

## MINUTE OF EXECUTIVE COMMITTEE MEETING –01/07/14

Present: David Havelock                      Attending: Andy Blacksell                      Item 2  
             Steve Dodgson                      Naren Pandya                                      Item 3  
             Cameron Fox                              Arwen Robertson                                Item 3  
             Lucy Wylde                                    Matthew Vale                                      Item 4

Apologies: David Godfrey  
              Stephen Lawrenson

Secretary: Iain Phillips

### **1        Draft minute of 24 June meeting and matters arising**

1.1      The draft minute was approved. EC noted the actions from previous meetings that were completed or in hand.

### **2        Post-introduction Bill update**

2.1      EC discussed the Small Business, Enterprise and Employment Bill, which had been introduced in Parliament on 25 June.

2.2      EC noted three areas of work:

2.2.1 Product development: a project would be initiated in September to consider UKEF's product range, including in the context of the proposed legislative amendments;

2.2.2 Devolved governments: discussions ongoing to anticipate and address any potential impact on progress of the Bill and its objectives;

2.2.3 Bill briefings: work was continuing on a comprehensive briefing pack to support officials and Ministers during the debate process. EC agreed that this should be developed into a comprehensive pack and reviewed regularly.

### **3        Update on future management of the refinanced loan book**

3.1      EC received an update on the future of the refinanced loan portfolio following progress since the update provided in January. A firmer estimate on closure

costs was provided, showing a reduction from the estimate provided in January.

- 3.2 EC agreed to the closure of GEFCO (as opposed to dormancy). It agreed that the Finance Director should be designated as signatory for the novation agreements for the transfer of remaining loans to UKEF.

#### **4 Cyber security risk**

- 4.1 Following on from the cyber security questionnaire completed by MB in May, the Cabinet Office wrote to all departments seeking a response to a number of recommendations. The department is preparing a response to this letter, which will include reference to the presentation from The National Archives planned for the MB meeting in July.

#### **5 Revisions to the Treasury Consent and Financial Framework**

- 5.1 EC discussed the Consent and Financial Framework documentation, which had been updated in the light of the recent introduction of new products, including the Direct Lending and Export Refinancing facilities. EC agreed the proposed changes, subject to minor amendments in relation to the Export Refinancing Facility, and agreed that it should revisit the Consent documents in the autumn.

**Action: Secretariat to add to the forward diary**

#### **6 Any other business**

- 6.1 EC was provided with an oral update on current information requests under the Freedom of Information Act.

**Iain Phillips**

**Chief Executive's Office**

## MINUTE OF EXECUTIVE COMMITTEE MEETING –15/07/14

Present: David Godfrey                      Attending: Olga Crosse  
          Cameron Fox                         Paul Croucher  
          David Havelock                      Tahir Ahmed                      Item 2  
          Stephen Lawrenson                    Gareth Waterhouse                Item 2  
          Lucy Wylde

Apologies: Steve Dodgson

Secretary: Laurence Lily

### **1 Draft minute of 1 July meeting and matters arising**

- 1.1 The draft minute was approved. EC noted the actions from previous meetings that were completed or in hand.
- 1.2 EC agreed that open HR actions would be taken forward through a one-to-one meeting between the Head of HR and the Chief Executive.

### **2 Business Performance Review**

- 2.1 David Godfrey welcomed the new review format and invited EC members and attendees to pass on thanks to those involved, along with an assurance that the process would be actively used to inform resourcing priorities.

#### Financial Performance

- 2.2 EC noted the updated operating costs forecast against budget, including changes to workforce assumptions and analysis of other variances. It noted potential future variances which would be clarified in Q2.
- 2.3 EC advised that future reports should include recommendations for action from the Finance Director. It asked for workforce data to be presented by both division and grade for future reviews.

#### **Action: Cameron Fox**

- 2.4 EC noted budget variances in connection with staff travel expenses. EC requested a review of travel services procurement.

**Action: Stephen Lawrenson**

- 2.5 EC asked that the business cases for proposed workforce changes in TFIS and for Direct Lending be put to EC for agreement, in light of the reforecast.

**Action: Paul Croucher / David Havelock**

- 2.6 EC discussed the visibility of divisional staff costs and learning and development costs, noting that expenditure against budget on these was at present only reported to budget holders in HR rather than directors and heads of division. EC requested that Finance Group and HR consider the budget report requirements of group and divisional heads and explore how these could be met.

