

MINUTE OF MANAGEMENT BOARD MEETING – 25 JULY 2013

Present: Guy Beringer (Chair) Graham Cassell Item 2
 David Godfrey Paul Croucher Item 4
 Jon Harding (UKTI) Carol Gradwell Item 2
 Amin Mawji Lawrence Nichols Item 2
 Sir Eric Peacock Gordon Welsh Item 2
 David Havelock
 Nigel Addison Smith
 Nicholas Ridley

Apologies: Steve Dodgson
 Sue Johnson

Secretary: Iain Phillips

1. **Draft Minute of 2 May meeting**

1.1. The draft minute was agreed.

2. **Move to 1 Horse Guards**

2.1. MB was given a presentation on the move to 1 Horse Guards Road. MB noted that the move had been an overall success, with staff settling in quickly and interacting closely in the open-plan office. However, a number of IT issues remained as the result of a hard disk failure on one of UKEF's servers.

2.2. MB was provided with a timeline of how the move progressed and received an update on how the department IT was performing. It was informed that following an extended period of disruption, most systems were now operating as expected, although there remained issues with the quality of the telephony and the speed of network access. MB noted that throughout the move staff had been kept up to date with IT issues via the department's incident management team and that there had been no need to implement business continuity arrangements for staff. UKEF's IT contractors were currently replacing the failed IT hardware.

2.3. MB considered what lessons UKEF could learn from the 1HGR move. It noted that a review of business continuity plans before the move had been a valuable exercise, and that UKEF would now review how its IT systems were structured, to simplify wherever possible. MB noted that UKEF had a service improvement

plan in place with its IT contractors and that UKEF would continue to work with the contractor to implement this.

- 2.4. MB requested that a review of the 1HGR move be provided to the Audit Committee at its meeting on 2 October.

3. Strategic Direction

- 3.1. MB discussed initial thoughts on the strategic direction of the department. It was felt that there were a number of areas where management needed to give consideration, including:

- 3.1.1. strategic planning, to articulate the longer-term approach being taken by the department to contribute to the Government's growth agenda and draw together the various sub-strategies on core business and SMEs/Short-Term Products;
- 3.1.2. stakeholder engagement, to formalise strategies for engaging with UKEF's various stakeholders, including other government departments and ministers, exporters, non-governmental organisations, banks and UKEF staff;
- 3.1.3. marketing and communications, to review resources and capability allocated to internal and external communications and marketing;
- 3.1.4. recruitment and succession planning, to consider resourcing and succession planning in key posts in the organisation; and
- 3.1.5. possible improvements to speed of response, to assess whether there are any unnecessary blockages in internal process and what can be done to alleviate them .

4. Short-Term Products Business Plan

- 4.1. MB discussed three key areas of the Short-Term Products Business Plan, these being (i) market segmentation; (ii) expansion of the Export Finance Adviser network; and (iii) internal process changes.

Market segmentation

- 4.2. MB noted that UKEF had recruited an interim marketing manager to lead the programme for raising awareness of UKEF's Short-Term products. This work was made up of a number of elements including production of collateral, web optimisation, measuring awareness and customer satisfaction.

Expansion of the Export Finance Adviser network

- 4.3. UKEF was currently reviewing and refining the objectives of its Export Finance Advisers (EFAs) and considering its approach for the recruitment of additional EFAs in areas of high activity.

Process changes

- 4.4. MB noted that UKEF had had a number of positive meetings with banks on process changes and discussed the possibility of banks providing their credit grading of exporters to UKEF to augment assessments once the bank had submitted its applications.
- 4.5. Short-Term Products Division was also reviewing resourcing and training requirements to ensure that current processes were as efficient as possible.

5. Audit Committee Annual Report

- 5.1. MB was provided with the Audit Committee Chair's annual report on the work of the Committee, noting that it had fulfilled its obligations and responsibilities, as defined by its term of references, during the year.
- 5.2. UKEF's Annual Report and Accounts had been reviewed and laid before Parliament on 19 June as planned and AC had considered a number of related issues, including the methodology for provisions and reviewing letters of assurance.
- 5.3. AC had reviewed the Internal Audit and Assurance Division Annual Plan and a number of audit reports and had noted that the level of resources in the department had been regularly highlighted as a risk.

5.4. MB discussed the Government's plan for shared internal audit services and was informed that UKEF was in the HMRC internal audit group.

6. Any other business

6.1. The Board recorded its thanks to Nicholas Ridley, who was retiring from UK Export Finance after over ten years as the department's General Counsel. MB thanked Mr Ridley for his support to the Board and successive Chief Executive's over his tenure and offer its best wishes for his retirement.

6.2. The Board welcomed Amin Mawji as a Non-Executive Director of MB and as the new Chair of Audit Committee.

6.3. The Board also thanked Mr Havelock, who had been acting Chief Executive for the past ten months, now that a successor had been identified and was expected to take up his post shortly.

Iain Phillips

Chief Executive's Office