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

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

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.

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.

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.

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.

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

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.
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.

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.

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

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.

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.

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.

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

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.

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.

c. 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 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.

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.

f. 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.