

MINUTE OF MANAGEMENT BOARD MEETING – 21 NOVEMBER 2013

Present:	Guy Beringer (Chair)	Pat Cauthery	Item 3
	Jon Harding	Nick Tyler	Item 3
	Fiona-Jane MacGregor	Paul Radford	Item 4
	Amin Mawji	Stuart Roddam	Item 4
	Sir Eric Peacock		
	David Godfrey		
	Nigel Addison Smith		
	Steve Dodgson		
	David Havelock		
	Sue Johnson		
	Stephen Lawrenson		
	Charles Redfearn		

Secretary: Iain Phillips

1. **Draft Minute of 25 September meeting**

1.1. The draft minute was agreed.

2. **Product development and legislative framework**

2.1. MB discussed possible developments to UKEF's product offering and any required changes to UKEF's statute that would need to be made in order to implement them.

2.2. MB noted that UKEF was revisiting some of its existing products to see if they could be made more effective and the board was also keen to see analysis on what other export credit agencies were offering their exporters and how this compared to UKEF's offering.

2.3. MB also discussed the ongoing recruitment and role of the International Export Finance Advisers, who would work with project underwriters in UK and regional teams in priority markets. Two IEFAs had been recruited and UKEF was in discussion with UKTI on how to best resource the remaining positions.

3. **Operating Plans and Management Information**

3.1. MB considered work being undertaken to pull together a new operating plan and associated change programme for UKEF, which included short, medium and long-term considerations. It noted the outcomes of a Strengths,

Weaknesses, Opportunities, Threats analysis that had been undertaken following consultation with a wide number of staff. The analysis identified a need for development of a number of corporate strategies including on people, communications and marketing, which would underpin a medium/long-term corporate strategy and operating plan.

- 3.2. Work would be undertaken to consider UKEF's product offering and legal powers, people and change management, the organisational model and communications. A dedicated Programme Management Office would be developed to manage the workstreams and timelines that would be documented in a new operating plan.
- 3.3. MB discussed where UKEF was in relation to the current 2013-14 operating plan and what had been achieved so far, including the revisions to processes and turnaround times on the trade finance and insurance products, the move of the organisation to new offices in 1 Horse Guards Road and the launch of the Direct Lending Facility. It also noted a number of ongoing projects, including the Export Refinancing Facility, Export Finance Adviser recruitment, further process improvements and trade finance and insurance product marketing.
- 3.4. There were six areas that UKEF would concentrate on developing in its 2014-16 operating plan. These being:
 - 3.4.1. corporate and specific product awareness;
 - 3.4.2. medium/long-term product development;
 - 3.4.3. short-term product development;
 - 3.4.4. financial markets product development;
 - 3.4.5. developing a sustainable organisation; and
 - 3.4.6. stakeholder engagement.
- 3.5. Alongside the operating plan work, UKEF was also considering how it presented management information to MB and had developed a prototype dashboard. MB considered the prototype, which presented information on business volumes, financial, people, change and risk management in one short report. MB recommended that UKEF look at similar reports for other

departments such as BIS and UKTI and also engage a “critical friend” to get external feedback.

- 3.6. MB endorsed the work being undertaken and agreed that it should dedicate the January board meeting to a discussion on strategy to feed into and guide the various workstreams UKEF would be progressing over the coming months in preparation on new strategic and operating plans.

4. Financial objectives and exposure limits

- 4.1. MB discussed the proposed changes to UKEF’s exposure limits, which if endorsed, would be announced in the Chancellor’s Autumn Statement on 5 December. UKEF’s maximum commitment limit and capacity to guarantee capital markets transactions would be increased but individual market limits would remain unchanged.
- 4.2. MB noted the current risk appetite and underlying control framework and the additional cashflow reporting requested by HMT as a result of the proposed change.
- 4.3. MB endorsed the proposed limit increase.

5. Autumn Reforecast

- 5.1. MB discussed the Autumn Reforecast of UKEF’s budget and noted the intention that reforecasts be presented on a quarterly basis in the future.

6. Financial performance

- 6.1. MB reviewed the quarterly financial performance, noting that UKEF continued to meet its financial objectives. Given the “lumpiness” of UKEF’s business pipeline, it was difficult to predict the business levels for the year and there could be a significant variation in outturn depending on timing on key projects.
- 6.2. In addition, given that around 75% of the portfolio was guarantees for US Dollar denominated transactions, foreign exchange fluctuations could have an impact on UKEF’s objectives.

7. 2014 Strategic agenda

- 7.1. MB discussed the proposed strategic agenda for 2014 and agreed that it was necessary to retain some flexibility for the remaining meeting in FY2013-14 to give the ability to focus on key priorities and the operating plan. MB agreed that the January meeting should be extended and focus on strategy and operational planning.

8. Any other business

Export Guarantees Advisory Council Triennial Review

- 8.1. MB noted that, in accordance with Cabinet Office guidelines on non-departmental advisory bodies, the Council was undergoing a triennial review. Views from a variety of stakeholders had been sought and received and the Council would be considering the outcomes of the review at its meeting in December.

UKEF Breakfast event

- 8.2. MB discussed the breakfast event held earlier that day, attended by a number of exporters, banks and board members. MB heard that positive feedback had been received and the event had provided an excellent opportunity to engage with stakeholders.

Sue Johnson Retirement

- 8.3. MB thanked Sue Johnson who was retiring from UKEF at the end of the year after over 40 years of service to the department. She had undertaken a number of human resources roles and her dedication to UKEF had been recognised when she had been awarded an OBE in the 2012 New Years honours list. MB was very grateful to Sue for her valuable advice and guidance to the board and UKEF and wished her the best of luck in the future.

Iain Phillips

Chief Executive's Office