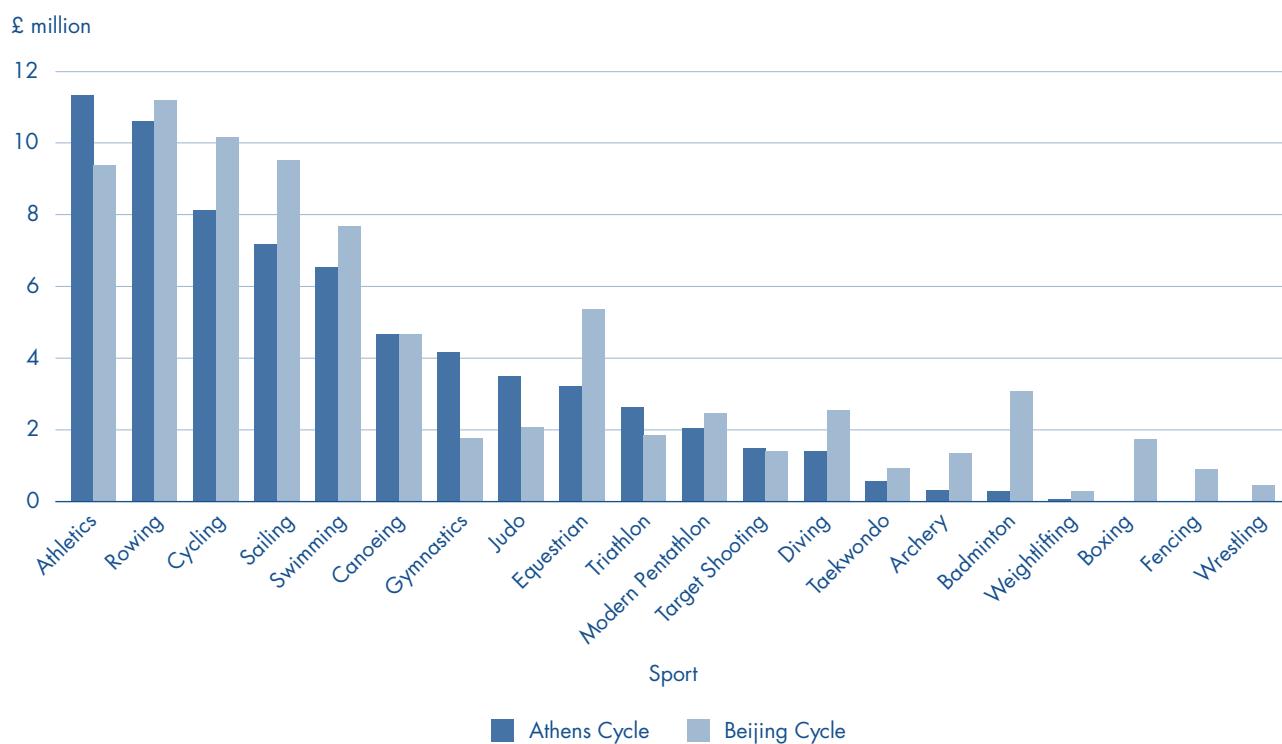
- increased the funding of 12 of the sports it had funded at Athens;
- reduced the funding of five of the sports it had funded at Athens: athletics, judo, triathlon, gymnastics and target shooting; and
- funded three sports (boxing, fencing and wrestling) which it had not funded at Athens, although before April 2006 boxing had received funding from Sport England. UK Sport has awarded performance funding to fencing and wrestling for the first time based on an assessment of improved potential.

2.15 Figure 8 shows that for Paralympic Sports UK Sport has:

- increased the funding of 12 of the sports it had funded at Athens;
- reduced the funding of three of the sports it had funded at Athens: wheelchair rugby, judo and fencing; and
- funded one new Paralympic sport – rowing.

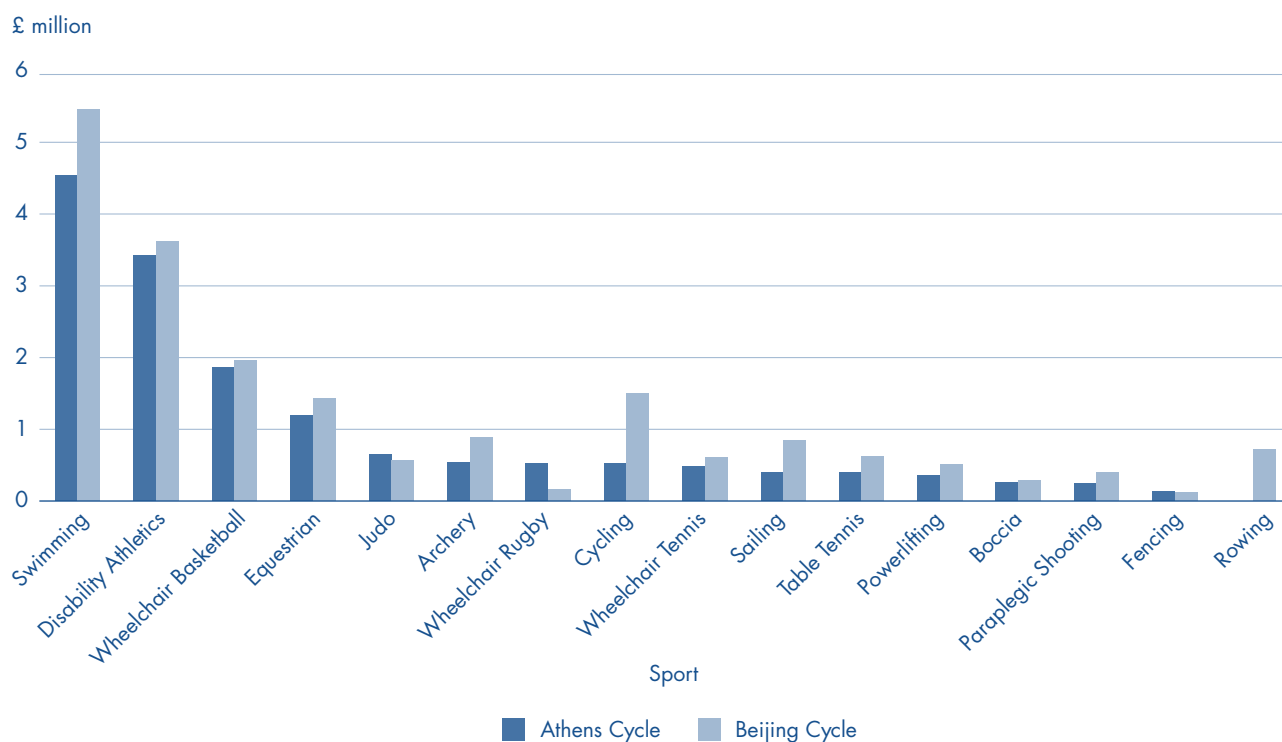
⁵ During the first year of the cycle, ahead of the transfer of full responsibilities for elite sport to UK Sport, some of the funding was provided by the home country sports councils.

