Minute of UKEF Board meeting – 19 October 2022

**Present:**

Noel Harwerth (Chair)

Andrew Mitchell

Lawrence Weiss (items 1-5)

Kim Wiehl

Jackie Keogh

Tim Frost

Cameron Fox

Samir Parkash

Matt Barnes (Observer)

Julia Beck

[redacted]

Tim Reid

**Apologies:**

Candida Morley

**Secretariat:**

[redacted]

**Attendees**:

[redacted], [redacted], [redacted] (item 3), [redacted], [redacted] (item 4), [redacted] (item 5), [redacted] (item 6), [redacted] (item 7)

1. Introduction
	1. The Chair welcomed Members and attendees to the meeting and checked whether Members had any interests to declare. There were no interests declared. It was noted that Alistair Clark had resigned as Chair of the Export Guarantees Advisory Council and from the UKEF Board.
2. CEO update
	1. The Interim CEO delivered his monthly update to the Board, which outlined his priorities for his period as Interim CEO and provided updates from across the business. In particular, deals that had been turned down were discussed along with the rise in staff turnover. It was agreed that the Director of Legal and Compliance would attend the November Board meeting to provide an update on Moz LNG; and the Director of Resources would provide an update on succession planning strategy at the November Board meeting.

**ACTION: Secretariat to add Moz LNG update and succession planning update to November Board and Remuneration and Nominations Committee agendas respectively.**

1. Draft Minutes and Actions Log of 14 September 2022 Meeting
	1. The draft minutes were approved, and the actions log discussed.
2. UKEF pipeline and six month review
	1. The Director of Business Group, Tim Reid introduced this item. It was noted that the piece was requested by the Chair following the UKEF Board Strategy Day, and coincided with Tim being in post for 6 months.
	2. The meeting were given an overview of the changes within Business Group since Tim’s arrival, in particular, the integrated origination and execution model. The meeting were given an update on current business including completed deals and signed not effective transactions. The meeting discussed the spread of the portfolio by both region and sector, and examined the forecast for year end 2022/23 and the pipeline for 2023 onwards.
	3. The Board were apprised of the plans for the Trade Finance Business and it was requested that an item specifically on the short-term side of the business be brought to the Board.

**ACTION: Secretariat to add short-term business to Board’s forward agenda.**

* 1. The meeting noted that the focus for the future was on clean and sustainable growth and were given a summary of the plans to create a BG talent academy to develop and grow talent by providing career development opportunities.
1. GEMs Network update
	1. The outgoing [redacted] presented a paper providing the Board with a progress update of the GEMs (Group for Ethnic Minorities) Networks and Allies achievements from June 2021- date.
	2. Members thanked [redacted] for her hard work as Chair congratulating her on the achievements of the group over the last year or so, and welcomed [redacted] to the role. The Board offered their assistance to provide speeches or other support.
	3. Members suggested different networks that GEMs could hook into across Government and the public sector to provide support, data and information.
2. Business performance updates
	1. Given the Risk Committee was held the day before, and that the Director of Business Group had already given a presentation on the pipeline, it was agreed that this session would focus on the finance and change programme updates.
	2. Cameron Fox, the Chief Finance and Operating Officer updated the meeting on the monthly finance dashboard. The meeting noted the performance figures, the HMT Control totals, performance against financial objectives and the people numbers.
	3. [redacted] was invited in to discuss the Change Programme update. The projects were discussed, with particular focus on those with amber and red RAG ratings. It was agreed that Shane would provide an update to the Board on the procurement project in November.

**ACTION: Shane Lynch to update the Board on bringing procurement in house at the November Board meeting.**

1. TCFD Update
	1. [redacted], provided the Board with a status update on TCFD Project 2. Members noted the completed deliverables and discussed the priorities until July 2023, when the project will transition to BAU. Members were informed that the project was running to time but if there were delays, the Board would be informed.
2. Impact of foreign exchange and interest rate changes on UKEF’s performance
	1. [redacted], introduced this paper which explained the financial and operational consequences of exchange rate and interest rate changes for UKEF, in the context of recent market volatility.
	2. The meeting noted rising interest rates had an impact on UKEF’s pricing, risk metrics and finances, but both positively and negatively; that recent foreign exchange rate movements had a larger impact, particularly on UKEF’s operating profit via revaluation of our assets and liabilities; and that greater impact would result if higher interest rates were sustained and depreciation continued, to the extent that the real economy was destabilised and credit quality affected.
	3. Members welcomed news that UKEF were enhancing their scenario analysis and stress testing of these risks by looking at the combination of exchange and interest rate movements that would breach the Risk Appetite Limit.
3. Any other business
	1. The Chair noted that due to timing constraints the MoU paper would be noted rather than discussed.
	2. There was no further business.