

MINUTE OF MANAGEMENT BOARD MEETING – 21 MARCH 2013

Present:	Guy Beringer (Chair)	Graham Cassell	Item 3
	David Godfrey	Jimmy Croall	Item 5
	Jon Harding (UKTI)	Victoria Martin	Item 2
	Sir Eric Peacock	Simon Whitfield	Item 2
	David Havelock		
	Nigel Addison Smith		
	Steve Dodgson		
	Sue Johnson		
	Nicholas Ridley		

Secretary: Iain Phillips

1. **Draft Minute of 24 January meeting**

1.1. The draft minute was agreed.

2. **Short-Term Products**

2.1. MB was given a presentation on the Short-Term products announced in the Trade and Investment White Paper of February 2011. The products were designed to fill a perceived market gap and aimed at, although not restricted to, SME exporters. In relation to short-term credit insurance business (less than 360 days credit), EU law restricted cover to non-EU countries and those not classified as rich-OECD.

2.2. At end-February 2013, UKEF had supported export contracts worth over £500 million in a wide range of markets, including Greece, Libya and Russia. The proportion of SMEs supported was increasing and for the large part, UKEF was seeing most applications from the medium-sized SME companies.

2.3. Year-on-year since launch there had been a four-fold increase in business volume supported and the level of applications per week was now significantly higher than 12 months ago. Applications were now being received from all of the major UK banks. There were fifteen banks participating in the Bond Support Scheme and ten in the Export Working Capital Scheme.

- 2.4. MB discussed the different models employed by banks in undertaking credit scoring of exporters and whether banks would be willing to share scoring information with UKEF in order to streamline processes.
- 2.5. MB noted that the Export Finance Advisers (EFA) were having a positive impact not only raising awareness with exporters but engaging banks at a regional level and that a coordinated effort with UKEF in London engaging with Head Offices and the EFAs engaging locally with banks was paying dividends. A head of EFAs was due to be appointed shortly, who would further coordinate and manage the EFAs and ensure KPIs and regional coverage was effectively managed.
- 2.6. MB discussed the proposed market awareness activity and UKEF's plans to intensify activity in 2013-14, including the potential for focussed direct marketing activity and plans for targeted EFA activity.
- 2.7. MB noted that as a result of the specific nature of the type of support UKEF was able to support under its Act, the scope of the Export Working Capital Scheme was limited to facilities linked to specific export contracts.

3. Draft 2013-14 Operating Plan

- 3.1. MB discussed the draft 2013-14 operating plan, which listed the work and priorities that had been identified by senior managers to be completed in the year ahead. The plan focussed primarily on non-business as usual activity.
- 3.2. The plan would be supported by a resource plan and timetable, which was currently being considered by management. Prioritisation had been reviewed by Business Change Unit and this review had indicated that heads of divisions felt that 43% of activities were critical priority, 40% high priority and 16% low priority. Interdivisional linkages had also been mapped.
- 3.3. MB was advised that there are specific workstreams and timelines underpinning the headline objectives and progress will be monitored against the Plan.

4. Main Estimate

- 4.1. MB noted the Main Estimate, which had been discussed in detail at the meeting of the Audit Committee on 20 March.

5. Monthly Management Report

- 5.1. MB discussed the monthly financial position, noting that DEL and AME targets were being met and UKEF also continued to meet its financial objectives. UKEF was well ahead of forecast for business supported and premium income. There had been no new claims authorised in year to date.

6. Review of MB Effectiveness – scope

- 6.1. MB discussed the format of the proposed review of effectiveness, which in the first instance took the form of a questionnaire. Following analysis of responses and comments by board members, a discussion would follow at the May meeting. Board members were asked to send responses to the questionnaire to the Secretariat by close of play on 5 April.
- 6.2. MB agreed that it would be beneficial to understand how other organisations undertook reviews of this kind and board members should propose questions UKEF could ask others to guide UKEF's assessment. Given the unique role of UKEF's board compared to the standard model for boards across the civil service, it was felt that some time should be given at the May meeting to the role of UKEF's Management Board.

7. Review of MB Terms of Reference

- 7.1. This agenda item was deferred to the Board meeting in June so that it could be considered in the light of any outcomes of the review of MB effectiveness.

8. Audit Committee report back

- 8.1. MB was given an oral report back on the meeting of the Audit Committee on 20 March. AC had discussed a number of topics including:

- 8.1.1. the UKEF move to 1 Horse Guards Road;
- 8.1.2. Significant Accounting Policies; and
- 8.1.3. Enterprise Risk Management.

Iain Phillips

Chief Executive's Office