7 UK Sport's funding of Olympic Sports at podium level (Athens 2004 and Beijing 2008)



Source: UK Sport data

8 UK Sport's funding of Paralympic Sports at podium level (Athens 2004 and Beijing 2008)



Source: UK Sport data

Changes in funding for each sport are not closely correlated to medal performance at the Athens Games in 2004, but reflect a range of wider factors

2.16 In view of the concerns expressed by the Committee of Public Accounts about funding provided to sports which had won no medals at the Athens 2004 Games (paragraph 2.2), we looked in more detail at the effect that medal performance at Athens had had on the funding provided in the Beijing cycle to these sports and others which had failed to meet their medal targets (**Figures 9 and 10**).

2.17 Although UK Sport is increasing its overall funding of sports between Athens in 2004 and Beijing in 2008, our analysis shows that for half the 18 sports which failed to meet their targets in 2004, UK Sport has either decreased or made no change to their funding for Beijing 2008. For Olympic sports (Figure 9):

- Of the six sports which did not win any medals at Athens:
 - Four sports have had their funding cut for Beijing, with gymnastics receiving the largest reduction from £4.2 million to £1.8 million (57 per cent);
 - Two sports – taekwondo and weightlifting – have seen funding increased based on UK Sport’s assessment that both sports show future potential to win medals.
 - Of the three sports which won medals at Athens but did not meet their targets:
 - One, athletics, has seen its funding cut by £1.9 million (17 per cent); and
 - Two sports – cycling and diving – have seen their funding increased, again based on UK Sport’s assessment of their future potential. The Great Britain track cycling team is now ranked first in the world (Figure 13).
- 2.18** For Paralympic sports (Figure 10):
- Of the four sports which did not win any medals at Athens:
 - One sport – wheelchair rugby – has had its funding cut;
 - Two sports – fencing and boccia – have received the same funding. For example, although boccia won no medal at Athens, the Great Britain team has risen to number one in the world in the sport and UK Sport considers that the sport is developing a number of talented athletes with medal potential; and
 - One sport – sailing – has had its funding increased.
 - Of the five sports which won medals at Athens but did not meet their targets, none have had their funding cut. All five have received funding increases ranging between six and 100 per cent on the basis of their future potential and the additional funding now available.

9

Changes in podium funding of Olympic sports between Athens 2004 and Beijing 2008

	Athens 2004 Olympic Games			Beijing 2008 Olympic Games	
	Medal target	Medals won	Funding (£million)	Funding (£million)	Change in funding since Athens 2004
Sports which won medals at Athens but did not meet their target					
Athletics	7	4	11.3	9.4	–£1.9 million (–17%)
Cycling	5	4	8.1	10.1	+£2 million (+25%)
Diving	2	1	1.4	2.6	+£1.2 million (+86%)
Sports which won no medals at Athens					
Gymnastics	3	0	4.2	1.8	–£2.4 million (–57%)
Shooting	3	0	1.5	1.4	–£0.1 million (–7%)
Judo	2	0	3.5	2.1	–£1.4 million (–40%)
Triathlon	2	0	2.6	1.9	–£0.7 million (–27%)
Taekwondo	2	0	0.6	0.9	+£0.3 million (+50%)
Weightlifting	1	0	0.1	0.3	+£0.2 million (+200%)

Source: National Audit Office summary of UK Sport data

UK Sport has made strong governance a condition of receiving funding and has taken action to strengthen the governance of several sports

2.19 We looked at how UK Sport has obtained assurance that national governing bodies are in good shape and have the organisational capacity to receive funding. Recognising the need to demonstrate effective use of the £300 million of additional funding available for elite sport from April 2006, UK Sport introduced 'funding triggers' to establish that each national governing body had the right skills and capacity and strong systems of governance and financial stewardship in place before any new or additional funding would be released to them. To trigger funding UK Sport required national governing bodies to have key performance staff in place, and adequate processes for recruiting and developing them. As part of

their governance arrangements, UK Sport required the bodies to acknowledge the primacy of the Olympic and Paralympic medal targets, to have a named 'Accountable Officer' responsible for their use of public money, to have clear financial policies and staff responsibilities, and to consider relevant financial reports at each Board meeting.

2.20 All sports except one – volleyball – have met the funding triggers in full. Volleyball is currently receiving 75 per cent of its proposed funding, with 25 per cent being withheld by UK Sport. UK Sport has been releasing money to Volleyball since 2006, when the sport met most of the funding triggers. UK Sport has told us that it is working with volleyball to make sure it has the necessary financial procedures before it releases full funding.

2.21 Figure 11 shows an example of how UK Sport has intervened to strengthen the governance and capacity of one governing body – the British Handball Association.

10 Changes in podium funding of Paralympic sports between Athens 2004 and Beijing 2008

	Athens 2004 Olympic Games			Beijing 2008 Olympic Games	
	Medals target	Medals won	Funding (£ million)	Funding (£ million)	Change in funding since Athens 2004
Sports which won medals at Athens but did not meet their target					
Disability athletics	38	17	3.4	3.6	+£0.2 million (+6%)
Table Tennis	8	2	0.4	0.6	+£0.2 million (+50%)
Judo	3	1	0.6	0.6	No change
Powerlifting	2	1	0.4	0.5	+£0.1 million (+25%)
Paraplegic shooting	2	1	0.2	0.4	+£0.2 million (+100%)
Sports which won no medals at Athens					
Boccia	3	0	0.3	0.3	No change
Fencing	1	0	0.1	0.1	No change
Sailing	1	0	0.4	0.8	+£0.4 million (+100%)
Wheelchair rugby	1	0	0.5	0.2	-£0.3 million (-60%)

Source: National Audit Office summary of UK Sport data

11 UK Sport has supported handball to meet its funding triggers and receive public sector funding

Handball is receiving funding for the first time for London 2012. The British Handball Association will receive funding of £3 million from UK Sport up to March 2009, a big step up for a sport which previously had a budget of £10,000 a year and was run on a part-time basis by one person. UK Sport's initial assessment of the fitness of the Association to receive public funding provided limited assurance, although UK Sport was keen to get funding in place as soon as possible. UK Sport has helped the sport to recruit a full

time Chief Executive Officer and coaching personnel. UK Sport arranged for the British Judo Association to provide an interim financial function to the sport while further arrangements were put in place. With UK Sport's support the Association met its funding triggers, and was receiving funding by November 2007. Handball is aiming to have 30 players on its World Class Performance Programme and so far is funding 19 players.

