

**Minutes of a meeting of the Boards of Directors**

**British Business Bank PLC (BBB)**  
 ('the Company' or 'BBB' or 'the Bank')  
**British Business Investments Ltd (BBI)**  
**British Patient Capital Ltd (BPC)**  
**BBB Patient Capital Holdings (Holdings)**  
**British Business Financial Services Ltd (BBFSL)**  
**British Business Finance Ltd (BBFL)**

**at 8 Salisbury Square, London and via Teams**  
**At 0900 on Thursday 14 March 2024**

<b>Present BBB / BBFL / BBFSL Directors</b>	Stephen Welton	Chair	
	Neeta Atkar	Senior Independent Director	
	Jamie Carter (Shareholder Representative Director)	Non-Executive Director	
	Barbara Anderson	Non-Executive Director	
	James Connelly	Non-Executive Director	
	Matthew Elderfield	Non-Executive Director	
	David Hourican	Chief Financial Officer	
	Eilish Jamieson	Non-Executive Director	
	Jenny Knott	Non-Executive Director	
	Nathaniel Sloane (Workforce Engagement Director)	Non-Executive Director	
	Louis Taylor	Chief Executive	
<b>BBI Directors</b>	Louis Taylor (Chair)	CEO, BBB	
	Caroline Bault	Non-Executive Director	
	Sue Douthwaite	Non-Executive Director	
<b>BPC Directors</b>	Russ Cummings (Chair)	Non-Executive Director	
	Hazel Moore	Non-Executive Director	
	Louis Taylor	CEO, BBB	
<b>BBB Patient Capital Holdings Directors</b>	Louis Taylor (Chair)	CEO, BBB	
	Ian Connatty	Deputy Chief Investment Officer	
	Adam Kelly	MD, BBI	
<b>In attendance</b>	Esi Eshun	General Counsel and CoSec	
	Chantal Geall	Chief Risk Officer	
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	Ian Connatty	Deputy Chief Investment Officer	Items 7, 11
	Wyndham North	MD, Growth Fund	Item 9
	Content Removed	Content Removed	Item 9
	Content Removed	Content Removed	Item 9
	Content Removed	Content Removed	Item 10
	Content Removed	Content Removed	Item 10
	Content Removed	Content Removed	Item 10
	Graeme Fisher	Acting CSO	Item 11
	Richard Bearman	MD, Small Business Lending	Item 11
	Content Removed	Content Removed	Item 11
	Content Removed	Content Removed	Item 12
	Angelene Woodland	Chief Customer Officer	Item 12
	Keith Gladdis	MHP Media Group	Item 12
	Reinald de Monchy	MD, GWS	Item 13

## General Meeting of the British Business Bank

A General Meeting of the British Business Bank was convened to consider the Special Resolutions required to approve share capitalisations (Articles of Association, clause 10)

**Present:** Chair of the Board (Chair), the Shareholder Representative Director, and members of the BBB Plc Board.

The Shareholder Representative Director, acting with authority from the Secretary of State, Department of Business and Trade, **approved** the resolutions in respect of the share capitalisations as detailed in the paper.

### 1 Notice, Quorum, Declarations of Interest, and Introduction

- 1.1 The Chair confirmed proper notice had been given and that a quorum was present; he then opened the meeting. No member declared any interests in the agenda of the meeting.

### 2 Approval of Minutes

- 2.1 The Board **APPROVED** the minutes of the meeting held on 24 January 2024.

### 3 Action updates

- 3.1 The Board agreed to close actions: B.535, 539, 549, 550, 551, 552, 553, and 554.
- 3.2 B.546: *Nations & Regions*: Board discussed BBB's reputation scores in the nations and regions and asked for further context on the numbers, benchmarking against regional development agencies, and proposals to amplify the voice of those customers and partners with whom specifically we wish to work. **AW**
- B.555: *spreadsheets / EUCs*: the Board asked for a refresh of the data to provide a more detailed analysis of the nature and approval status of the spreadsheets / EUCs.

