

Minute OF UKEF board meeting – 5 March 2018

Present: Noel Harwerth (Chair) [REDACTED] Item 2 – [REDACTED]
Amin Mawji (Observer) [REDACTED]
Oliver Peterken Gordon Welsh Item 3 – Bhaskar Dasgupta,
Lawrence Weiss (Observer) Andy Butterworth (UKGI)
Shalini Khemka Item 4 – Bhaskar Dasgupta,
Louis Taylor Andy Butterworth (UKGI)
David Havelock Item 5 – Pat Cauthery, [REDACTED]
Cameron Fox [REDACTED]
Justin Manson [REDACTED]
John Hill (DIT) Item 6 – Richard Simon-Lewis,
[REDACTED]
Apologies: None Item 8 – Davinder Mann

Secretary: [REDACTED]

1. Draft Minutes and Actions Log of 24 January 2018 Meeting

1.1. Subject to a couple of minor amendments, the draft minutes and actions log were agreed.

2. Short term business annual review

2.1. In the absence of the new Head of Short Term Business, [REDACTED] provided an annual review of the business under their remit. The meeting noted that the number of exporters supported was, once again, expected to exceed last year's numbers, with a strong pipeline to back up the forecast. However, the meeting considered the genesis of these customers and noted that roughly two thirds had done business with UKEF previously.

2.2. It was agreed that bringing new customers into UKEF was an area that could be improved, particularly around SMEs. Members discussed the impact that the portal was having on new business and it was agreed that it needed to be promoted better to, and within banks.

2.3. The Board heard that an end to end review of short term business was being launched. This would look from the moment an enquiry was received, examining

how it was handled and what could be improved. Once a plan for this review was finalised, it would be provided to the Board via correspondence.

Action: Secretariat to pass on to Members by correspondence the plan for the end to end review of short term business.

3. Digital Programme Update

3.1. The Board received their regular update from Bhaskar Dasgupta, the Chief Operating Officer on the Digital Programme. This covered the key workstreams that included eStore, Bank Delegation. Workflow, the digital portal and Salesforce.

3.2. It was noted that on customer relationship management, the RAG rating had trended down as a key developer had resigned but was now back on track to go live later in the month. The meeting heard that on digital assets, the issue had been flagged as red as the technical architecture structure had been delayed, and still needed Government Digital Service approval for the Alpha website.

3.3. Attendees were informed that the operations, product, people and insights and analytics workstreams were now RAG rated green.

3.4. The meeting discussed what NEDs could do to help with the various workstreams and it was agreed that for larger projects, a lead NED should be appointed.

Action: Secretariat to work with the Chair to appoint lead NEDs for key projects.

4. UKEF Operational Plan Update 18/19

4.1. Bhaskar Dasgupta provided an update on the UKEF Operational Plan for 2018/19. The meeting discussed the departmental objectives for 2017/18 and performance against these targets. In particular, the meeting discussed the performance target of working with 500 customers in-year. The meeting heard that the final figure was likely to be some way short of this due to delays in Bank Delegation launching, and referrals through DIT collaboration being less than anticipated.

4.2. The Board discussed whether the longer-term target of 1000 customers by end of 19/20 was feasible, and agreed with an increased output from share fairs, an

improved marketing campaign and banks coming back into the market, it was possible.

4.3. The Chair noted that this Board meeting would be the Chief Operating Officer's last with UKEF. The Board thanked Bhaskar for all of his hard work and wished him luck for the future.

5. UKEF Support for Defence Exports and OECD Arrangement Terms

5.1. The Board received an update from Pat Cauthery, [REDACTED] [REDACTED] which looked at whether UKEF should continue to support "Military Equipment" exports on terms that are consistent with the OECD Arrangement.

5.2. Attendees agreed that a meeting between the Ministry of Defence, HM Treasury, BEIS and DIT/ UKEF should be organised to consider at a strategic level the governments offering for defence exporters and how UKEF support should fit into that.

Action: Pat Cauthery to arrange meeting with MOD and HMT and report back via correspondence to the Board.

6. Marketing and Communications Strategy Update

6.1. The Board received a presentation on the marketing and communications strategy from Richard Simon-Lewis, Head of Origination, Client Coverage, Marketing & Communications, [REDACTED], the Head of Communications and Engagement and [REDACTED], the Head of Marketing.

6.2. The meeting heard that Marketing and communication (M&C) had been reunified within the new Origination, Client Coverage, Marketing and Communications division.

6.3. Members welcomed the revised strategy which included using a multi-layered approach with a tested proposition that worked for UKEF's defined regional, national and international markets. It was noted that the benefit of the EFM and IEFE networks in both the UK and internationally were to be leveraged more to act as the primary interface with UKEF's key existing and future relationships.

6.4. The meeting heard that UKEF's offer would be built into other trade and investment GREAT campaigns. It was agreed that more needed to be made of social media campaigns, such as through celebrating UKEF's 100-year anniversary with a hashtag on all posts. Shalini offered to meet with the M&C team to discuss other ideas on social media, digital strategy and engaging with SMEs.

Action: Secretariat to arrange a meeting between M&C team and Shalini Khemka.

6.5. Members considered how the programme would be monitored to ensure the return on the investment was hitting the targets set in the strategy. It was noted that a return on investment model was under development and would be completed prior to the April Board meeting, and an update on this would be provided to the Board at each meeting.

Action: M&C Team to provide an update on return on investment monitoring as a standing item to all Board meetings.

7. Business Performance Update

7.1. The Board received an update on Credit Risk from the Chief Risk Officer covering the key risk indicators and the current credit environment. The meeting noted that over half of the portfolio was investment grade and had trended that way in recent years.

7.2. The Board received an update on UKEF's business pipeline from the Head of the Business Group. It was noted that while many deals were in an advanced state a number would not be completed before year-end.

7.3. Members were also given an update by the Chief Financial Officer on the Department's accounts. The meeting heard that the claims paid figure was low this financial year and that the surplus generated and to be handed back to HM Treasury was healthy.

8. Legal Risk Update

8.1. The Head of Legal Division, Davinder Mann gave the Board a brief update on Legal Division's approach to risk management. It was noted that while Legal Division had an operational risk register (risks the division faces that may disrupt

its delivery of legal advice), there was no “legal risk register” logging legal risks the Department faces. Members discussed the legal risks that may be posed to UKEF by any transitional period agreed following Brexit.

8.2. The meeting heard that the first three months of the year were to be spent planning the approach and selecting a methodology, and the following six months assessing legal risk by function and the final quarter documenting and producing the legal risk register for the department.

8.3. Members noted that the Head of Legal Division had spoken with the Chair and the Chair of the Risk Committee about the proposed plan, and that they would be kept abreast of progress throughout the year prior to a report back to the Board in March 2019.

Action: Head of Legal Division to provide a report on legal risks faced by the Department to the Board in March 2019. Secretariat to add to the forward agenda.

9. Any other business

9.1. It was noted that the ECA Comparisons paper that was due to be considered during this meeting had been deferred until April, at the Board’s request.