Source: UK Sport

2.22 UK Sport has also taken action to address concerns about the quality of governance in the sport of basketball, in particular the need to identify an appropriate national governing body for the sport to establish a performance programme for athletes. UK Sport established a temporary body 'British Performance Basketball', in consultation with the national governing body the British Basketball Federation, as an interim measure to fund the Great Britain basketball teams, while these weaknesses were addressed. Its intention is to hand performance responsibility back to the British Basketball Federation once governance issues have been resolved. British Performance Basketball is a private limited company operating as a wholly owned subsidiary of UK Sport.

UK Sport's funding is already contributing to improved performance in some sports

2.23 A review of the performance of Olympic summer sports in 2007 by the British Olympic Association⁶ has highlighted improvements in elite sport performance since the Athens 2004 Games (**Figure 12**). Between Olympic Games the British Olympic Association reports the number of medals won by Olympic sports and where this would place Great Britain in a 'relative' Olympics medal table based on results from these international sports' championships which most accurately reflect the Olympic Games competition format.

2.24 As Figure 12 shows the Great Britain team moved from tenth position in the world in 2004 to seventh in 2006 and 2007. This change was driven in part by world class performances in individual Olympic sports such as sailing, cycling and rowing which finished top of their respective sports medal tables in 2007. **Figure 13** shows how extra funding from UK Sport has been used by British Cycling to improve the performance of its athletes to achieve these results.

2.25 Another sport showing an improved performance in 2007 was boxing. After only one boxer, Amir Khan, represented Great Britain and won a silver medal at the Athens 2004 Games, boxing is now benefiting from financial support from UK Sport for the first time. Boxing won three medals at World Championships in 2007, against a target of one, and seven boxers have qualified for Beijing 2008 and a further four may have the opportunity to do so.

12 The performance of Great Britain's Summer Olympic sports has improved significantly since 2004

Year	Number of total medals won by the Great Britain Team at Olympics or equivalent events	The Great Britain Team's position in actual/relative medal table
2004	30	10
2005	27	10
2006	30	7
2007	44	7

Source: British Olympic Association: 'Team GB 2007 – Countdown to 2012'

13 British Cycling has used additional funding to improve its athletes' performance

British Cycling is using its additional funding in a number of ways. One way is to recruit world class support expertise. A leading Australian sports scientist, a world expert in sprint cycling, recently joined the sport and a German tactical specialist was also recruited to coach triple world champion Victoria Pendleton in race tactics.

British Cycling has also used the money to fund the 'extras' needed to give Great Britain cyclists the competitive edge. For example British Cycling paid for cyclists to travel business class rather than economy class between recent world track events in Sydney and Beijing, so they could rest properly and gain a competitive advantage over other nation's cyclists making the same journey. At Beijing, the Great Britain Team won three gold medals, four silver medals and one bronze medal.

Source: UK Sport

2.26 There is also evidence of improved performance in Paralympic sports in 2007. For example the Disability Equestrian team won 13 medals against a target of six medals during the year; and Disability Shooting also performed well, beating its target for one medal in 2007 by winning four medals. **Figure 14** shows how Disability Shooting has used the extra funding from UK Sport to deliver better support to its athletes and a higher level of performance at major events.

6 British Olympic Association – Team GB 2007 – Countdown to 2012.

14 Paralympic Disability Shooting has used additional resources to raise performance in the sport

UK Sport is spending £577,000 on the Disability Shooting World Class Pathway Programme over the Beijing Olympic cycle. Two coaching appointments signalled a transition within the sport. The Dutch National Rifle Coach, Bernard Kooistra joined the sport on a part-time basis from February 2007, followed by Pasan Kularatne, recruited from Sri Lanka as the sport's first full-time Head Coach in April 2007. Results were immediate and the improvements were such that athletes performing well enough to gain a place on the programme increased to ten by October 2007 – up from just two in April of that year. Athletes won four medals at the European Championships in 2007 with one new athlete, James Bevis, shooting a score equal to the world record in R 5 Air Rifle Prone Mixed SH 2.

The programme benefits from being a 'managed sport' receiving resources and expertise through British Paralympic Performance Services (a wholly owned subsidiary of the British Paralympic Association, and funded by UK Sport). It has also benefited from the British Paralympic Association's Armed Forces initiative, which looks to offer sporting opportunities to service personnel who have been injured in the line of duty.

As a result of this assistance a strong Great Britain team will compete for the first time in Beijing in 2008 and is expected to be well positioned for London 2012.

Source: UK Sport

There are risks to the timely availability of the £100 million the Department hopes to raise from the private sector

2.27 The Committee of Public Accounts in its 2006 report concluded that it would be challenging to raise £100 million from the private sector ahead of 2012, noting that UK Sport had not previously generated any sponsorship income. The Committee recommended that "the Department and UK Sport should draw on specialist fundraising expertise for this new area of work and see what lessons can be learned from others – from the sporting community itself, from other sectors in this country, and from overseas".

2.28 We examined what actions the Department and UK Sport have taken to identify how this money would be raised. Following the Government's announcement on the requirement to raise £100 million from the private sector, the Department, which has lead responsibility for raising this money, asked UK Sport to commission a study into the options to raise this money, and explore what rights it had to sell. That report concluded in the summer 2006 that UK Sport did not own any significant rights, and identified some alternative schemes to raise the money, which would require the Department to work closely with UK Sport, the London Organising Committee of the Olympic Games (LOCOG) and other partners.

