

MINUTES OF UK EXPORT FINANCE EXECUTIVE COMMITTEE MEETING

3 October 2022

Present:	Samir Parkash (Chair)	Attendees:	[REDACTED]
	Julia Beck		[REDACTED]
	Esi Eshun		[REDACTED]
	Cameron Fox		[REDACTED]
	Shane Lynch		
	Paul Neville	Guests:	[REDACTED]
	Tim Reid		[REDACTED]
	Richard Smith-Morgan		

Apologies: None received

Secretary: [REDACTED]

1 DIT, HMT, x-WH and General Updates

- 1.1 The Chair gave an overview of the week's meetings with the Secretary of State and junior ministers.
- 1.2 Following a delayed response to a customer, members discussed the need to focus on customers and ensure they receive timely responses.
- 1.3 The Senior Leadership Team had met last week to discuss transformation and technology, led by the Director of Digital, Data and Technology (DDaT). A readout would be provided. Meeting in person was considered to be very effective. The meeting covered clarity of purpose and iterative steps that have been prioritised.

2 Equalities Impact Framework

- 2.1 The former senior strategy advisor, [REDACTED], presented the proposed approach to understanding the impact of UKEF's current support on women and minority-owned businesses to help close inequality gaps and drive positive social impact. The paper asked the committee to agree that it should be a priority for UKEF and for the Head of Business Group to be the EC sponsor.
- 2.2 The former senior strategy advisor then detailed next steps, proposed quick wins, internal communications. Members discussed what North American and European counterparts were doing in this area. They advised reviewing work

done by similar organisations such as BBB, UKIB, BII, UK Clearing Banks on access to finance for women-owned business in the UK.

- 2.3 The committee agreed with the focus on women and minority-owned businesses. The Chair would raise it at the DIT Executive Committee meeting and an upcoming meeting of ECAs.

3 Active Portfolio Management (APM) Procurement

- 3.1 [REDACTED] and [REDACTED] from the Cabinet Office joined the call.

- 3.2 Further to presentations at EC meetings in April and June, [REDACTED] returned to provide an update on the full business case to re-procure private risk and political insurance. Responses to the procurement had been received from brokers and insurers and had been evaluated. Approval of the Full Business Case (FBC) was required from EC before consideration by Cabinet Office.

- 3.3 The committee was asked to approve the submission of the Full Business Case and Social Value Plan to Cabinet Office and to seek an exemption from Cabinet Office Controls for further competitions.

- 3.4 Members were told of difficulties in securing carbon reduction plans from almost all the insurers, and the rules for these requirements due to them being regulated institutions.

- 3.5 Members asked about pricing, discussed the risk, expected provisions, and controls.

- 3.6 [REDACTED], Commercial Assurance Lead at the Cabinet Office, advised that the final business case provides a strong justification for the deviation from the climate change requirements, and asked that UKEF provide lessons learned for how to improve procurements for this Public Policy Notice (PPN) in future.

- 3.7 The Chair reflected on UKEF's remit as detailed by HM Treasury Consent and as a financial institution. He noted that this was not a straightforward procurement and highlighted the need to manage it dynamically to ensure UKEF maintains capacity from a risk perspective. He was content with the governance approvals applied.

3.8 The committee noted the significant efforts made by the procurement team, as well as the legal team, on this important project. Members agreed with the FBC and exemption request and approved their submission to Cabinet Office.

3.9 In light of increasing risks in the global environment, the Chair asked the procurement team to explore the possibility of completing the next tranche of private insurance policies before the end of the current financial year.

4 UKEF activity at COP 27

4.1 The senior sustainability advisor, [REDACTED], provided an update on UKEF's involvement at COP27 in Egypt in November.

4.2 [REDACTED] set out UKEF's policy, commercial and reputational objectives for COP as part of HMG's wider programme. She summarised anticipated deliverables and proposed involvement of EC and other colleagues from the Business Group and SPoCC.

4.3 Members asked about wider HMG and other ECAs' attendance. The committee agreed on the importance of showing leadership and commitment on the clean growth and climate agenda, especially at the end of the UK's COP Presidency.

4.4 The committee discussed the size, composition and purpose of a UKEF delegation attending in the context of the economic climate, emphasising the importance of having outward-facing people and using the local IEFE Network.

