

# MINUTES OF EXECUTIVE COMMITTEE MEETING

14 February 2022

Present: Louis Taylor (Chair)  
Gordon Welsh  
Cameron Fox  
Esi Eshun  
Davinder Mann  
Samir Parkash  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Apologies: Shane Lynch

Secretary: [REDACTED]

## **1 Review of Minutes & Actions, and DIT, HMT, x-WH and General Updates**

- 1.1 The Chair welcomed [REDACTED] as an observer to this meeting.
- 1.2 The minutes for the EC meeting on 31 January were reviewed and approved, with some minor amendments suggested and incorporated.
- 1.3 The Chair discussed a proposal to hold an off-site EC event on 30 and 31 March with the potential for EC to visit the Infrastructure and/or Business Banks. Further information will be published in due course.
- 1.4 The Chair noted that the ongoing situation in Ukraine was concerning and mentioned there were issues between FCDO and DIT concerning sustainable lending opportunities with Ghana. The chair requested details from the International team concerning a recent loan from the EKF (Danish ECA) and Ghana.

- 1.5 The Director of Business Development, Marketing & Communications commented that there had been a refreshed action in the DIT/UKEF MOU, with the Strategy team in SpoCC sighted on the refreshed wording.
- 1.6 The Director of Business Group highlighted a recent opportunity to work with Bamford Buses for export opportunities, although there were some objections to this from HMT.

**ACTION** – International team to provide update to the Chair concerning a recent EKF loan to Ghana.

## **2 Financed Emissions**

- 2.1 [REDACTED] and [REDACTED] gave an overview of progress to date on TCFD P2 as part of the reporting cycle agreed in July 2021.
- 2.2 [REDACTED] invited three PwC consultants to present the Readiness report. The report concludes that UKEF are making good progress to date, and there is a solid understanding of the unique challenges that UKEF faces from all stakeholders. All recommendations are currently incorporated into the forward action plan.
- 2.3 The Chair asked whether UKEF can be considered “best in practice” on TCFD reporting. PwC consultants confirmed that UKEF is improving and could be a leader amongst peer stakeholders in time, but is not currently considered “best in practice” at this moment in time.
- 2.4 The Chair commented that there needed to be greater evidence of stakeholder engagement, and encouraged the team to engage with Alistair Clark (Chair of EGAC) more to get feedback from the European Bank for Reconstruction and Development (EBRD).
- 2.5 The Director of Business Group queried whether there was a need for UKEF to take a leadership role in this space. The Chair confirmed that UKEF wants to set a good example to other stakeholders, in line with Government policy.
- 2.6 The Director of Business Development, Marketing & Communications commented that there should be a greater focus on domestic supply chains in our reporting.
- 2.7 The Director of SpoCC confirmed that this process is quite mechanical in nature at the moment to align with the wider TCFD Strategy, and is different to the

implementation of UKEF's wider climate change policies. In time, the maturity of all scenario analysis will improve to ensure that UKEF is aligned with the wider operation of banks and financial institutions.

2.8 After discussing project timelines, the Chair asked the presenters to establish a dedicated session with EC to discuss all aspects in greater detail, which will be influenced by the outcomes of Change Board in the next few weeks. The Chair also encouraged greater lines of engagement between officials, the TCFD team and individual EC members.

2.9 EC noted there was still a significant amount of work to align with the Annual Report and Accounts timeline. The presenters confirmed that final decisions on disclosure would be made in mid-April 2022, although they were exploring Plan B options as well.

2.10 EC noted the project progress to date and the PwC readiness report.

**ACTION** – TCFD team to liaise with Alistair Clark (EGAC Chair).

**ACTION** – Secretariat and TCFD team to set up a “Deep Dive” workshop session on TCFD reporting with EC members in the near future.

### **3 FinTech Audit Committee Deep Dive**

3.1 [REDACTED] presented this item, and EC members congratulated him on his new role.

3.2 [REDACTED] provided an update concerning the ACBS replacement, highlighting that a recent Discovery exercise has recently concluded and all aspects of this replacement solution will link through to the Salesforce E2E programme.

