

MINUTES OF EXECUTIVE COMMITTEE MEETING

19 April 2022

Present: Samir Parkash (Chair)
Esi Eshun
Cameron Fox
Shane Lynch
Davinder Mann
Tim Reid

Attendees:	Item 2	Item 3	Item 4
	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	
	[REDACTED]	[REDACTED]	
		[REDACTED]	

Apologies: Louis Taylor
Richard Simon-Lewis

Secretary: [REDACTED]

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

- 1.1 The Chair welcomed all to the meeting, noting it was Tim Reid's first meeting on EC.
- 1.2 The minutes for the EC meeting on 4 April would be circulated, discussed and approved at the next meeting.
- 1.3 Members discussed the need to significantly increase staff attendance in the office, restructuring within the FCDO, the NAO looking into the impact of the war in Ukraine on all departments, the need for internal quality control of papers that go to EC and received an update on the Judicial Review.

2 PRD Project – Transition to BAU

- 2.1 [REDACTED] presented this paper, which requested EC approval for a budget extension for the current PRD consultancy team to facilitate the transition of the project to BAU, and the proposed plan for the recruitment and implementation of a permanent continuous improvement team in UKEF.
- 2.2 Members discussed the rationale for extending contractors, options for the length of an extension, current and future in-house and consulting resourcing options,

EC sponsorship and the process of the project. They recognised the value of the continuous improvement function and the staff trained as lean agents. The Committee discussed whether the new Director of DDAT should be involved in the decision to create a new team, noting that a delay of a month to do that may have resourcing impacts down the line.

2.3 Members were supportive of the proposals for extension in tenure of the 2 contractors and the budget mentioned in the paper (as one of the 3 contractors mentioned in the papers is moving out of UKEF), subject to any approvals from CO. On the CI team, EC members were supportive of the direction to move from Project mode to BAU subject to more detail on resourcing, budget availability and DDAT Director's agreement. Hence consideration is to be given to the creation of a new continuous improvement team once the Director of DDAT is in place (with a paper coming back to EC outlining the ask and the benefits). The Committee was comfortable with [REDACTED] leading the PRD Project as SRO and as sponsor, given the limited time remaining to move to BAU mode; with EC mentoring from Ms Eshun.

3 UKEF's Final Strategic Risk Register (SRR)

3.1 Following EC's agreement of the headline risks presented to EC and the Board in January 2022, [REDACTED] presented the mitigations, controls and contingency plans associated with each of the risks. [REDACTED] set out the next steps and plans for moving to BAU monitoring, with a request to agree with the mitigations.

3.2 Members discussed effective delivery options for training staff, reputational risk appetite and approach to its management, lessons learned from black swan events, as well as the spread of risks and risk owners and improvements in the product development processes.

3.3 The CFOO highlighted a lack of cross-department coordination and end-to-end process in relation to products as an issue. The CFOO also recommended the Government Digital Service's training on digital thinking for SCS as a step to mitigating the overall risk, which EC agreed to. The Committee endorsed the mitigations, noting further work is needed on an effective way to deliver climate change training to all staff, black swan event workstream (to include the incident management group), consideration of reputational risk management, and

consideration of EC members co-sponsoring risks to reduce the burden on certain EC members. The Committee was content that the paper is ready to be presented to the Board, especially with the benefit of two new Board members giving their view.

4 Measurement of Customers Supported in TFD

4.1 [REDACTED] outlined a proposed change to how TFD reports on customers supported. Customers who do not draw down on arrangements are currently not reported, thereby not accurately representing the breadth of UKEF's assistance to SME / MSB exporters. The entire process will need to be gone through for export assists to qualify as customers, not merely a referral to a third party. [REDACTED] explained that some customers are issued with export insurance policies and almost certainly use them as leverage in negotiations with commercial insurers or clients to get better conditions. He estimated this numbered around 25-30 customers a year.

4.2 Members discussed the need to align how customers and support are defined across all parts of the department in a consistent manner and give a clear methodology for customer metrics for all, irrespective of amount or volume. This work will be included in the impact framework work being carried out by SPoCC and discussed at the EC away day. Members also reflected on the need to give clear explanations of counting methodology in the Annual Report.

4.3 The Committee endorsed the proposal, noting the work needed on consistency across the department, and accepting that a business may have benefited from UKEF's support in going through the process even if they did not drawdown on UKEF support. Mr Reid agreed to review this across all the divisions of the Business Group.