**Action: Cameron Fox / Olga Crosse**

Business Forecasts

- 2.7 EC noted the reforecast ML, premium and PAI/PRR ratios. It clarified that “un-weighted” referred to the total recorded pipeline.
- 2.8 EC discussed the variance in the BD1 reforecast, noting that aircraft financing from banks and capital markets appeared increasingly strong. EC agreed UKEF should consider how it could better articulate its market-complementing role with reference to this reducing demand, as there was a danger that falling levels of support from UKEF could be interpreted negatively.
- 2.9 EC noted BD2 business had not seen the same pattern of recovery in market appetite, and that loan funding at CIRR rates continued to be an attractive option. EC discussed the pipeline for potential direct lending facilities. It requested that BD2 take care not to double count pipeline cases (e.g. as both buyer credit cases and direct lending cases) notwithstanding the uncertainty about how each case might develop.
- 2.10 EC noted a number of individual BD2 pipeline cases and were provided with examples of how UKEF had engaged with exporters and buyers, and worked alongside UKTI. EC emphasised the continued importance of continuing to work closely with UKTI, e.g. to align with UKTI sector strategies.

- 2.11 EC discussed the proportion of commitments that went on to become firm business. EC invited reporting branch to analyse the data on commitments further and share the results with EC members.

**Action: David Havelock**

- 2.12 EC noted the TFIS reforecast and agreed that the number of unique exporters, the number of facilities issued and the contract values supported were important measures, alongside maximum liability. EC was assured that TFIS was on track to meet expectations, with 100 new, unique exporters expected to be supported in the year ending 31 March 2015.

#### Customer feedback and product development

- 2.13 EC noted that future business performance reviews would consider structured reviews of customer feedback and product development/performance.

#### People

- 2.14 EC received an update on a range of work being facilitated by HR covering leadership, staff performance, recruitment, and learning and development.
- 2.15 EC agreed to consider the identification of critical roles at a future meeting.

**Action: Secretary to arrange**

#### Organisational Performance

- 2.16 EC noted a brief update on the operational plan, including the status of a number of projects. EC noted that the operational plan would be reviewed in October.
- 2.17 EC asked whether there was more empirical data (e.g. on resourcing capacity) that could be reported for the project portfolio. EC noted that the Change Board received this data. EC noted that SMT was tasked with reviewing progress each month and considering resourcing and priorities across the plan.

- 2.18 EC noted that a number of divisions had raised resources as a risk to meeting their objectives. EC invited SMT to consider the status of current vacancies at its next meeting. EC also agreed greater clarity was required on job descriptions across the department and asked SMT to consider this at the same meeting.

**Action: Stephen Lawrenson to brief SMT chair**

### **3 Change Board**

- 3.1 EC received an update on decisions and actions taken by the Change Board (CB) at its meeting on 9 July. EC agreed the additional funding for the ECMS project recommended by the CB. EC agreed a number of revisions to the CB's terms of reference, subject to any comments from EC members (to be provided by Friday 18 July).

### **4 Any other business**

- 4.1 EC asked HR to arrange for the finalisation of departmental moderation.

**Action: Olga Crosse**

**Laurence Lily**

**Chief Executive's Office**

## MINUTE OF EXECUTIVE COMMITTEE MEETING –22/07/14

Present: David Godfrey                      Attending: Olga Crosse  
          Stephen Lawrenson                      Paul Croucher  
          Lucy Wylde

Apologies: Steve Dodgson  
              Cameron Fox  
              David Havelock

Secretary: Laurence Lily

### **1     TFIS Operating Model**

- 1.1   EC discussed the proposed operating model of the TFIS underwriting team. It considered the potential for delegating some authority for approving trade finance case to participating banks, and the time it would take to establish such arrangements. It also discussed the current and possible future resource demands for the underwriting team, and considered in detail the longer-term suitability of the proposed operating model.
- 1.2   Following these considerations, EC agreed that:
  - 1.2.1   one underwriting post in the credit insurance team should be upgraded from HEO to SEO, within a maximum £25k increase in overall costs for the current financial year.
  - 1.2.2   an HEO post within the credit insurance team should be transferred to TFIS from RAD.
- 1.3   EC also asked to see detailed projections of efficiencies expected to result from the planned end-to-end review and improvement of TFIS processes.

**Laurence Lily**  
**Chief Executive's Office**