4.5 EC approved the proposals, noting their consideration of the financial cost, carbon footprint, purpose of each person attending, and clear and measurable objectives.

5 Performance management

5.1 The Director of Resourcing, Mr Shane Lynch, and Senior Human Resources adviser, [REDACTED], proposed changing the process for rating staff performance and supporting policy for the remainder of the current performance period. The urgency was due to the time it would take to negotiate with Trade Unions, change systems and advise of the changes.

5.2 The paper recommended removing the rating for 'how', also known as behaviour. This was intended to reduce the subjectivity, bias and inconsistency.

5.3 Members discussed the timing and quality of management conversations, and questioned whether changing the process part-way through the year was problematic. They agreed that there should not be a mid-year rating but that managers must highlight if staff are under-performing. Members stressed that good behaviour should remain a core objective.

5.4 Members agreed that something should be done but were not in agreement of the timing. The committee reiterated their commitment to a 'no surprises' culture.

ACTION: Director of Resourcing would come back to EC with new recommendations.

6 Talent management and succession planning

6.1 The Chair noted concerns about key people leaving the department and the residual loss of institutional and specific knowledge. Members discussed career progression and succession planning. The Director of Resourcing outlined plans for a structured career plan and career progression pathways being developed for the Business Group.

[REDACTED]

Strategy, Policy and Climate Change Division

MINUTES OF UK EXPORT FINANCE EXECUTIVE COMMITTEE MEETING

12 October 2022

Present:	Samir Parkash (Chair)	Attendees:	[REDACTED]
	Julia Beck		[REDACTED]
	Cameron Fox		[REDACTED]
	Shane Lynch		[REDACTED]
	Paul Neville		[REDACTED]
	Tim Reid		[REDACTED]
	Richard Smith-Morgan		[REDACTED]

Apologies: Esi Eshun

Secretary: [REDACTED]

7 DIT, HMT, x-WH and General Updates

7.1 The Interim CEO gave an overview of recent meetings with the Secretary of State and junior ministers. The meeting heard about the Treasury's new Energy Markets Financing scheme, and the Secretary of State's request to be advised of concerns, successes and the transaction pipeline.

7.2 An overview of the previous day's EGAC meeting was provided. Members noted EGAC's comments on the Strategic Risk Register and Modern Slavery work and plans for COP 27.

7.3 The committee heard about upcoming OECD meetings. The meeting discussed the October Risk Committee agenda and broader issues of the risk of liquidity crises and potential national responses.

7.4 Members discussed government efficiency requests and considered the implications of the refreshed Integrated Review.

8 Pipeline deep dive

8.1 Mr Tim Reid, Director of Business Group (BG), gave an overview of the revised structure and operating model of BG, and presented year-to-date performance and pipeline activity.

8.2 The committee discussed the composition of the pipeline, changes to the forecasted business, and likelihood of transactions becoming effective.

8.3 Mr Reid highlighted the geographic and sector spread of the origination pipeline, and volume of opportunities.

9 CEO Update

9.1 Mr Parkash outlined the monthly CEO update to the Board. Members discussed the frequency of Board meetings and potential changes to the pack.

9.2 The meeting discussed situations requiring Board approval prior to going to Ministers. Further discussion was required.

9.3 The committee approved the pack and need for changes to be made.

ACTION:

- 1. EC Secretariat to work on a “strawman” version of the CEO update pack for consideration by the committee in time for a revised version being produced for the next Board meeting.**
- 2. EC Secretariat to arrange further discussion on Board approvals.**

10 Audit Report on International Relations division

10.1 [REDACTED], Head of Internal Audit presented the audit results on the International Relations Division, in accordance with the approved Audit Plan. The division received a “Limited” rating due to the large number of issues that were raised.

10.2 The meeting heard there were fourteen issues varying severity, all relating to a lack of policies process maps, procedures, and key controls which guide and govern the division’s work.

10.3 The target dates on the agreed actions were discussed, and in light of the limited resources the Head of Internal Relations confirmed that these were achievable. Vacancies had been posted for an HEO and a Deputy Director role; an SEO role post had been filled.