2.29 The Department decided that LOCOG's need to secure first tier partners for the Olympic Games was a priority, on the basis that this carried the greater risk, and therefore that proposals for raising the £100 million should not be taken to the market place until after these first tier sponsors had been signed up. During this time, the Department worked with a range of advisers from UK Sport, LOCOG and leading figures in business and sport with experience of fundraising to develop options and explore a number of proposals, as recommended by the Committee of Public Accounts. In November 2007, the Department went out to tender for a fundraising partner and contract discussions with Fast Track, a sports marketing agency, began in January 2008. UK Sport's role is to provide expert advice to Fast Track where necessary on matters related to elite sport

2.30 The Department is seeking to raise funds from the private sector to support the UK's Olympic and Paralympic athletes, at a time when a number of organisations are also seeking money from the private sector to fund aspects of the London 2012 Games. In particular:

- the London Organising Committee of the Olympic Games is seeking to raise approximately a third of its £2 billion budget from private sector sponsorship funding to stage the Games;
- the British Olympic Association is seeking £20 million from private fundraising programmes to support the services it provides to Olympic governing bodies; and
- the sports' national governing bodies are seeking their own private sponsorship to prepare athletes for the Games.

2.31 As a result of an agreement between the Department and the Treasury in 2006, UK Sport's funding strategy for 2012 is based on starting to receive this additional funding from April 2008. There is a risk that, unless the Department is successful in raising this money very rapidly, the funding may not be delivered or may become available too late in the Olympic cycle to make a significant difference to the Great Britain teams' medal chances in 2012.

A funding shortfall would damage UK Sport's ability to deliver its objectives for 2012

2.32 Should the Department be unable to raise the £100 million from the private sector, the funding available to sports in the five years up to March 2013 could be reduced by up to 17 per cent.

2.33 UK Sport has identified a range of options for reducing its funding should a shortfall materialise, all of which would involve cutting funding from those sports which have the lowest medal prospects in 2012. Depending on the severity of any funding shortfall, UK Sport may also need to cut funding for developing elite athletes in those sports with clear medal prospects at London 2012. A significant funding shortfall would therefore have a negative impact on both medal performance at the London Games and on UK Sport's plans to build a lasting elite sporting legacy in the UK.

2.34 UK Sport also needs to manage the timing of its funding decisions carefully in order to protect against the risk that its primary goals might be damaged by a funding shortfall. UK Sport will decide on how to manage any shortfall having taken into account the performance of each sport at the Beijing 2008 Games. However, it is already too late for UK Sport to protect the full funding it proposes for those sports it expects to win medals in 2012 if the worst case funding scenario should materialise.

UK Sport aims to enhance its financial capacity to manage the increased funding it now has available and the attendant risks

2.35 Given the significant increase in its funding, UK Sport is seeking to raise its financial and commercial skills and capacity so as to exercise sound financial stewardship of the extra money for which it is now responsible. UK Sport currently has no Finance Director, its Head of Finance reports to its Director of Corporate Services, and it plans to recruit a dedicated Finance Director and a Financial Analyst by April 2008. It is also planning to create separate Finance and Business Support functions to replace its single Corporate Services and to increase its capacity by recruiting additional staff including in its finance function to strengthen its oversight of the funding and performance monitoring of, and its support for, national governing bodies.

PART THREE

Setting targets and reporting performance

3.1 This part of the report examines the targets set by UK Sport to deliver its sporting goals and the accuracy of its performance reporting. It assesses what UK Sport has done to increase the breadth of the indicators by which it reports its performance, and whether the interim targets agreed between now and 2012 are sufficiently stretching.

The Committee of Public Accounts concluded in 2006 that UK Sport needed to improve the way it set targets and reported performance

3.2 In its 2006 report, the Committee of Public Accounts concluded that to make and demonstrate best use of public money, UK Sport needed clearer goals, more effective ways of assessing progress, and more reliable and accurate performance reporting. In particular, they were concerned that:

- UK Sport had yet to set itself clear and unambiguous targets for medal performance at London 2012;
- for three years running UK Sport had, in reporting to Parliament and the public, overstated its performance against the target for medals won at major international competitions; and
- the value of medal targets was limited by the small margin between success and failure.

3.3 Given the additional funding available to UK Sport up to London 2012, and its strategy for distributing funding as described in the previous section, we examined what progress UK Sport has made in improving the way it sets targets and reports performance, both to monitor its own performance and that of the sports it funds.

UK Sport will set targets for the London 2012 Games following a review of performance at the Beijing 2008 Games and in the light of available funding

3.4 In its funding submission for 2012, UK Sport referred to an ‘ultimate goal of finishing fourth in the 2012 Olympics’, though the published funding agreement between the Department and UK Sport at that time, set before the London games were secured, said that the target was fifth. When questioned by the Committee of Public Accounts in March 2006, both the Department and UK Sport maintained there was no target. They attributed the confusion to their inappropriate use of the term “target”, and agreed that various published documents had confused long term aims and specific, measurable, agreed and resourced targets. The Committee recommended that “performance expectations need to be unambiguous and clearly explicable”. They also recommended that, in the knowledge of the resources available to it in the run up to London 2012, UK Sport should decide its medal table targets for 2012, which should be reflected in the targets it agreed with individual sports and reviewed in the light of performance at the Beijing 2008 Games.

3.5 UK Sport told us that it refers to its medal table objectives for the London 2012 Games as ‘ultimate goals’, intended to reflect current uncertainties over performance and funding. It has yet to agree medal targets for 2012 for the individual sports which it funds. UK Sport will convert its ‘ultimate goals’ into targets – both medal targets for individual sports and a firm target for medal table position – following a review with each sport of performance, at the Beijing 2008 Games. Following the Committee of Public Accounts hearing in 2006, the Department and UK Sport agreed a ‘glossary of terms’ to ensure that the ambiguity around the use of, for example, the terms ‘target’ and ‘goal’ was clarified.

UK Sport is now reporting its performance accurately and transparently

3.6 The Committee of Public Accounts recorded their concern in 2006 that for three years running, in reporting to Parliament and the public, UK Sport and the Department had overstated performance against the target for medals won at major international championships. They noted that, in compiling the results, UK Sport had included 83 medals won in events not taken into account in setting the target, thereby turning underperformance into apparent success. The Committee recommended that “UK Sport and the Department should check performance information to ensure that only accurate figures are reported”.

3.7 UK Sport and the Department have since agreed a revised funding agreement in which there is no ambiguity about the sporting events to which the targets relate and against which performance is measured. We found that UK Sport now measures and reports medal performance against the targets set on an accurate and transparent basis, including by publishing a detailed breakdown of actual performance against the targets agreed for each sport in their Annual Review.

UK Sport has increased the breadth of the indicators against which it measures its performance

3.8 The Committee of Public Accounts concluded in its 2006 report that the value of medal targets was limited by the fact that the small margin between success and failure could mask absolute improvements in performance. They noted that victory by one one-hundredth of a second in the men’s 4 x 100 metre relay on the last day of the Athens Olympics, for example, had made the difference between UK Sport achieving and missing its medal table target. They recommended that “UK Sport needs a more rounded package of performance measures which go beyond medals won to look at, for example, whether athletes are improving their personal bests or world rankings”.

