

## MINUTE OF MANAGEMENT BOARD MEETING – 20 MARCH 2014

Present:	Guy Beringer (Chair)	Olga Crosse	Item 3
	Jon Harding	David Pyper	Item 3
	Fiona-Jane MacGregor	Graham Atkins	Item 3
	Amin Mawji	David Borton	Item 3
	Sir Eric Peacock		
	David Godfrey		
	Cameron Fox		
	Steve Dodgson		
	David Havelock		
	Stephen Lawrenson		

Lucy Wylde

Secretary: Iain Phillips

### 1. **Draft Minute of 20 February meeting**

1.1. The draft minute was agreed.

### 2. **Business Plan update**

2.1. MB discussed the refined 2014-17 Business Plan, which had been updated in the light of feedback at the February board meeting. The plan would be underpinned by operating plans and an “at a glance” version was being produced to encapsulate the key messages of the strategy for stakeholders.

2.2. In the context of announcements on export finance made in the Chancellor’s Budget on 19 March, and their impact on the assumptions in draft 2014-17 Business Plan, MB considered the:

2.2.1. increased flexibilities proposed to the Direct Lending Facility, including doubling to £3bn the size of the facility and partnering with lending institutions;

2.2.2. confirmation from the European Commission that the Export Refinancing Facility was not considered to confer a State aid;

2.2.3. announcement of the Public Consultation into potential amendments to UKEF’s legislation, and;

2.2.4. creation of a dedicated marketing budget for UKEF.

2.3. MB discussed business forecasts for 2014-17 noting the difficulty in formulating accurate figures given the “lumpiness” of UKEF’s business and the recent introduction of a number of new schemes. Forecasts for the plan had been based on a forward look of civil and aerospace business currently on the horizon with a view taken on the likelihood of the exporter winning the contract and then subsequently needing UKEF support.

### **3. Benchmarking exercise**

3.1. MB received a presentation on the benchmarking exercise that had been undertaken by HayGroup, which had looked at a number of areas of the organisation. It noted a number of findings, regarding staff turnover, the front/back office split within the organisation and comparisons with similar roles, particularly underwriting and credit risk functions, in the private market.

### **4. Annual Legal Review**

4.1. MB noted the Annual Legal Review, which outlined a number of key areas on which the General Counsel’s Office had focussed over the previous year. The areas included UKEF’s documentation, governance arrangements and processes and priorities for management of future legal work.

4.2. In the year ahead, it was thought that consideration may need to be given to electronic application forms, in the light of the Government’s digital strategy, and in particular any potential impact on business processes and know your customer requirements. MB agreed that an Annual Legal Plan should be presented at a future meeting outlining the planned work of the General Counsel’s Office for the next 12 months.

### **5. Audit Committee report**

5.1. MB was provided with a report back on the meeting of the Audit Committee held on 19 March. AC had discussed:

5.1.1. the risks associated with the payment of brokerage;

5.1.2. the recording and reporting of amounts at risk;

5.1.3. accounting policies;

5.1.4. IT resilience; and

5.1.5. the main estimate.

**Iain Phillips**

**Chief Executive's Office**