3.3 EC suggested that additional slides on project timelines, comparing single and multiple system solutions and highlighting the aspects of ACBS that we wish to keep should be added, prior to presenting to the Audit Committee next week.

3.4 [REDACTED] highlighted there will be a full business case written and a formal update to EC in May 2022, following the Change Board and Project Board.

3.5 The Director of Business Group requested to see the full outcomes of the Discovery exercise.

3.6 The paper was approved to go to the Audit Committee, subject to the suggested additions being incorporated into the presentation.

**ACTION** – Provide update to the EC following Change Board and Project Board meetings.

#### **4 IAAD**

4.1 [REDACTED] presented the Internal Audit papers that will be circulated to the Audit Committee.

4.2 [REDACTED] and [REDACTED] discussed the outcomes of the PMO paper, highlighting that many actions have already been closed.

4.3 [REDACTED] also discussed the IT Expenditure paper, highlighting support from the Director of Resources and Director of Finance to address the issues. There has been good progress in addressing and closing the actions.

4.4 EC noted the papers.

#### **5 LEAN Agents Update**

5.1 [REDACTED] presented an update to EC on the status of the UKEF Lean Agent Network deployment and the plans to develop and embed the Lean Agent Network through a Continuous Improvement (C.I.) program within the department.

5.2 There is currently a network of 10 active LEAN agents, growing to 25 across the department.

5.3 The Director of Business Group wondered whether this initiative should sit within the new DDAT directorate. [REDACTED] was in favour of this, to further support the LEAN agents on data quality and processes across the department. A formal paper on this will be presented to EC in March.

5.4 The Chair requested a way to recognise the LEAN agents on a regular basis, such as at Town Hall events.

**ACTION** – Secretariat to speak with the Director of Resources to recognise the success of the LEAN agents at Town Hall and other communal UKEF events.

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

6.1 No items of AoB were tabled and the Chair closed the meeting.

**[REDACTED]**

**Strategy, Policy and Climate Change Division**

# MINUTES OF EXECUTIVE COMMITTEE MEETING

21 February 2022

Present: Louis Taylor (Chair)  
Gordon Welsh  
Cameron Fox  
Shane Lynch  
Davinder Mann  
Samir Parkash  
[REDACTED]  
[REDACTED]

Apologies: Esi Eshun

Secretary: [REDACTED]

## **2 Review of Minutes & Actions, and DIT, HMT, x-WH and General Updates**

- 6.2 The Chair welcomed all to this meeting.
- 6.3 The minutes for the EC meeting on 14 February were reviewed and approved, with some minor amendments suggested and incorporated.
- 6.4 The Chair discussed recent developments concerning Ukraine and individual teams in UKEF who were engaged in issues pertaining to this.
- 6.5 The Director of Risk commented on his recent meeting with UKGI.
- 6.6 The Director of Business Development, Marketing & Communications informed EC that the UK Hydrogen strategy has been submitted to Number 10, and thanked [REDACTED] in SPOCC for ensuring the department was able to input into this.

## **7 Short Term Products - Issues**

- 7.1 [REDACTED] and [REDACTED] presented an overview of the issues relating to the reconciliation and processing of short-term premiums.
- 7.2 To help deal with these issues a cross division working group has been set up to capture the issues, investigate root causes and work out a proposal for improving the process. A contractor has also been brought in to assist with this, and all are starting to reduce the legacy backlog of items.
- 7.3 The Chair commented that extra resource would be required in UKEF to audit this.
- 7.4 The Chief Finance and Operating Officer commented that HMT have previously advised (Short term team in 2016) that UKEF should be ensuring premium is paid

and recovered where there has been risk exposure. The Chair requested to see this correspondence.

7.5 All parties acknowledged that banks need to take greater ownership of these issues, and noted several ongoing discussions in respect of reconciliation. The Chair commented that SPoCC/Audit teams may need to conduct reviews of this, with the right metadata. It is hoped that the ACBS replacement product will make this process more streamlined once launched.