3.9 We looked at how UK Sport was measuring and reporting its performance in light of this recommendation. UK Sport’s performance, for 2006-07 and for 2007-08 to date, has been measured against targets set for the number of medals won and top eight finishes achieved by British athletes at major international events (**Figure 15**). UK Sport measures the progress of each sport against these targets and the Department measures UK Sport’s performance by an aggregate target set at 75 per cent of the combined total of individual sports’ targets.

15 UK Sport’s performance against targets for 2006-07 and 2007-08 (to 31 January 2008)

	2006-07			2007-08		
	Target		Actual	Target		Actual (to 31 January 2008)
	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: UK Sport data

3.10 UK Sport also agrees annual targets with the Department for the percentage of development programme athletes moving on to the podium programme and the percentage of athletes and national governing bodies who are satisfied with the quality and delivery of high-performance services to their sport, measured by independent research.

3.11 We commissioned research to identify further ways of measuring the performance of elite athletes beyond the simple measure of medal table position. This identified 'market share' as a measure which would address many of the limitations of medal table position as a performance measure.

3.12 'Market share' is calculated by converting the medals won into points (such as by scoring a gold with three points, a silver two, and a bronze one) and expressing this as a percentage of the total points available for the Olympic and Paralympic Games. The advantages of this measure are that:

- by taking into account the different number of events and medals available at each Games, it allows like for like comparisons between a nation's performance at successive Olympic and Paralympic Games;
- it provides a more complete picture than medal table position as it takes into account the broader achievement of athletes by including a weighted value for silver and bronze medals; and
- it provides an absolute rather than a relative measure of the Great Britain teams' performance as it does not depend on the positions of other nations in the medal table.

3.13 The Great Britain teams' performance at the Olympic Games from 1988 to 2004, based on both 'market share' and medal table position, is shown in **Figure 16**.

3.14 Figure 16 shows the Great Britain team finished tenth in the Olympic medal table in both the Sydney 2000 and Athens 2004 Games, although it won two more medals in total at the Athens Games. However, on the basis of market share, the Great Britain Olympics team performed marginally better in Sydney than in Athens, having won a higher proportion of gold and silver medals and thereby securing a higher share of the total points available.

3.15 Market share is less straightforward to understand than medal table position and so may not be as effective as a communication tool. However, it provides a useful and complementary measure by which the Department and UK Sport could judge how the performance of the UK's athletes is developing over time.

There is a risk that existing targets may not be sufficiently stretching

3.16 UK Sport's performance in 2006-07 and for the first ten months of 2007-08 suggests that the targets agreed by UK Sport and the Department in the years between Games may not be sufficiently stretching. In particular, Figure 15 shows that:

- in 2006-07, UK Sport significantly exceeded the target for each performance indicator, both those agreed with the Department and the aggregate of the targets agreed with each sport. In some cases, it exceeded its own targets by more than 50 per cent; and
- by January 2008, UK Sport had already exceeded all four targets it agreed with the Department for 2007-08 and, in two cases, has exceeded the aggregate of the targets agreed with each sport.

16 The Great Britain team's performance at the Olympic Games from 1988 to 2004 based on marketshare and medal table position

Games	Medal table position	Market Share (%)	Medals				Total	Points	Points available
			Gold	Silver	Bronze				
Seoul 1988	12th	3.0	5	10	9	24	44	1,455	
Barcelona 1992	13th	2.1	5	3	12	20	33	1,592	
Atlanta 1996	36th	1.5	1	8	6	15	25	1,657	
Sydney 2000	10th	3.3	11	10	7	28	60	1,829	
Athens 2004	10th	3.1	9	9	12	30	57	1,832	

Source: National Audit Office analysis

3.17 As set out in paragraph 3.9, the Department measures UK Sport's performance by setting a medal target at 75 per cent of the aggregate of the targets set by UK Sport for individual sports. This adjustment primarily reflects the proportion of medals relative to the targets that the Great Britain team has won at recent Olympic Games:

- at the Sydney 2000 Games the Great Britain team won 28 Olympic medals against a target of 38 medals (74 per cent) and 131 Paralympic medals against a target of 145 medals (90 per cent); and
- at the Athens 2004 Games, the Great Britain team won 30 Olympic medals against a target of 39 medals (77 per cent) and 94 Paralympic medals against a target of 110 medals (85 per cent).

3.18 UK Sport's targets for 2006-07 and 2007-08 were set in order to measure performance at elite events, such as world championships, in the years between the Olympic and Paralympic Games. Our analysis suggests that, although 75 per cent may be an appropriate level at which to set targets for the Games themselves, it does not provide a meaningful measure of performance in the intervening years. For Paralympic sports, performance both at recent Paralympic Games and in the years between Games suggests that setting UK Sport's targets at 75 per cent of those agreed with individual sports may be too low.

3.19 As performance has significantly improved in a number of sports since the Athens Games in 2004, there is scope both for the Department to review the targets it sets for UK Sport, and for UK Sport to review the targets it sets for individual sports between Games, to provide better measures of accountability and to ensure that continuous improvement towards the goals for London 2012 is being made.

PART FOUR

UK Sport's leadership and wider management of the World Class Performance programme

4.1 UK Sport is charged with leading sport in the United Kingdom to world class success. An important part of this role is to work effectively with the sports' national governing bodies to promote the actions required to improve performance. This involves demonstrating strong leadership, helping to identify and share good practice, encouraging the development and take-up by sports of good quality coaching, sports science and medicine, and putting in place effective monitoring arrangements.

UK Sport has introduced a new reporting framework through which to monitor the progress made by national governing bodies

4.2 In their 2006 report, the Committee of Public Accounts concluded that to achieve a better return on its investment, UK Sport needed to have more effective ways of assessing progress and more reliable and accurate performance reporting. They recommended that UK Sport should "follow up its review of sports' performance in Athens to make clear for individual sports the actions required to do better in Beijing, and embed implementation of these actions into its monitoring of national governing bodies".

4.3 UK Sport has developed and introduced a new system, known as 'Mission 2012', for the primary purposes of monitoring the progress of national governing bodies in delivering their goals in the run up to London 2012 and identifying any risks to achieving these goals. Mission 2012 requires each sport to assess its own performance against critical success factors which have been defined by UK Sport. This self-assessment, which includes a traffic-light assessment of progress in three key areas, is reported to UK Sport on a quarterly basis and is then subject to challenge by a panel of expert assessors.