10.4 The Committee noted the contents of the report and agreed on the recommendations.

11 **AOB**

11.1 The meeting briefly discussed the potential need to write a letter to the Treasury on [REDACTED], although Treasury do not require such a letter.

ACTION: Private Office to move the date for Town Hall due to a meeting clash.

[REDACTED]

Strategy, Policy and Climate Change Division

MINUTES OF UK EXPORT FINANCE EXECUTIVE COMMITTEE MEETING

17 October 2022

Present:	Samir Parkash (Chair)	Attendees:	[REDACTED]
	Julia Beck		[REDACTED]
	Cameron Fox		[REDACTED]
	Shane Lynch		[REDACTED]
	Tim Reid		[REDACTED]
	Richard Smith-Morgan		[REDACTED]
	Esi Eshun		[REDACTED]
			[REDACTED]
Secretary:	[REDACTED]		[REDACTED]
	[REDACTED]		[REDACTED]

1. General updates

- a. The Interim CEO gave an overview of meetings with the Secretary of State, junior ministers and DIT Special Political Advisers (SpAds).
- b. Members heard about the recent quarterly meeting of the Export Guarantees Advisory Council (EGAC). The Council had offered advice on UKEF's work on Modern Slavery, the Strategic Risk Register and plans for COP 27.
- c. The Committee discussed the upcoming Risk Committee agenda, including the need to review UKEF's maximum exposure and delegated authority limits, and the risk of a liquidity crisis in Africa and potential national responses.
- d. Members noted the refresh of the Integrated Review and potential implications for UKEF.

2. Policy and Product Priorities/Update on Home Shipbuilding

- a. [REDACTED], Head of Products, outlined the drivers and principles for prioritising product and policy development from now until March 2024. She recommended developments that promote clean growth and transition, in line with UKEF's revised mission statement.
- b. The extensive list of proposed developments had come from internal and external stakeholders, but a lack of capacity to deliver all proposed

developments simultaneously, and constraints in data recording and systems, had led to this prioritisation.

- c. Members discussed the challenges of delivery, resourcing and systems support required, and the importance of maintaining the direction of travel. The committee agreed and approved the prioritisation and the forward plan of work, noting the likely timescales for delivery.
- d. The Head of Products gave an update on the Home Shipbuilding Credit Guarantee Scheme and expected next steps. She agreed to keep EC updated with developments.

ACTION: Head of Policy to send SPoCC Office the proposed write around response and a paragraph with EC.

3. Annual Reports and Accounts (ARA) – Lessons Learnt from 2021-22 ARA Plan for 2022-23/ NAO Management Letter – Points for 2021-22

- a. The Head of Press & Corporate Communications presented three papers relating to the Annual Reports and Accounts (ARA). [REDACTED] detailed the lessons learned following the successful delivery of last year's ARA and outlined proposed changes for the ARA 2022-23. These incorporated stakeholders' recommendations, an evaluation of HM Treasury's annual publication, and the National Audit Office's (NAO) points on the financial audit of 2021-22 accounts.
- b. The meeting noted the successes and lessons learned. Members discussed the proposed changes and agreed on their implementation for the 2022-23 ARA.
- c. The committee reviewed the points identified by the NAO and agreed the management actions.

4. BG Transformation

- a. The Head of Export Finance Managers outlined a proposed restructure of grades and roles in the Business Group, and the creation of structured career paths and development programmes for staff in lower grades.
- b. Members discussed the process for communicating with and consulting staff, and the execution, operational and strategic risks and opportunities of the changes.
- c. The committee approved the paper and agreed with the proposals.

[REDACTED]

Strategy, Policy and Climate Change Division

MINUTES OF UK EXPORT FINANCE EXECUTIVE COMMITTEE MEETING

24 October 2022

Present: Samir Parkash (Chair)
Julia Beck
Tim Reid
Richard Smith-Morgan
Esi Eshun

Apologies: Cameron Fox
Shane Lynch

Attendees: None

Guests: None

Secretary: [Redacted]
[Redacted]

Review of minutes and general updates

The minutes of the 12th October meeting were reviewed and approved.

Members heard about discussions at the morning's meeting with the Secretary of State (SoS), DIT Directors' meeting, and last week's UKEF Board and Risk Committee meetings. SoS had asked about WTO subsidies in relation to shipbuilding.

