

Minute of UKEF Board meeting – 30 November 2018

Present: Noel Harwerth (Chair) [REDACTED] Item 3 – Richard Smith-Morgan
Oliver Peterken (Observer) Item 4 & 5 – Gareth Waterhouse, Richard Smith-Morgan, [REDACTED], Andy Blacksell, [REDACTED]
Lawrence Weiss Gordon Welsh Item 6 – Richard Simon-Lewis, [REDACTED], Andrew Wiseman
Justin Manson (Observer) Item 7 – Andrew Wiseman
Louis Taylor Item 8 – Davinder Mann, Esi Eshun
Samir Parkash
Kim Wiehl
John Mahon

Apologies: Amin Mawji
Shalini Khemka
Cameron Fox

Secretariat: [REDACTED]

1. Draft Minutes and Actions Log of 18 October 2018 Meeting

1.1. The draft minutes were approved. The meeting discussed the outstanding actions. John Mahon agreed to report back to the Board in January regarding a possible mining share fair.

ACTION: John Mahon to report back to Board on possibility of a mining share fair.

2. Committee Chairs' updates

2.1. Members received an update from the Audit and Risk Committee Chairs which covered actions taken by the Audit and Risk Committees since the last Board meeting on 18 October, which included the Risk Committee receiving a presentation on PRISM.

3. Business Performance Update

3.1. The Director of Business Group gave an update on the deal pipeline, taking time to discuss completed deals, the deals that were expected to be completed, and also projects that were still in development. The meeting discussed the working relationship with DFID.

3.2. The meeting agreed that the pipeline looked strong and heard that the January update would provide more clarity on the likely year-end position. It was noted that for the January Board meeting the format of the paper provided would be amended

to make it clearer which deals had been completed, which deals had been signed and which deals were still a work in progress.

3.3. The Board discussed the impact of any resourcing issues with regard to operational risk and noted that the majority of deals were being documented by external lawyers.

3.4. The Chief Risk Officer provided an update on risk management. The board welcomed the comprehensive CRO update paper which was issued as part of the Board pack. Members were given the latest position on recruitment and were informed that by late January the policy framework for operational risk management would be in place. The meeting noted that the Risk Committee in January would discuss the credit cycle and the results of the twice-yearly scenario analysis and stress testing.

3.5. Members were informed of the latest position with claims and recoveries. It was noted that a lessons-learned paper on Kayali Energi was to be seen by the Risk Committee in January.

3.6. The Meeting agreed that as the Chief Finance and Operating Officer was on leave any questions relating to the Finance update would be provided by correspondence.

4. Brexit preparedness

4.1. [REDACTED] led on this item which was requested by the Board at the October meeting. The paper presented the strengths, weaknesses, opportunities and threats to UKEF of Brexit. The meeting heard that UKEF, as a counter cyclical institution, was well positioned for potential Brexit outcomes and the strengths significantly outweighed the weaknesses.

4.2. The Board discussed the risks identified by the paper and the impact that various possibilities might have on UKEF's business. The meeting discussed whether a temporary change in UKEF's risk standards was necessary to provide a limited pool of additional support to help deal with any uncertainty, or change in credit conditions, associated with Brexit. It was agreed that proposal be put together for HM Treasury establishing a hard limit.

ACTION: Chief Risk Officer and Head of Short Term Business and PIM to lead on proposal to HM Treasury regarding a temporary change to credit conditions.

5. Short term business – annual review

- 5.1. [REDACTED] introduced the Short-Term Business Annual review paper. The meeting noted that following the launch of the Bank Delegation scheme the expected efficiencies were not immediately achieved and there had been some complaints which had contributed to it being a challenging working environment. However, attendees were informed that in 2018 the credit submission process had been streamlined, additional resource added and the backlog of work had been substantially removed. As a result, the morale of the team was greatly improved.
- 5.2. Members were informed that revised and reduced Bank Delegation mark II criteria had been agreed by EC, HMT and BEIS and that the digital portal updates had been completed and was ready for launch. The meeting discussed the launch of new products using the digital platform including the General Export Facility (GEF).

6. Marketing and Communications Update

- 6.1. Richard Smith-Morgan and [REDACTED] gave the Board an update on Marketing and Communications activities. The meeting heard that the team had spent 52% of its domestic campaign budget and generated 50% of target leads. The September-to-November ramp up had delivered the target lead generation levels expected and had improved the quality of the leads generated.
- 6.2. The meeting noted that a Marketing and Communications team away-day was taking place in January to follow up the 'pathway to 500' Strategy Day presentation. The Board discussed access measures and heard that a benchmark for public awareness was to be established by the end of the financial year. It was agreed that the Head of Marketing and Communications would provide take the Chair through the key success measures offline.

ACTION: Secretariat to arrange a meeting for the Chair and the Head of Marketing and Communications to discuss success metrics.

6.3. The meeting discussed the preparations for UKEF's centenary year and noted the customer conference was likely to be 5th June. Members suggested hosting a dinner in the evening following the drinks reception.

6.4. Members were updated on progress with Supplier Fairs. The meeting noted their benefits, the success of past events and the pipeline and current priorities for development. The Board agreed that engagement was needed from DIT sector teams. The Chief Executive noted that UKEF was happy to provide the funding for the events but needed staffing resource from within DIT.

ACTION: John Mahon to discuss with sector teams and report back to the January Board meeting.

7. EGAC Annual Update

7.1. The Chair of the Export Guarantees Advisory Council (EGAC), Andrew Wiseman, introduced himself to the Board. He recorded his thanks to UKEF's directors and EGAC members for their hard work this year, and for providing honest and forthright views on important issues.

7.2. The EGAC Chair noted the changes in membership in the last year and extended his thanks to Gillian Arthur who had stood down. The Board learned that the focus of the Council in the last year had been anti-bribery and corruption and gender issues.

7.3. The Board Chair requested that all Board members attend a future EGAC meeting.

7.4. Attendees noted that the Council Chair would be stepping down in May after 10 years as Chair and 14 years on the Council. The Board thanked Andrew for his diligent service and excellent work.

ACTION: Secretariat to send dates of EGAC meetings to Board members.

8. Legal Division Annual Report 2018

8.1. The Head of Legal, Davinder Mann, introduced her paper on Legal Risk. The Board noted Legal division's work over the past year, its key challenges, its objectives, the key legal risks facing the organisation and plans for 2019.

8.2. The meeting noted the achievements of 2018 which was capped by outstanding engagement scores within the People Survey

9. Any other business

9.1. The Board noted the board Transformation Programme Report. There was no other business.