4.4 Mission 2012 requires national governing bodies to report their progress in three core areas: athlete performance, the development of the sport's performance

system, and the culture of the body. By identifying the barriers to progress in each area, UK Sport hopes to work with each sport to overcome problems which might damage its chances of success in 2012.

4.5 UK Sport plans to use the results from Mission 2012 to report publicly on progress against the goals for London 2012 and to demonstrate that the significant public funding going into elite sport is being used effectively. UK Sport intends to publish the outcome of its first full run of the Mission 2012 process for every sport in March 2008.

4.6 UK Sport piloted Mission 2012 with two out of the 46 Olympic and Paralympic sports it funds, athletics and disability swimming, both well established national governing bodies, in early 2007. Following this pilot, UK Sport consulted with all national governing bodies on the implementation of the performance system. Feedback to UK Sport during this consultation highlighted some concerns about the frequency of reporting and the fact that results from Mission 2012 were to be made public. In response, UK Sport decided to treat the first quarterly self-assessments by all national governing bodies, carried out in November 2007, as a further pilot exercise, following some further changes to the system.

4.7 Although early days, most national governing bodies were positive about the new process. They considered that it would help them to demonstrate good stewardship of the extra funding they were now receiving and that it should help provide an early warning of potential barriers to sporting success. However, some national governing bodies we spoke to raised concerns about the way that Mission 2012 had been communicated to them and were unclear about how it would work in practice. Areas where they expressed a need for greater clarity included how UK Sport would take action on the issues identified by sports, how much administrative time the process might take, and how UK Sport would use Mission 2012, alongside the other performance information it received from them, to inform funding decisions.

4.8 The pilot round of Mission 2012 assessments by sports has identified some early actions for UK Sport, including the need to help national governing bodies recruit key members of staff. UK Sport has worked with national governing bodies in this area in the past, such as by helping British Triathlon to appoint a new Chief Executive by providing human resources expertise and representation on the appointment panel. A number of national governing bodies, including Canoeing, Fencing, Handball, Hockey, Rowing, Triathlon and Volleyball, also raised access to facilities as a common obstacle to progress in achieving their goals for London 2012. UK Sport is working with the sports to better understand their needs and to support them in their discussions with the providers of sports facilities.

UK Sport promotes the sharing of knowledge between sports but could do more to help the smaller governing bodies to learn from good practice

4.9 In the National Audit Office's previous work on *Supporting elite athletes*, published in January 2005, we commented that UK Sport was well positioned to disseminate the good practice it learned across the sports, such as on innovative coaching practices or the use of new technology to support athletes' training. UK Sport currently:

- funds the meetings and secretariat of the Performance Directors Forum. The Forum is split into a Strategy Group comprising ten Performance Directors who meet four times per year, and an Operational Group, open to performance directors of all Olympic and Paralympic sports, who meet annually and in cluster groups of like sports (such as team sports) to share best practice and address common issues;
- initiates workshop sessions for groups of sports and leading practitioners to discuss solutions to performance issues – such as the management of soft tissue injuries; and
- funds an annual World Class Coaching Conference for performance and coaching staff from a wide range of sports.

4.10 We consulted national governing bodies on how effectively UK Sport is facilitating the sharing of knowledge and good practice, and the sharing of systems or resources where such opportunities exist. National governing bodies and other stakeholders welcomed UK Sport's existing support and lead on knowledge sharing. Some commented that UK Sport could do more to

coordinate and facilitate sharing of good practice between the national governing bodies. In particular, some smaller and newer governing bodies, which lacked the experience or existing support networks of established governing bodies, said they would welcome further support. UK Sport hopes that the results from Mission 2012 will help identify 'excellent' practice which will enable smaller and newer sports to find the particular support they need.

4.11 More broadly, UK Sport has introduced other initiatives to encourage the sharing of systems to identify and develop talent and the interchange of talented athletes between sports to maximise their potential. The 'Sporting Giants' initiative, for example, was launched with the English Institute of Sport to identify potential athletes aged between 16 and 25 whose physical stature would make them good candidates to enter the World Class Performance programmes for handball, volleyball and rowing. In February 2008, UK Sport and the English Institute of Sport announced 34 rowers, 11 handball players and seven volleyball players had joined British squads from a pool of 3,854 applicants. UK Sport is also leading the Talent Transfer programme, which aims to encourage talented athletes to transfer into new sports requiring similar skills (for example, from diving to gymnastics or vice versa) where they have not realised their potential in their original choice of sport.

UK Sport has improved its monitoring of the take-up of sports science and medicine but has yet to demonstrate the value for money of these services

4.12 In its 2006 report, the Committee of Public Accounts concluded that greater value could be secured from UK Sport's spending on sports science and medicine, noting that take-up was lower than for other services such as coaching. The Committee recommended that UK Sport should:

- "work with national governing bodies to communicate the benefits of sports science and medicine to athletes and their personal coaches; and
- decide what would represent a cost-effective level of take-up for the services it funds and, if this is not achieved, consider if its money might be better spent elsewhere".

4.13 We therefore examined what progress UK Sport had made in getting better value for money from its spending on sports science and medicine through assessing the take-up of services by national governing bodies, and whether the services they were receiving represented value for money.

4.14 In April 2006, UK Sport took over responsibility for the English Institute of Sport from Sport England, under terms and conditions the Institute had agreed with Sport England for the delivery of its services up to 31 March 2009. The Institute is a wholly owned subsidiary of UK Sport and will receive core funding of £10.5 million each year to March 2009, of which at least £9 million UK Sport has agreed with the Institute is targeted at delivering sports science and medicine services to Olympic and Paralympic athletes, including free access to experts such as nutritionists, physiotherapists, physiologists, and performance analysts. Since April 2006, UK Sport has identified in its funding to governing bodies, the element to be spent on science and medicine services. Before those sports receiving funding for the first time from UK Sport could receive funding for sports science and medicine services, they were required to develop a strategy, to be approved by UK Sport, for how they would use the Institute's services.

4.15 As at December 2007, UK Sport had made commitments to provide £7 million over and above its core funding to the Institute to fund national governing bodies' use of additional sports science and medicine services for Olympic and Paralympic athletes. The funding is available to sports between April 2006 and March 2009. Just two sports – Taekwondo and weightlifting – have still to agree a strategy for how they will use the Institute's services.

