
**Minutes of a LINK Scheme Ltd Board Meeting
Held on Wednesday 25th March 2015 at 10.30-12.30
The Institute of Directors, 116 Pall Mall, London**

Present:

Dr. Ken Andrew - Chairman
Lord David Hunt
Tim Allen
Jenny Campbell
Anne Dalgleish
John Howells
Michael Coffey – by telephone

In Attendance: Mary Buffee – Secretariat
Sue Wallace for agenda item 5 on Migration Workstream

1. Minutes of Board Meeting 11th March

The Board approved the two sets of minutes covering the LSL Board and the session later that morning, which also included members of Incorporation subcommittee (ISC).

2 Matters Arising

The Chairman confirmed that liability insurance had been put in place for £10m and asked the board a series of questions regarding declarations for the proposal form in order to complete the paperwork. All board Members confirmed no to every question raised in the relevant parts of the proposal and the Board agreed that the insurance policy could be finalised. **ACTION: CHAIRMAN.**

3. Commercial Workstream

It is noted that the Board had a candid and thorough debate. The matter is to be redacted due to the commercial nature of the discussions.

4. Independent Governance Review Workstream

Lord Hunt provided the Board with an update on progress with establishing the Advisory Group that would conduct the review under his Chairmanship. He noted that the PSR's announcement this morning is an important reminder that Interchange needs to be considered. Lord Hunt confirmed he had sent a letter to each of the Board Members that morning outlining progress and the questionnaire process and said that a date in April would be set for the first meeting of the panel of experts. **ACTION: LORD HUNT.**

5. Designation Workstream

John Howells went through each of the points on pages 5 & 6 of the board papers which outlines each of the NMA changes that create Scheme Co obligations. The board had a full discussion on each of the items and the following was agreed;

- Indemnity and liability – the board discussed the responsibility of Scheme Co and its difficulty of meeting these liabilities given the company did not currently

have any income or assets to meet this. The Board agreed to investigate establishing an insurance policy to cover this liability. **ACTION: CHAIRMAN.**

- Oversight – the board discussed the oversight responsibility under clause 3.11 (c) and agreed to define the scope of what this oversight practically meant and whether the Board could meet this obligation. The Board agreed in principle the change with the commitment that this would be reviewed following a series of oversight scenarios that would be prepared for discussion at the next LSL meeting. **ACTION: JOHN HOWELLS.**

6. Migration Workstream

Sue Wallace joined the Board for this session.

John Howells confirmed that he was expecting the proposal from VocaLink to set out how they could support migration including in areas such as funding. In the meantime work has been focused on specific areas where immediate action is required and other actions constrained to the existing resources within the Scheme Executive. There were a number of key issues for the Board to consider immediately. The board had a full discussion and agreed the following points and actions;

- Accountants – the board agreed that LSL should continue to use Burgess Hodgson as the company's accountants for the foreseeable future.
- Company address – the Chairman outlined the need to have a London address separate from Harrogate and the Payments Council. This would comprise of a small office with admin support for mail and telephone calls and would be the address for all LSL correspondence. The Board agreed and asked for quotes to be found for offices. **ACTION: CHAIRMAN.**
- Website and Domain Name – the Chairman outlined a need for the company to have a basic website which could also be used for the publication of minutes now required by the PSR. The Board agreed and asked for an approach by the next meeting. Jenny Campbell also offered support from her organisation on this work. **ACTION: SUE WALLACE AND JENNY CAMPBELL.**
- Bank Account – Sue Wallace outlined that VocaLink's finance department had been asked to provide support for setting up banking and VAT requirements. The Board agreed that this should now be conducted separate from VocaLink. Tim Allen offered to provide Sue Wallace with an introduction to their Business Banking team. **ACTION: TIM ALLEN.** Burgess Hodgson should now be asked for a quote to support the future VAT requirements of LSL. **ACTION: SUE WALLACE.**
- Financial Controls – the board discussed what levels of control should be put in place and asked to see the current controls to review and discuss if they are appropriate at their next meeting. **ACTION: SUE WALLACE.** The Board agreed that review of the budget should now move across from G&PC to LSL. A review of the current budget should be carried out to enable G&PC to sign off and LSL to take responsibility. As with all Boards it was agreed that the Financial position would be a standard item at every monthly Board in the future **ACTION: JOHN HOWELLS.**
- Staff transfer to LSL – Lord Hunt said that LSL should welcome the staff to the new organisation and the Board agreed this principle. John Howells outlined that the transfer of staff out of VocaLink could not happen until as a minimum the support services were established for the team e.g. HR, IT, Finance etc. Currently VocaLink provides this support through a direct charge to the Scheme Executive (amount has been redacted for commercial reasons). None of these staff are dedicated to the Scheme Executive but shared across the whole of VocaLink and so VocaLink have been asked to consider ongoing support service

requirements in their proposal. In the meantime the Board agreed that quotes from other potential providers for this activity should not be gathered until VocaLink's proposal had been assessed. The Chairman made the point that finance and legal services should be sourced independently of VocaLink and the Board agreed this principle.

7. AOB & Future Meetings

The only item of AOB was raised by John Howells. LINK have been asked to join the working party responsible for defining the future of a new trade association or collaborative body for the payments industry. As LINK is a competitive Scheme, John recommended that at this point LINK does not participate in the working group but just keeps a watching brief on the work. The Board agreed.

The dates of upcoming meeting were agreed as;

- 9th April an audio call which includes the Members of the ISC 10.30 -12.30
- 20th April LSL Board meeting 10.30-12.30 in Room 403 at the IOD
- 20th April joined by members of the ISC 1.00-3.30 in room 403 at the IOD. This would include a presentation from VocaLink on their best and final offer under the Commercial Workstream between 1.30-2.30