5 Any other business

5.1 There was no other business.

[REDACTED]

Strategy, Policy and Climate Change Division

MINUTES OF EXECUTIVE COMMITTEE MEETING

25 April 2022

Present: Louis Taylor (Chair)
Samir Parkash
Cameron Fox
Shane Lynch
Davinder Mann
Tim Reid
Richard Simon Lewis

Attendees: [REDACTED]
Item 2: [REDACTED], [REDACTED], [REDACTED], [REDACTED]

Apologies: Esi Eshun

Secretary: [REDACTED]

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

5.2 The Chair welcomed all to the meeting.

5.3 The minutes for the EC meeting on 19 April were reviewed and approved, with some minor amendments suggested and incorporated.

5.4 The actions were reviewed. There was discussion about whether a delay in returning to EC to discuss the ACBS replacement reflected wider concerns about digital capabilities. It was noted that the arrival of the new Director of Digital would increase momentum in this area. It was agreed that members would benefit from general training on digital and data.

Action: L&D to arrange training on digital and data for SLT.

5.5 The Chair discussed DIT investment and export transformation, events, and trade agreements; FCDO organisational changes along geographic and thematic lines; and ways to ensure regular coordination with HMT.

5.6 The Chair reflected on the end of the financial year, noting the impressive geographical spread of transactions, nature of products and scale of assistance provided.

5.7 Members commented on the workload and stresses that comes with such high performance across the organisation and discussed the need to ensure resilience as well as to monitor workloads. The Director of Resources outlined training and support available for staff and managers, and the upcoming soft close day. It was agreed that the Chair would communicate thanks and remind staff about available support.

Action: Director of Resources to draft communication for the Chair.

6 Business and Premium Forecast 2022-23

- 6.1 The Director of Business Group presented this paper to establish and agree UKEF's final forecast on business to be underwritten for financial year 2022-23. The central forecast is £7.1bn, consistent with the operational plan. Members noted that it was a reduction on the last financial year but heard that a deal-by-deal review of the pipeline suggested there was a good chance of increasing on last year.
- 6.2 The meeting was informed of the methodology to validate the forecast, in particular on the change in the mix of deals, from big EDGs and standbys, which would have an impact on the premium. The increased sectoral diversity away from fossil fuels towards infrastructure was highlighted and noted by the Committee.
- 6.3 Members noted the significant current political uncertainty and impact on sovereign and commercial deals.
- 6.4 Members questioned the inclusion of some deals in the pipeline, including those with a 25% likelihood of completion.

Action: Business Group to review inclusion of EXIPs and other transactions.

7 RMG APM Procurement - Invitation to Tender (ITT)

- 7.1 [REDACTED] presented this paper which requested the approval of an ITT to purchase political and credit insurance to dilute portfolio concentrations and optimise use of Risk Appetite Limit. The strategic aim was to increase the breadth of insurance capacity by widening participation, including by adapting consortia regulations to permit insurance groups to add affiliated entities as potential suppliers during the course of the framework.
- 7.2 EC noted the alignment of the ITT with UKEF and HMG's public positions on climate change, modern slavery, and social value, as well the use of enhanced DIT security standards for insurers.
- 7.3 The meeting discussed the risks inherent in the procurement. The Chair was willing to go to market for insurance, confident that risks had been assessed. He noted that the process had taken 13 months and acknowledged the general difficulties with procurement. He asked that the ITT was rolled over so that the entire process need not be run again from the start. Members noted the value of having a commercial lawyer in the procurement team.
- 7.4 Members discussed risk appetite of the market. It was noted that risk appetite has increased, as had pricing and that there was appetite across markets in Africa, the Middle East and Latin America. The market was not receptive to insuring Turkey due to the economic uncertainty there. This emphasised the need for a broad range of insurers to call on.

7.5 The EC was fully supportive and asked that the ITT was rolled out as soon as possible.

8 Any other business

8.1 The Director of Resources discussed pay award scenarios, with various options for prioritising pay awards. Members were mindful of the effect of inflation and increased cost of living on staff. Members agreed to request a pay awards review from Cabinet Office, in line with the Committee's commitment to do everything possible to improve pay for staff.

8.2 The Director of SPoCC flagged potential discrepancy in jobs grades across and within the directorates. The Director of Resourcing agreed to meet with SPoCC and Business Group to discuss further.

8.3 The Chair advised that the Board and EGAC would hold a joint meeting on 27 April to discuss the mission statement, impact framework, and the Taskforce on Climate-related Financial Disclosures (TCFD) report and decarbonisation targets.

[REDACTED]

Strategy, Policy and Climate Change Division