

**Memorandum of Understanding
between
the Department for Business and Trade
and
UK Export Finance**

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1 Purpose

- 1.1 DBT and UKEF are separate government departments, but both report to the Secretary of State (SoS) for Business and Trade. The two departments have separate but related responsibilities and need to work together to support the SoS and ultimately the government's trade and growth agenda. This MoU sets out how DBT and UKEF, within their respective remits, will jointly deliver shared objectives for driving business growth and enabling trade, exports, and investment; jointly respond to government priorities as directed by ministers; and how both departments will work together to achieve consistent and aligned outcomes. The MoU sets out the principles under which DBT and UKEF will co-operate and sets out what each department will contribute.
- 1.2 DBT and UKEF are operationally and strategically aligned; , UKEF's management, strategy, and operations are aligned with DBT. The departments already work collaboratively at all levels of their respective organisations, which this document looks to detail, for examples as per the *Concordat* (see paragraph 4.22), see below:
- a) senior staff and non-executive board members represent the departments at each other's boards;
 - b) UKEF is represented on DBT's Executive Committee by the Chief Executive;
 - c) the Permanent Secretary is the formal Civil Service line manager of the Chief Executive of UKEF, but the Chief Executive reports to, and is managed by, the Chair of the UKEF Board on a day-to-day basis; and
 - d) There is a policy function within DBT that ensures that UKEF is strategically aligned with DBT on certain areas including the export strategy (further information on this governance can be found in the Concordat, see paragraph 4.22).
- 1.3 This document sets out agreed principles for how this collaboration should operate, formalising much of what already happens and aiming to set best practice in the relationship. This document is one aspect of the partnership between DBT and UKEF and should be read in conjunction with the *EIGA*, the *HMT Consent*, and the *Concordat* (further information on this governance can be found in the Concordat, see paragraph 4.22).

2 About this MoU

Definitions

- 2.1 The defined terms in this MoU have the meaning given to them below:

Abbreviation	Definition
BBB	British Business Bank
Chief Executive	The Principal Accounting Officer of UK Export Finance
DBT	Department for Business and Trade
DESNZ	Department for Energy Security and Net Zero
EIGA	Export and Investment Guarantees Act 1991, as amended by the Industry and Exports (Financial Support) Act 2009 and the Small Business Enterprise and Employment Act 2015
Executive Sponsors	The Permanent Secretary and the Chief Executive (or their delegate)
FCDO	Foreign Commonwealth and Development Office
HMG	Her Majesty's Government
HMT	Her Majesty's Treasury
Joint Action Table	Specific actions to develop better collaboration as per the Principles
MoU	Memorandum of Understanding
MoU Managers	Deputy Director of the Export and Investment Policy Team within DBT and the Deputy Director of Strategy within UKEF
OGD	Other Government Departments

Permanent Secretary	The Principal Accounting Officer of the Department for Business and Trade
Principles of Collaboration; OR Principles	The principles agreed upon, as set out by this MoU in section 3
SoS	Secretary of State for Business and Trade and President of the Board of Trade
UKEF	UK Export Finance
UKGI	UK Government Investments
UKIB	UK Infrastructure Bank
UKRI	UK Research and Innovation

Intention of the MoU

- 2.2 DBT and UKEF are committed to delivering on the terms of this MoU but it is not intended to create legal obligations or be legally binding.

MoU Narrative

- 2.3 This MoU describes:
- a) The Principles of Collaboration;
 - b) How DBT and UKEF will align with the Principles of Collaboration;
 - c) How further collaboration between DBT and UKEF will be achieved;
 - d) Governance of this MoU and the key stakeholders impacted by it; and
 - e) Management of this MoU on an ongoing basis.