ACTION: Director of Legal to update CEO on subsidies.

Committee members shared updates from their directorates, including on the Judicial Review and the Cabinet Office's approval of the FCDO business case for British Support for Infrastructure Projects.

Environment, Social, and Human Rights (ESHR) assurance process

The Head of Policy proposed three changes to the assurance process for how UKEF considers the non-credit related risks and impacts relating to climate change and ESHR issues of a transaction.

Members shared the reasons that sign off responsibilities had moved to the Enterprise Risk and Credit Committee (ERiCC) in 2020, noting the commitment given to the

Environmental Audit Committee that climate issues would be considered at a review stage.

The committee discussed the merits and challenges of the current process. They agreed that a transaction should be assessed across all aspects, not just credit.

The committee agreed with the first two changes but asked for further consideration of the third change.

ACTION: CEO and [Redacted] to review and clarify the remit and other aspects of the ERiCC.

ACTION: Director of SPoCC and [redacted] to continue discussions on Delegated Authorities, upskilling ERiCC members, and develop criteria for where ESHR/ climate change assessments need to revert to ERiCC.

Cross-Government and Parliamentary Engagement update

[redacted], and [redacted], updated the committee on the team's work which had evolved from a Government Relations function into a stakeholder relationship management, focused on increasing UKEF influence across government.

The team detailed the value of engaging with MPs and OGDs. They observed the increasing importance that MPs are likely to place on UKEF as a delivery tool for government priorities. The early and accurate positioning of UKEF was key to managing expectations.

Members noted the effective department-wide collaboration on parliamentary engagement, especially with Export Finance Managers, and the value of this and UKEF-wide input into wider cross-government engagement. The committee agreed with the approach.

UKEF Gender Network Update

Director of the Legal and Compliance Group, and Gender Network sponsor, Ms Esi Eshun, introduced this item which set out the revised vision and objectives of UKEF's Gender Network.

[redacted], the Network's lead, updated the committee on work achieved in the last year, which included topical blogs, newsletters, staff surveys, awards evening and effecting change UKEF HR policies. [redacted] outlined the gender-relevant aspects of the staff survey, noting areas of concern and requests for action.

The committee acknowledged the concerns of the Network, and discussed and noted the areas of focus and opportunities for improvements.

ACTION: Director of Resources to provide gender pay gap information.

Business plan quarterly update

[redacted], updated the committee on the development of the department's business plan and associated timescales and methods for delivery.

Members provided comments on communication and engagement, noting the EC taskforce's role and underscoring the importance of engaging across UKEF but especially with the senior leadership team early and throughout the process. The use of consultants was discussed and would continue. The committee noted the update.

ACTION: CEO, SPoCC Director and [redacted] to discuss the use of consultants.

AOB

Members relayed that staff had enquired about recent senior management changes and about government efficiencies. It was agreed that these questions would be covered at an upcoming Town Hall. All agreed in principle the need to keep staff up to date and for the committee to be visible and proactive in communications.

[redacted]

Strategy, Policy and Climate Change Division

MINUTES OF UK EXPORT FINANCE EXECUTIVE COMMITTEE MEETING

31 October 2022

Present:	Cameron Fox (Chair)	Attendees:	[REDACTED]
	Julia Beck		[REDACTED]
	Shane Lynch		[REDACTED]
	Tim Reid		[REDACTED]
	Richard Smith-Morgan		[REDACTED]
	Esi Eshun		[REDACTED]
			[REDACTED]
Apologies:	Samir Parkash		[REDACTED]
			[REDACTED]
Secretary:	[REDACTED]		
	[REDACTED]		

1. DIT, HMT and General updates

The minutes of 17th October were approved.

The Committee heard that a new Minister for Exports had been appointed.

Members discussed business continuity planning, the Commercial function, the Home Shipbuilding Credit Guarantee Scheme, and the logistics of [REDACTED].

ACBS Replacement Update

Head of Transformation & Change, [REDACTED], presented this item on the Fintech project, delivering a system that was fit for purpose for UKEF's business model and product offering. The paper provided EC with a summary of the forward plan ahead of anticipated Change Board approval in November. He was joined by [REDACTED], Head of UKEF Operations.