4.16 UK Sport is using its oversight of the Institute to improve the responsiveness of its services and so increase the take-up of sport science and medicine by governing bodies. We compared the use of the Institute's services by Olympic and Paralympic sports in the period from April 2007 to January 2008 with the same period to January 2007. We found that in the 10 months to January 2008, the Institute:

- delivered 46,000 more hours of services to Olympic sports (a 58 per cent increase);
- delivered 3,900 more hours of services to Paralympic sports (a 49 per cent increase); and
- delivered 14 per cent fewer hours to those sports which do not compete at the Olympic and Paralympic Games.

4.17 UK Sport has more to do to demonstrate the value for money of its funding for sports science and medicine, but is putting in place a rounded set of performance measures to evaluate the effectiveness of these services in the future. It agreed a set of performance indicators with the Institute in early 2007, for example, which set targets to:

- ensure that all UK Sport funded sports use the Institute's services;
- increase the number of the Institute's service providers dedicating the majority of their time to working with individual sports; and
- decrease the proportion of athletes unavailable for selection due to injury.

4.18 UK Sport has also agreed indicators to measure the Institute's financial performance and qualitative aspects of its performance, such as its relationship with national governing bodies and athletes. The first full year results are expected to be available at the end of March 2008. In the meantime, the Institute reports monthly to its Board on the utilisation rates of the people it pays to provide its services and shares the information with UK Sport. In December 2007, 76 per cent of service providers' available time was spent working directly with athletes, against a target of 70 per cent.

4.19 National governing bodies also provided evidence that the Institute was developing a more responsive approach to athletes' needs. Results from the Institute's customer survey for 2006-07 showed that sports' relationship with the Institute was generally positive. The majority of sports rated the Institute's services as having met or exceeded their expectations, with most rating its physiotherapy services as outstanding. Those sports which responded to the survey reported a fall in the proportion of athletes unavailable for selection due to injury from nine per cent in 2004-05 to five per cent in 2006-07.

4.20 A number of national governing bodies responding to the survey also suggested areas of the Institute's services which might be improved. These included:

- the location of services: currently the Institute's services are available mainly at nine regional sites;
- the quality of facilities⁷: some bodies highlighted that although services were often good the facilities they were delivered from were not of a world class standard;
- the times services were available: some sports, for example, said that the Institute's services were not always available at weekends, even though high performance training often takes place at this time; and
- the need for more high performance staff to be dedicated to supporting specific sports.

7 UK Sport and the English Institute of Sport depend on third parties for the provision of facilities.

4.21 UK Sport recognises that it needs to change the way that sports science and medicine is delivered to support athletes. In October 2007, it set up a joint programme board with the Institute to oversee a full review of sport science and medicine services, which is looking at both the model for UK Sport's funding of services and the Institute's governance arrangements. The review aims to identify the challenges the Institute faces in delivering a world-class system of support and the actions required to address these challenges so that services deliver value for money. Proposed changes are due to be implemented from April 2009 onwards.

UK Sport needs to coordinate its activities with those of other key players in the field of sport in the United Kingdom

4.22 UK Sport is the lead body in government for funding and developing elite sport in the United Kingdom, but faces the challenge of coordinating its activities with those of other organisations which have a role in leading, supporting and funding both grass roots and elite sport. UK Sport recognises the need to work with other organisations so that the support these organisations offer complements and adds value to the core support UK Sport provides to elite athletes through its World Class Pathway programme.

4.23 We asked the sports' national governing bodies and wider stakeholders how effectively UK Sport discharged its role as the strategic lead for government's funding of elite sport, including how well it worked in partnership with other key players to coordinate activity. In particular, we focussed on UK Sport's interface with the home country sports councils, charged with funding and developing grass roots sport in the United Kingdom, and with the British Olympic Association and British Paralympic Association, both of which share with UK Sport the same ultimate goals for sporting success at London 2012.

4.24 The home country sports councils for England, Northern Ireland, Scotland and Wales (paragraph 1.9) have an important influence on sporting success as they fund the development of the pool of athletes from which those with most potential are selected by national governing bodies for UK Sport's Talent Identification and Confirmation programme, and may go on to receive development funding from UK Sport. We found that the

home country sports councils to which we spoke enjoyed a constructive working relationship with UK Sport and were positive about the leadership role it played in nurturing elite sport in the United Kingdom. Members of each of the councils sit on UK Sport's Board.

4.25 The British Olympic Association and British Paralympic Association (paragraph 1.10) play key strategic roles in selecting, managing and leading Great Britain's teams to compete at the Games, including running preparation camps where the athletes acclimatise immediately prior to each Games. Each association's objectives also include encouraging interest in the Olympic and Paralympic Games, and of fostering the aims and ideals of the Olympic and Paralympic movement in Great Britain and Northern Ireland.

4.26 We consulted the governing bodies for Paralympic sports who told us that UK Sport had developed a constructive working relationship with the British Paralympic Association. UK Sport funds a subsidiary of the British Paralympic Association – British Paralympic Performance Services – which provides additional support to Paralympic athletes and sports to supplement the funding which UK Sport provides through its Paralympic World Class programmes and awards to athletes. UK Sport is providing £5 million to British Paralympic Performance Services over the period April 2005 to March 2009 which gives UK Sport oversight of the majority of its activities. To further build on its partnership with the British Paralympic Association, UK Sport has commissioned a review of its approach to funding Paralympic sport which is intended, among other things, to develop a plan to maximise the benefits of partnership working for the London 2012 Games.

4.27 The British Olympic Association is continuing to develop its own range of initiatives to strengthen sports' governing bodies and help prepare elite athletes for Olympic success. We looked at how UK Sport is seeking to coordinate its activities with those of the Association so that the additional support for athletes it provides complements the core funding and support UK Sport provides through its World Class Performance programmes. Many of the governing bodies for Olympic sports and wider stakeholders we consulted drew attention to the potential for overlap and duplication between the two organisations' activities and emphasised the importance of a coordinated approach.

4.28 Two of the British Olympic Association's recent initiatives are of particular relevance. Firstly, the Association is developing an "elite performance programme" led by Sir Clive Woodward. The programme is looking to provide top athletes with gold medal potential with access to some of the world's leading sports practitioners and to high quality advice on issues such as coaching, physiology, and nutrition. Both organisations recognise the need for the programme to complement, not duplicate, the services provided by national governing bodies through UK Sport's World Class Performance programme and have agreed that the programme will be piloted with one athlete in judo and assessed by UK Sport's Mission 2012 Panel, of which Sir Clive Woodward is a member.