3 The Principles of Collaboration

- 3.1 This MoU details and acknowledges the understanding that both departments' objectives will be strengthened and underpinned by the agreed "Principles of Collaboration". The Principles will enable stronger collaboration between the departments to fulfil shared objectives in support of the government's trade agenda. Staff in both departments should use the Principles as a guide for their activity as they relate to DBT and UKEF collaboration.
- 1 **DBT and UKEF will work together on shared objectives to support exports as set by their shared ministers, responding at pace and with flexibility to government priorities, underpinned by strong working relationships across the organisations.**
 - 2 **DBT and UKEF will work in partnership, leveraging expertise and capability within the departments, to deliver an outstanding joint service to business.**
 - 3 **DBT and UKEF will work collaboratively in areas of mutual interest, ensuring that staff are informed of and understand each other's roles, responsibilities, and services.**
 - 4 **DBT and UKEF will share relevant data, resources, and knowledge, in accordance with applicable statutory requirements and best practice, maintaining efficiency and value for money in all shared activities.**
- 3.2 **Principle 1 Further Detail:**
- a) Principle 1 ensures that DBT and UKEF are continually managing relationships across each department, that they are aligned on areas of ministerial and government priority, and enable the departments to collaborate when of mutual interest and possible;
 - b) Principle 1 also recognises that the departments have specific statutory and financial frameworks within which they must operate; and
 - c) Principle 1 accounts for both DBT and UKEF recognising that government finance is an integral part of government's offer to exporters and businesses with export potential, and that exporters need very broad support of which government finance is one part.
- 3.3 **Principle 2 Further Detail:**
- a) Principle 2 ensures that the departments are collaborating to deliver for the customer. DBT and UKEF will ensure they collaborate in relation to, and utilise each other's, strengths to manage any gaps or changes within the departments to maximise their joint service to customers.
- 3.4 **Principle 3 Further Detail:**
- a) Principle 3 ensures that staff within DBT and UKEF understand what each department does and have access to the training or knowledge needed to represent each other's departments or know when to involve each other's departments. It also helps staff identify opportunities for deeper collaboration and engagement.
- 3.5 **Principle 4 Further Detail:**
- a) Principle 4 ensures that, where possible in their collaboration, DBT and UKEF will share resources and access to data and information to ensure that work is coordinated, data-driven (where feasible) and provides value for money, only seeking cost recovery where applicable and appropriate. The parameters and procedures for any data-sharing under this MoU will be confirmed separately between the departments in connection with the relevant joint action.

4 MoU Governance

- 4.1 This MoU is one aspect of the partnership between DBT and UKEF and should be read in conjunction with the *EIGA*, the *HMT Consent*, and the *Concordat*. These and other relevant supporting governance documentation (see paragraphs 4.22 to 4.27) detail the responsibilities of government departments and stakeholders.
- 4.2 This MoU details the overarching Principles of Collaboration between DBT and UKEF. This MoU is subject to any obligations under the *EIGA*, *HMT Consent* and *Concordat*. This MoU will take account of any relevant objectives outlined in the standing *UKEF's Annual Priorities* (see paragraph 4.24). This MoU is a strategic document and does not change the responsibilities or requirements set out in the commercial MoU or any other agreements, it is complementary to them.
- 4.3 This MoU is not intended to be a comprehensive or prescriptive guide for every interaction between DBT and UKEF. Both departments recognise that the relationship must be flexible and based on responding to emerging economic conditions and ministerial priorities.
- 4.4 In reporting on the success of this MoU, there will be a number of stakeholders and parties with an interest in the success of the departments' collaboration. This is detailed in paragraphs 4.28 to 4.31.

Roles and Responsibilities

Joint Responsibility

- 4.5 DBT and UKEF are jointly responsible for upholding the Principles of Collaboration. The Permanent Secretary and the Chief Executive approve the way in which it will assist the relationship between DBT and UKEF, and will ensure DBT and UKEF do not obstruct the Principles within their relevant departments, thus enabling this MoU to meet its objectives.

Executive Sponsorship and MoU Ownership

- 4.6 The Permanent Secretary and the Chief Executive as Accounting Officers for their respective departments, are the Executive Sponsors of this MoU.
- 4.7 The Permanent Secretary or the Chief Executive may respectively delegate their Executive Sponsor role to another of their choosing provided they notify the other in writing.
- 4.8 The Executive Sponsors have ownership of this MoU and will provide and jointly agree on the direction of this MoU; they ensure that the MoU is meeting its full potential and coordinate any change management regarding the MoU.

MoU Management

- 4.9 In supporting the Executive Sponsors, DBT and UKEF have respective MoU Managers (supported by their respective teams) to manage the MoU. MoU management will jointly sit with the Deputy Director of the Export and Investment Policy Team (E&I) within DBT and the Deputy Director of Strategy within UKEF. Both MoU Managers, will hold responsibility for ensuring that their respective Executive Sponsors are kept abreast of their department's progress against the MoU and any new issues or escalations that may be raised by staff.

Accountability, Monitoring and Reporting

- 4.10 The Executive Sponsors, with support from the MoU Managers, will meet quarterly to ensure each department is held accountable for its commitments under the MoU. Annually, the Executive Sponsors will agree an assessment report on the MoU's effectiveness and prepare to report publicly on progress made under the MoU.