### 4 Board Committees updates

Written summaries were included for each meeting:

- 4.1
- Audit Committee: it was confirmed that Risk and Internal Audit had been asked to do a deep dive into Tax Strategy.
  - People & Remuneration Committee (PRC): it was highlighted that understanding the strengths and weaknesses of benchmarking was a priority.
  - Governance & Nomination Committee (GNC): Board noted an action to review and align GNC and PRC Terms of Reference in relation to Senior Pay Threshold slots.
  - Risk Committee: Board noted the Enterprise-Wide Risk Management Performance priorities could have better reflected the amber status of some of the activities.

### 5 Chair's update

- 5.1 The Chair updated the Board on the following:
- James Connelly would be stepping down from the Board on 31 March 2024; the Chair thanked him for his contribution to the Board and the business.
  - Russ Cummings would be stepping down from BPC Board on 13 June 2024.
  - a review of the Bank's operating and legal structures to simplify and group activities within the commercial and subsidised parts of the Bank.
  - a monthly reminder would be sent to members on updating their declarations of interest.
  - an update on Board plans to work with Empowering People of Colour (EPOC).

### 6 CEO Report

- 6.1 The CEO summarised his report and highlighted:
- Pre-General Election and Spending Review preparations, including executive workshops on growth, regions, and net zero.
  - spring budget, the extension of RLS (now the Growth Guarantee Scheme) and the announcement of the LIFTS winning bids.
  - introduction of the Bank's new Performance Management Framework.
  - Bounce Back Loan recoveries noting an increase in government focus. BBB was seeking a balance in maximising both recoveries and VFM.
  - Project Scaffold: the Board requested an update on the Due Diligence workstream at its meeting in July.

**CE**

The Board noted a number of BBB public-facing events, including the launch of the annual Small Business Finance Markets report, and discussed its relationships with Delivery Partners in the context of the Bank's mission and objectives; the Board requested a deep dive into the challenger banks. **Content Removed.**

**GF,  
RdM,  
RB, CG**

## **7 CFO Report**

- 7.1 The CFO summarised his report and presented the following recommendations for Board approval:
- the Board **approved** the Tax Strategy.
  - the Board **approved** the audit and Group account exemptions under the Companies Act, Sections 400 and 479.
  - the Board **approved** the Group Insurance levels.
  - the Board **approved** the award of the Expected Credit Loss and Claims Modelling contract.
  - the Board **approved** the share capitalisations.

The CFO noted that funded commitments were broadly on target for completion in line with Budget, although noting some risk within BBI in relation to the additional ask above Budget. He noted the successful launch of the six Nations & Regions Funds, and that Guarantee commitments were already in excess of the target for the year.

- 7.2 The Board welcomed early sight of the draft Corporate Performance report; it noted the high relative weightings attributed to the ESG KPI within the illustrative calculation, which the CFO agreed to review, and the need to identify ESG deliverables as well as further measurements going forward. The Board noted that Green Economy was currently reporting as the weakest of the four objectives, but also noted that no finance had been made available to the Bank for new green programmes; this highlighted the need for objectives to be achievable within available resources.

**DH**

## **8 CRO Report**

- 8.1 The CRO summarised her report and highlighted:
- the revised Risk Management Framework.
  - the revised Risk Appetite Statements (for approval).
  - the Bank's top 10 corporate risks, including People and Cyber.
  - Financial Risk; a review of the risk rating framework, most notably the introduction of a DP probability of default rating.
  - Fraud & Financial Crime, including an update on the first and second lines of defence following the team reorganisation.

The Board discussed the Risk Appetite Statements and how the risk for strategic ambition and the risk for ensuring delivery were framed. It agreed to change the overarching Level 1 Strategic Risk appetite to High and consider how that was then reflected onwards. The Board **approved**

**CG**

the statements and requested these changes be incorporated and for the update to be signed-off by the Chair of Board Risk Committee.