The committee heard about pricing structure, timelines, and potential political or economic impacts. The Head of Transformation and Change detailed possible challenges to the contract, risks, and benefits and constraints of options.

Members discussed resourcing, priorities, timeline, trade-offs. The committee noted the potential transformational effect of a scalable, agile system, and its value for money.

The committee noted the forward plan and understood the tranches. The committee recommended the renewal of ACBS for a further two years through a single source action.

Financial Reporting Changes Programme (FRCP) vision and scope

Further to a request from the former CEO, Mr Louis Taylor, for a paper detailing the vision for the changes to financial reporting and the scope of benefits, the Chief Finance and Operating Officer, Mr Cameron Fox, and The Head of Transformation and Change gave a summary of the work and the current status. They were joined by [REDACTED], Chief Analyst in the Risk Management Group.

The Full Business Case (FBC) had been delayed due to delays with HM Treasury approval because of the Ukraine conflict. Procurement and commercial resourcing had compounded the delays. The residual effect means the FBC is likely to come to EC in February.

Members heard about changes in the vision, scope, training, and plans for communicating the benefits to staff. A 'dashboard' view had been included in the CEO Update to the Board which tracked time, cost and quality, and would be updated on a monthly basis.

The committee noted the expected timeline changes, the minor changes to the vision, scope and transformation message, and dashboard.

Annual Legal Review

The Co-Heads of Legal, [REDACTED] and [REDACTED], provided the annual overview of the Legal Division's activities and how they have managed legal risk during the year. [REDACTED] and [REDACTED] detailed challenges faced in the last year and noted their green rating from Internal Audit.

Members raised potential areas that the Board would be interested in. The committee talked about the threshold for informing the Board about potential transactions.

The committee noted the paper.

Financial Crime Risk Assessment (FRCA)

Head of Compliance, [REDACTED], gave an overview of the key recommendations of EY's comprehensive assessment of UKEF's approach to financial crime.

The Director of Legal and Compliance Group highlighted training and three lines of defence model as crucial to mitigating risks and was confident that progress was being made.

Members discussed what was reasonable and proportionate in managing risks, uncontrolled and under-controlled risks, and organisational culture. There was discussion about the risk of International Export Finance Executives (IEFEs) falling under different policies and potentially different responsibilities due to their employment by FCDO.

The committee approved the findings of the FCRA and the 14 high impact recommended actions to complete.

ACTION: Director of Resourcing to lead a review of the framework under which the International Export Finance Executives (IEFEs) work.

Spotlight on Corruption (SoC)

The meeting heard an update on the progress made on the recommendations in the SoC report from 2020. The Compliance team noted UKEF's willingness to engage with the organisation and that good progress had been made.

The committee approved Compliance Division's updated response and intention for discussion with the Export Guarantee Advisory Group (EGAC) and the plan to engage directly with SoC on progress, subject to EGAC views.

The Director of Strategy noted that the Climate Change and Sustainability team had taken on responsibility for the CSO engagement.

Internal Audit Reports: Gifts & Hospitality

Head of Internal Audit, [REDACTED], presented the internal audit results on Gifts & Hospitality, which received an audit opinion of unsatisfactory. He outlined the fundamental weaknesses in the framework of governance, risk management and controls such that it is inadequate and ineffective or is likely to fail.

Members discussed staff awareness of policies and the need for staff to take responsibility for knowing policies and timely reporting.

The meeting also heard the internal audit on Mobile Telephones and their use, which had received an unsatisfactory rating. The meeting heard that there are fundamental weaknesses in the framework of governance, risk management and controls such that it was inadequate and ineffective and likely to fail.

The committee noted that the administration of phones had been very poor and that staff who had been responsible for their management during the period covered had left the business. Mobile phones would be audited again because the phone and service supplier had changed since the audit.

The committee noted the contents of both the audit reports.

AOB: Marketing and Communications activity

Members took note of an intense amount of event activity over the following month, including customer conferences and COP27.

The Disability and Carers Network had asked for feedback on the session they had delivered at the Senior Leaders Team meeting last week. Members were asked to provide comments.

[REDACTED] and [REDACTED]

Strategy, Policy and Climate Change Division