7.6 EC thanked the speakers for the presentation and noted the paper.

**ACTION** – Chief Finance and Operations Officer to share HMT MPM correspondence with Chair.

## **8 Mission Statement**

8.1 [REDACTED] presented the draft updated Mission Statement for EC members to review.

8.2 EC members acknowledged that this was not a legal document and discussed in detail the proposed language of the statement.

8.3 EC members agreed that going forward, the Mission Statement should be reviewed every 3 – 4 years.

8.4 The Chair requested that the Mission Statement should be discussed at the EGAC meeting on 07 March prior to being seen by the Board on 10 March.

## **9 Operational Plan Update**

9.1 Following the Written Procedure sent on 15 February to EC members, [REDACTED] and [REDACTED] joined the meeting and asked for written comments by Wednesday 23 February.

9.2 The Chair commented on a few of the objectives, noting that the target to underwrite a maximum liability of £7.9bn requires further clarification.

9.3 EC thanked the team and all stakeholders for the development of the Operational Plan.

## **10 Climate Strategy – Framework and Metrics**

10.1 [REDACTED] and [REDACTED] presented a recommendation paper for monitoring and providing management information in respect of the implementation of the Climate Change strategy.

10.2 [REDACTED] commented on some of the main issues, including a lack of consistency in definitions and incomplete information flows, as well as data

accuracy issues across the board. Establishing a baseline for absolute emissions is close to being finalised.

10.3 EC members provided feedback on the recommendations by pillar, and the Chair queried some metrics, such as “Means of tracking appropriate product availability” which he recommended to be rejected.

10.4 EC agreed that they will need to review this again prior to full approval, with some aspects of stress testing to be addressed at ERICC.

## **11 Approval for the development of a General Working Capital/ Bonding product for SMEs**

11.1 [REDACTED] presented this paper which requested EC approval to progress the development of a new non-contract specific guarantee product to support SMEs, similar to GEFs.

11.2 UKEF has taken major steps to improve its offering for SMEs, and this new Portfolio GEF would make small value transactions more attractive to financial institutions by offering a UKEF portfolio guarantee, with a periodic reporting frequency and a fully automated delivery model. This should reduce inefficiencies in the existing GEF template and improve bank income generated from small value transactions.

11.3 The Director of SPoCC commented that this was a good idea and would be supported politically, although there will be resource implication that the department would need to consider. [REDACTED] highlighted that this product is still in the discovery phase but believed that this would be supported by stakeholders such as HMT and NFBI.

11.4 EC supported further development of this product.

## **12 People Survey – Engagement Planning**

12.1 [REDACTED] joined the meeting in person and set out the key focus areas for action following the publication of the People Survey results in December 2021.

12.2 [REDACTED] highlighted there were 3 core areas to focus on, Organisational Values, Active Communications and Making Connections.

12.3 The Director of SPOCC commented that Active Communication is incredibly important, particularly around managing and communicating change, giving feedback and empowering staff.

12.4 These will be communicated to all staff in March's Town Hall, with reporting on progress to occur between March and September 2022.

12.5 EC members were fully supportive of the plan to ensure that the department maintains high scores in future People Surveys.



### **13 Paperless Principles**

- 13.1 [REDACTED] and [REDACTED] presented the draft principles for EC's endorsement. These were originally approved at SIMCO in January 2022.
- 13.2 The 4 principles are: Digital by Default, discouraging at home printing, increasing electronic signature usage and paperless notetaking.
- 13.3 The Chair noted that these may lead to a reduction in the number of printers in the office, although this would require support from the IT Operations team.
- 13.4 The Chair additionally commented that there is currently limited options for PDF annotation and encouraged the presenters to work with IT Operations to find a solution that could be rolled out across the office.
- 13.5 EC approved the four principles within the paper.

### **14 Any other business**

- 14.1 The Chief Finance and Operating Officer asked for briefing points for the DIT Directors Meeting later that day. EC members forwarded written comments.
- 14.2 No items of AoB were tabled and the Chair closed the meeting.

[REDACTED]

**Strategy, Policy and Climate Change Division**