## 9 Growth Fund project update

- 9.1 The MD, Growth Fund summarised the paper and highlighted:
- establishment of the Growth Fund SteerCo comprising Executive Committee members.
  - discussions and decisions including the vehicle design and recruitment for the Growth Fund third-party arm (3PA).
  - 16 workshops held across BBB to understand and plan for future operational requirements.
  - development of the regulated business plan and associated risks, including classification.
  - development of internal comms plans in recognition of the potential organisational impacts.
- 9.2 The Board **approved** the creation of a Board Growth Fund Committee, its Terms of Reference, and the membership: Stephen Welton (Chair), Jamie Carter, and Eilish Jamieson.
- 9.3 The Board **approved** the establishment of a NewCo, as wholly owned subsidiary of BPC Holdings Ltd, to support meeting its obligations to the Nuclear Liabilities Fund under the original investment management agreement, and to authorise any of the CEO or CFO to approve any documentation and to take any further related action that may be required in respect of the incorporation of NewCo.

## 10 Business Plan

- 10.1 The Director, Financial Planning and Analysis summarised the paper and highlighted:
- the 24/25 plan was Year 3 of a three-year Spending Review.
  - Financials, including costs, FTE headcount, and capital and options.
  - KPIs and targets, including performance return and green economy.
  - priorities including preparatory work to set up the Growth Fund, the Target Operating Model, Change projects, customer centricity, and long-term administration of the Covid Schemes.
- 10.2 The Board discussed the return target and the challenges in addressing it meaningfully; it asked that it be reviewed with consideration given to balancing the commercial and non-commercial, equity/debt elements, and articulating the options of not meeting the target, or meeting it with the Shareholder's understanding of the balance and inherent consequences and compromises. The Board also asked for benchmarking data on commercial Fund of Funds managers to understand how they analyse comparable scenarios. The Board also asked for benchmarking data on commercial Fund of Funds managers to understand how they analyse comparable scenarios.
- 10.3 The Board discussed the Green Economy KPI, uncertainties over funding, and the opportunities to overlay ESG on existing programmes. It also suggested consideration be given to a second KPI on the Green Economy potentially based on a transition plan for the existing portfolio and involving DPs and better data.

DH, LW  
GF

AW, TG

## 11 Managing the Covid Loan schemes

- 11.1 The CEO introduced the paper noting the request to Board was to endorse the proposals on Bounce Back Loans and Future Fund for presentation to government. He noted the debates around value for taxpayers' money (VFM), commercialisation, and reputational risk and that clarity would come via engagement with government. The Board asked that the proposals included analyses of losses and the associated operational costs of each option, and that the Bank's position as administrator was underlined. It noted agreement with the direction of travel. The Board supported the proposals being discussed with the Department of Business and Trade and once government had provided a further steer, asked to see an overarching strategy.
- 11.2 The Board discussed the proposals for Future Fund (FF) in relation to BPC. It noted some advantages, but expressed scepticism that existing investment capabilities were as strong as indicated, and that the resource constrained environment limited viable options. The Board broadly agreed with triaging the portfolio and consideration being given to bringing valuation capabilities in-house.

**12 Media Strategy**

- 12.1 The Director, Communications summarised the paper noting the plan was aligned to the Bank's strategic objectives and highlighted the key focus areas for the year, including:
- launch of Nations & Regions Funds
  - Growth Fund
  - re-focused messaging on Covid loans.
  - Relaunch of the Bank's employer brand in Sheffield.
  - the Bank's 10<sup>th</sup> Anniversary. The Board noted this was a good opportunity to profile the Bank's impact and convey our key messages.

**13 ENABLE Guarantee (Galen 2)**

- 13.1 The Head of Structured Guarantees GWS summarised the paper. The Board noted the value of incentivising sectors such as agriculture in relation to ESG investments.
- 13.2 The Board **agreed** to:
- recommend that the Secretary of State for Business and Trade **Content Removed** and
  - subject to that approval, to delegate approval for sign-off of the final terms, transaction documents and deliverables to the BBFSL Investment Committee and the appropriate delegates as approved by IC.

**14 Update to Investment Committee Terms of Reference and Powers of Attorney**

- 14.1 The Boards of BPC, BBFL, BBFSL, and BBB **approved** the following proposed revisions to the Terms of Reference and Powers of Attorney:
- the BBFSL TOR
  - the BBFL TOR
  - the BBFL power of attorney
  - the BBFSL power of attorney
  - the BPC Direct IC TOR;
  - the BPC Group IC TOR, following approval of the BPC Board.

**15 Any other business**

- 15.1 There was no other business and the meeting closed.

**NED Closed session**