4.29 Secondly, the British Olympic Association has developed a "FTSE 100 partnership" scheme. Through this scheme, the Association aims to put a FTSE 100 company in partnership with each national governing body to provide advice on how to grow as businesses, to become more autonomous organisations and to develop their leadership. UK Sport recognises the value of this initiative which complements its own work to strengthen the leadership and financial stewardship of sports so that they are in good shape to receive public funding.

APPENDIX ONE

1 The aim of our study was to examine whether UK Sport is well-placed to deliver sporting success at the London 2012 Games and beyond. It included following up UK Sport's and the Department for Culture, Media and Sport's progress in implementing recommendations from the National Audit Office's report in 2005, and the Committee of Public Accounts report on elite sport in 2006. The following documents therefore provided a basis for our work:

- *UK Sport: supporting elite athletes* National Audit Office Report (HC 182 – 2004-05) Publication date: 27 January 2005
- *UK Sport: supporting elite athletes* Committee of Public Accounts Fifty-fourth Report of Session 2005-06 (HC 898)
- Treasury Minute on the Fifty-fourth Report from the Committee of Public Accounts 2005-2006 – *UK Sport: supporting elite athletes* – Cm 6924, Publication date 26 October 2006.

2 The main elements of our fieldwork, which took place between October 2007 and January 2008, are listed below:

- review of key UK Sport documents relating to their strategy for sporting success at the London 2012 Games;
- quantitative analysis of UK Sport's past and future funding of sports for the Games and its actual and targeted performance at the Games;
- semi-structured interviews with UK Sport and its stakeholders and partners, including the national governing bodies of sports; and the Department for Culture, Media and Sport;
- focus group of UK Sport staff;

The methods we used

- survey of national governing bodies; and
- desk research and literature review on the impact of host nation status on sporting success.

Review of key UK Sport documents

3 We reviewed key documents relating to the development of UK Sport's strategy for elite sporting success at the London 2012 Games. These included UK Sport's annual report and accounts, its corporate plan and its funding agreement with the Department; documents relating to UK Sport's bid for additional funding to support athletes at the London 2012 Games; and documents relating to the monitoring and measurement of UK Sport's own performance and also its oversight of the performance of individual sports.

Quantitative analysis of UK Sport's funding and performance

4 We analysed UK Sport's financial data, including data relating to its bid for and allocation of additional resources for London 2012 and non financial data relating to the performance of sports and athletes to:

- establish UK Sport's planned distribution of funding to sports in total over the Beijing and London Olympic cycles;
- establish UK Sport's funding to individual sports over the Beijing 2008 cycle compared to the Athens 2004 Cycle; and
- compare performance of the Great Britain team at the Athens 2004 Games with targets for the Beijing 2008 Games and its ultimate goals for the London 2012 Games.

Interviews with UK Sport and the Department for Culture, Media and Sport

5 We interviewed senior staff at UK Sport including the Chair, Chief Executive, the Director of Elite Sport, the Head of Corporate Services, and staff in the performance directorate and finance department. Our interviews focussed on UK Sport's strategy for securing Olympic and Paralympic success and covered the funding of elite sport up to London 2012, and the risks to the funding; UK Sport's approach to distributing funding to and its oversight of, the national governing bodies of sports; and its own leadership role and capacity to deliver its strategy.

6 We also interviewed officials responsible for elite sport within the Department to examine the Department's oversight of UK Sport including its monitoring of performance; UK Sport's strategy for achieving success at London 2012 and the risks to the strategy; and the Department's role in funding UK Sport's objectives.

Interviews with stakeholders and UK Sport's partners

7 We interviewed senior officers at UK Sport's stakeholders and delivery partners:

- British Olympic Association – Chief Executive and Chairman
- British Paralympic Association – Chief Executive
- British Athletes Commission – Chief Executive
- English Institute of Sport – National Director and Director of Business and Finance
- Sports Aid – Chief Executive, Trustee, and Executive Board Member

- Sport England – Chief Executive
- Sports Council for Wales – Chief Executive
- sportscotland – Head of Policy
- Sports Coach UK – Chief Executive
- All Party Parliamentary Olympic and Paralympic Group – Chair

8 The interviews covered the organisations' role and responsibilities in relation to elite sport in the United Kingdom including their relationship with UK Sport; their views on UK Sport's strategy for delivering elite sporting success at London 2012 and beyond; and their views on UK Sport's approach to raising and allocating funds to sports.

Interviews with national governing bodies

9 We selected eight national governing bodies to interview which represented a range of organisations in terms of their size; support for Olympic and Paralympic sports; support for team and individual sports or both; and their medal expectations for Beijing 2008 and London 2012.

The organisations were:

- Amateur Rowing Association
- British Cycling
- British Equestrian Federation
- British Performance Basketball
- British Swimming
- GB Hockey
- Royal Yachting Association
- UK Athletics

10 The interviews covered the bodies' views on UK Sport's strategy for delivering elite sporting success at London 2012 and beyond; its approach to raising and allocating funds to sports; its management and measurement of performance; and its role and responsibilities in relation to elite sport in the United Kingdom including its relationship with partners and key stakeholders. The interviews also covered how bodies are using additional funding.

A survey of National Governing Bodies

11 To supplement our interviews with national governing bodies we sent out a questionnaire for self-completion to a further 23 bodies, covering similar areas. For six of the smaller Paralympic sports, we sent a survey to British Paralympic Performance Services (an umbrella organisation providing support to these organisations) to complete on their behalf.

12 We also reviewed the results of the English Institute of Sport's 2007 survey of national governing bodies. This provided data on the bodies' take-up of, and satisfaction with, the Institute's services.

Focus group of UK Sport staff

13 We conducted a focus group with UK Sport's Performance Pathway Consultants – staff who have day to day contact with national governing bodies. The session covered UK Sport's monitoring and management of the performance of national governing bodies.

Research on the effect of host nation status on sporting success

14 We commissioned Simon Shibli at the Sport Industry Research Centre at Sheffield Hallam University to carry out research to analyse the impact host nation status has on sporting success before, during and after hosting a major sporting event; and on the opportunities for measuring sporting success beyond the use of the Olympic and Paralympic medal tables. The research combined a review of literature, empirical evidence and data analysis to establish:

- the context of elite sporting competition at the Games;
- the likely effects of hosting the Games on elite sporting success;
- the reasons for these effects;
- the legacy of elite sporting success after the Games; and
- alternatives to medal table position as a measure of sporting success.

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