- 4.11 This MoU will be publicly reported on in DBT and UKEF's respective Annual Report and Accounts, reporting on progress and ways in which it has developed the DBT-UKEF relationship further.
- 4.12 For the purposes of public reporting, reference to specific actions will not necessarily be included; however, it will state the concluding assessment of where the MoU has enabled the DBT-UKEF relationship to prosper and where there is potential for further development.
- 4.13 To ensure that the reporting between DBT and UKEF is as effective as possible, the MoU Managers will monitor their respective departments' actions in support of this MoU and remain in contact with their Executive Sponsors to manage the DBT-UKEF relationship.
- 4.14 The Executive Sponsors will meet at least quarterly to:
- review progress of actions within the Joint Action Table as monitored and updated by the MoU Managers;
 - keep action owners accountable for completing their actions;
 - consider and decide on whether a newly raised issue is contrary to the Principles; and
 - direct MoU managers to record newly agreed issues in the Joint Action Table with an agreed action, deadline and action owner/s assigned to resolve the issue.
- 4.15 The Executive Sponsors will meet annually (before financial year end for inclusion in respective Annual Report and Accounts) to:
- agree a joint report to send to each department's respective Executive Committee covering the MoU's effectiveness to date, any proposed changes to the MoU requiring agreement from the Permanent Secretary and the Chief Executive, and the progress on actions within the Joint Action Table over the previous year;
 - agree key highlights to recommend for inclusion in each department's respective Annual Report and Accounts;
 - agree a refresh of the Joint Action Table by adding any agreed new issues and corresponding actions, and removing the previous year's completed actions; and
 - agree whether the MoU requires any changes.
- 4.16 UKGI may attend the quarterly and annual meetings as an observer and objective third party, providing additional accountability for DBT and UKEF.
- 4.17 MoU Managers will provide the Executive Sponsors with a quarterly progress update report on the actions within the Joint Action Table, including any new proposed issues and actions for the Executive Sponsors' approval. MoU Managers will prepare the annual MoU assessment report and highlights for public reporting for the approval of the Executive Sponsors.

Change Management

- 4.18 Any changes or additions of content or change in precedence to this MoU will need the agreement of the Executive Sponsors.
- 4.19 Any changes will need to be recorded and archived once agreed.

Duration

- 4.20 If this MoU is no longer required, either party can terminate the MoU with 6-months' notice provided in writing.

Governance Documents Related to this MoU

- 4.21 **EIGA** – UKEF derives its powers from the *EIGA* and undertakes its activities in accordance with a specific consent from HMT.

- 4.22 **HMT Consent** – HMT has a role in UKEF’s management by protecting the taxpayer from excessive loss resulting from the risk UKEF takes on. It exercises this role through the *HMT Consent*, primarily by monitoring UKEF performance against Ministerially agreed Financial Objectives and the policy restrictions as set out in the *Concordat* and agreeing UKEF’s ambit. UKEF must ensure that no spending falls outside the ambit, as should it do so, it would constitute an “Excess vote”, for example, illegal spending outside the authority authorised by Parliament.
- 4.23 **Concordat** – the *Concordat* sets out the roles and responsibilities of HMT, DBT and UKGI in relation to the governance of UKEF, specifically how UKEF’s management, strategy and operations are aligned with DBT and the SoS.
- 4.24 **Letter of Expectations** “UKEF’s Annual Priorities” – the annual letter from the SoS is addressed to UKEF’s Accounting Officer outlining the SoS’ priority areas and expectations for UKEF’s activities for the year.
- 4.25 **Managing Public Money** – Accounting Officers are accountable to Parliament for the proper stewardship of the resources allocated to their respective department and this is set out here and in associated guidance.
- 4.26 **Other DBT-UKEF Agreements** – This MoU is a strategic document and does not change the responsibilities or requirements set out in the Commercial MoU, or any other agreements. It is complementary to them.

Stakeholders to this MoU

Ministers and the Secretary of State

- 4.27 DBT and UKEF are accountable to the SoS and ministers, who set and govern the objectives of each department. The Permanent Secretary and the Chief Executive will report on the successes and note areas for development regarding this MoU to the SoS and ministers
- a) Ministers and the SoS’s priorities are managed via the Joint Action Table attached to this agreement. Please refer to sections 6.

HMT

- 4.28 In the governance of UKEF, HMT’s role includes protecting the taxpayer from excessive loss resulting from UKEF’s activities. It exercises this role through the *HMT Consent*: primarily by monitoring UKEF performance against Ministerially agreed Financial Objectives and the policy restrictions as summarised in the *Concordat*.

UKGI

- 4.29 UKGI is responsible for providing independent advice to the SoS in the exercise of its responsibilities for UKEF’s ongoing performance in relation to the *HMT Consent*. In this role, UKGI will provide an advisory function to the management of UKEF via the *Concordat*.
- 4.30 UKGI, as observer to this MoU, will play a complementary role in the promotion of joint working between UKEF and DBT. The involvement of UKGI will provide additional accountability to DBT and UKEF, thus further empowering the Principles of Collaboration and ensuring ongoing reporting on areas of concern where and if applicable.

