
**Minutes of a LINK Scheme Ltd Board Meeting
Held on Monday 20th April 2015 at 10.30-12.30
The Institute of Directors, 116 Pall Mall, London**

Present:

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

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

1. Minutes of Board Meeting 25th March

The minutes of 25th March had already been approved via email.

2 Matters Arising from the Minutes

The Chairman confirmed that Director liability insurance had been put in place and a copy of the policy had been sent to each board Director.

Aspects of the commercial arrangements were discussed that have been redacted due to their commercial nature.

Regarding secondments, Lord Hunt confirmed that DAC Beachcroft should be able to provide some part-time legal resource from their office in Leeds. Tim Allen said a request had been submitted internally and he would find out in about a week whether project management resource would be available in London from Barclays. **ACTION: TIM ALLEN**

All other actions are completed or on the agenda.

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 (IGR)

Lord Hunt confirmed to the Board that all of the parties he had recently approached to sit on the advisory panel had accepted the challenge of completing a draft report for the June deadline and that their first meeting was scheduled to take place on the 28th April.

A meeting is due to take place with the PSR on the 11th May to discuss the IGR and that Lord Hunt would raise with Hannah Nixon the requirement of the September deadline and also the scope of any investigation into interchange. **ACTION: LORD HUNT**

Board Members raised a couple of points on the questionnaire. Firstly, the wording of Q4 which appeared to favour free-to-use over pay-to-use when the Scheme supports both models equally. Secondly, Q13 which appears very open ended and could raise a range of views out of scope of governance.

Lord Hunt said that the questionnaire was very wide reaching to ensure that the review covered all areas that were the concern of the PSR as this would reduce the need for another review down the track. Question 4 had already been raised by some members of the advisory panel and was therefore included.

Confidentiality was then discussed and the Board recommended that responses to the questionnaire should only be visible to the team at Beachcroft and the advisory panel to provide Members with the freedom to answer questions broadly. Any comments on information gathered in the questionnaire will be anonymised when the report is published unless expressly agreed otherwise with the Member.

Given the challenging timescales and the experience of the advisory panel the Board discussed whether the complexities of LINK's governance could be understood by such a review. To support this process the Board agreed to produce a list of what works well and not so well with governance to support their understanding. **ACTION: JOHN HOWELLS.**

5. Governance Scenarios

John Howells talked the Board through the paper on governance between NMC & LSL. The Board agreed to support the recommended scenario 5 which is to delegate the resolution of any matters to the two independent members of the Board (Lord Hunt & Dr Andrew) pending the outcome of the IGR. The Board also agreed that these would be visible to LSL.

6. Migration Workstream

Sue Wallace joined the Board for this session.

The board discussed future options for support services options for LSL, parts of the discussion have been redacted for commercial reasons. NMC Members have also expressed a desire for these support services to be independent of any supplier. Therefore Migration will require the setting up by LINK Scheme Limited of all of the services currently supplied by VocaLink.

Jenny Campbell suggested Sue Wallace discuss options with her Head of Supply Chain Sara Pye and Lord Hunt suggested Robert Skinner who had conducted a similar exercise for the Lending Standards Board. **ACTION: SUE WALLACE.**

7. PSR Fee Approach

The collection of PSR fees was then discussed and a number of complexities relating to VAT noted. VocaLink have stated that they may not collect these fees because of VAT complexities and so contingency plans need to be put in place for LSL to collect these on behalf of Members. Both options will be investigated in parallel but the fee is due by the middle of the year.

There is an unanswered question on whether and how the fees should be subject to VAT and this issue is facing all the Schemes. There was a discussion on potential supplier support on VAT that has been redacted on commercial grounds.

The work required by Members to set up LSL on their systems to pay invoices was then discussed, with a number of organisations saying this could be a lengthy process for Members and that consideration of whether and how to achieve this should be part of the overall consideration on whether to use VocaLink or LSL to collect. **ACTION: SUE WALLACE.**

8. LINK Scheme Finance Review

John Howells took the Board through the attached budget report for information. It was requested that business as usual be shown separately from restructuring activity. **ACTION: JOHN HOWELLS.**

9. AOB & Future Meetings

The only item of AOB was raised by the Chairman regarding the Interbank System Operator Coordination Committee Retail Payments Forum. The Chairman suggested that LINK does not need to be part of this forum as it is set up to hear the views of Consumers and Link already has its own Consumer Council. The Board agreed.

The date of the next meeting is Wednesday 6th May 10.30-12.30 in Room 413 at the IOD.