5 Strategic Alignment

- 5.1 DBT and UKEF have overlapping roles where together they deliver against HMG's wider trade and exports objectives. In doing so, the two departments will use the Principles of Collaboration to align their work against shared objectives as identified by SoS and the two departments' strategies, as outlined in their respective strategic documents. Shared objectives should be reflected in the performance objectives of key individuals in both departments. DBT and UKEF will be flexible and responsive to evolving priorities regarding international trade, exports, investment, and business growth, as set out by the SoS. DBT and UKEF both recognise that government finance is an integral part of government's offer to exporters, and that exporters need broad support, of which government finance is one part.
- 5.2 DBT and UKEF will additionally work across government on HMG's Broader Access to Business Finance agenda, working with key parties; for example, HMT, and public finance institutions, such as the BBB, UKIB and UKRI. DBT will continue to champion UKEF in the relevant fora, and UKEF will ensure it is contributing to these fora where relevant (and vice versa).
- 5.3 This MoU recognises that DBT and UKEF have mutual stakeholders who would benefit from a joined-up departmental approach. However, there are occasions and instances where DBT and UKEF will need to focus on their individual departmental priorities to support key stakeholders. Stakeholders include, but are not limited to: Devolved Administrations, OGDs, notably DESNZ, FCDO, and HMT (and UKGI); DBT and UKEF Ministers and Ministers of OGDs; governing bodies; business representative organisations; and customers.
- 5.4 If conflicts arise between the policy and/or strategic views of DBT and UKEF that cannot be resolved by the MoU Managers and/or the Executive Sponsors, the issue may be escalated to Ministers for arbitration. The Permanent Secretary and the Chief Executive will agree advice to Ministers outlining the departments respective positions on the MoU's outcomes for that period. This is with the support of the MoU Managers and where applicable the Executive Sponsors.
- 5.5 The MoU Managers will support strategic alignment between DBT and UKEF. To accomplish this the MoU Managers committed to:
 - a) support/champion one another within relevant departmental and cross-government strategy and policy fora;
 - b) ensure that DBT and UKEF staff have the knowledge, guidance and capacity required to support and develop DBT-UKEF collaboration effectively, supporting Ministers and senior officials through joint working;
 - c) act as an internal point of contact for raising issues regarding the other department; monitoring collaboration between DBT and UKEF at both a strategic and operational level, and working with each other to promote best practice in the working relationship; and
 - d) manage the ongoing implementation and reporting of the MoU as outlined in Section 4.

6 Joint Action Table

- 6.1 This MoU will be supported by specific actions to develop better collaboration as per the Principles. These actions will be included where agreed by the Executive Sponsors. This will include, for example, actions in policy development, data access, digital management, and communications and marketing. The actions are in the Joint Action Table (JAT).
- 6.2 Actions will be tracked, and progress collated by the respective MoU Managers (see paragraph 4.9) on a quarterly basis for the review of the Executive Sponsors as per paragraphs 4.14 and 4.17. This ensures action owner/s will be held accountable.
- 6.3 Action owner/s will align and work across DBT and UKEF in accordance with the Principles, and report to the respective MoU Managers on at least a quarterly basis, or where otherwise agreed, on progress made against their action. This allows DBT and UKEF to provide assurance to stakeholders that the MoU remains effective.
- 6.4 Staff will use the JAT to ensure they are working jointly to promote the Principles of this MoU, ensuring they provide no hindrance to achieving them. If for reasons external to this MoU, or the Principles, staff are hindered from working in alignment with the Principles, they will have cause to raise this issue with the MoU Managers and Executive Sponsors of the MoU. Where the Executive Sponsors agree an issue warrants a solution recorded against this MoU, an action will be developed, assigned an owner/s, and added to the JAT to resolve the issue.
- 6.5 Where Ministerial priorities require joint action by the departments, the actions to achieve them will be maintained as a part of the JAT (subject to the Executive Sponsors agreeing it is necessary). This ensures that the MoU is meeting the priorities of the government and ensuring that DBT and UKEF remain committed to achieving joint priorities.

7 Executive Sponsors signatures against this agreement

Signed for and on the behalf of the
Department for Business and Trade

Signature:



Date: 26/04/2023

Gareth Davies
Permanent Secretary
Department for Business and Trade

Signed for and on the behalf of
UK Export Finance

Signature:



Date: 19/04/2023

Tim Reid
Chief Executive
UK Export Finance