

Minutes

REDACTED FINAL



12 December 2017

Our Reference FB 149/17

To Board

From Board Secretary

MINUTES OF THE MEETING OF THE FPSL DIRECTORS HELD ON 12 DECEMBER 2017

Present:	Nick Caplan	Independent Chairman* (FPSL) (NC) **
	Duncan Ingram	Independent Director* (FPSL) (DI)
	Tanya Castell	Independent Director* (FPSL) (TC)
	Craig Tillotson	Chief Executive* (FPSL) (CT)
	Roger Ardley	Alternate Director* (nominated by Paul Scott) (RA)
	Charles McManus	Director* (nominated by Clearbank) (CM)
	Jim Pettigrew	Director* (nominated by Clydesdale Bank) (JP)
	Tony Richter	Director* (nominated by HSBC) (TR)
	Graeme Donald	Director* (nominated by Lloyds) (GD)
	Frances Coyle	Observer (Monzo)
	Anthony Parker Stewart	Alternate Director* (nominated by John Hutton) (APS)
	Martin Wilson	Director* (nominated by Nat West) (MW)
	Jonathan Glover	Director* (nominated by Northern) (JG) (teleconference)
	Robert White	Director* (nominated by Santander) (RW)
	Julian Sawyer	Director* (nominated by Starling) (JS) (teleconference)
	Kate Patterson	Alternate Director* (nominated by Helen Rose) (KP)
	Resat Bilgin	Alternate Director* (nominated by Aidan Doherty) (RB)
	JJ	Attendee (FPSL) (JJ)
	MB	Attendee (FPSL) (MB)
	GO	Attendee (FPSL) (GO)
	FB	Attendee (FPSL) (FB)
	PK	Attendee (FPSL) (PK)
	JA	Attendee (FPSL) (JA)
	TY	Attendee (NPSO) (Agenda item 411 only) (TY)
	CR	Attendee (FPSL) (Agenda item 415 only) (CR)
	JC	Board Secretariat (FPSL)
Apologies:	Paul Scott	Director* (nominated by Barclays)
	Melanie Martin	Director* (nominated by Citibank) (proxy votes given to NC)



Tom Dolan	Director* (nominated by Monzo) (proxy votes given to NC)
John Hutton	Director (nominated by Nationwide Building Society)
Aidan Doherty	Director (nominated by Turkish Bank)
Andrew Grice	Observer (Bank of England)
SG	Attendee (FPSL)

* **Voting members of the Board of Directors - 16 out of 18 in attendance**

** **Proxy votes received from Melanie Martin and Tom Dolan**

402. DECLARATION OF INTERESTS

NC welcomed Jonathan Glover, Director and Frances Coyle, Observer.

NC asked the Board if there were any additional declarations.

No further declarations were advised.

The Register of Interests (FB 131 17) was **NOTED**.

403. REPRESENTATION OF SERVICE USERS

NC reminded Board to consider interests of service users in all discussions and decision making processes.

404. MINUTES OF PREVIOUS MEETINGS HELD ON 19 SEPTEMBER AND 23 OCTOBER 2017

NC advised that the minutes for the September meeting had an error within them under agenda item 388 where a digit was missing. The minutes were amended on 11 December and revised versions added to SharePoint.

The Board **UNANIMOUSLY APPROVED** the full and redacted minutes for the meetings held on 19 September and 23 October and **NOTED** the redacted minutes will be available on the website within 5 working days.

Secretary's Note: The redacted minutes for the September and October meetings were added to the FPSL website on 14 December.

405. OFFLINE BOARD DECISIONS SINCE THE OCTOBER MEETING

Board **NOTED** the offline approval of the FPSL 2018 Resource and Business Initiative Prioritisation and now submitted to the Bank of England.

406. GOVERNANCE AND REGULATORY

FB advised that a consultation will be issued on 2018/19 fees but anticipated that the process of FCA collecting fees from Participants



will be the way going forward.

The Legislative and Regulatory report (FB 132 17) was **NOTED**.

Director Changes

The Board **NOTED** the following appointments:

- Resignation of Becky Clements, Director, nominated by Metro.
- Appointment of Jonathan Glover, Director, nominated by Northern Bank.
- Re-appointment of Stephen Pike, Alternate Director, nominated by Jonathan Glover.
- The extension of Tanya Castell's term as Independent Director until 30 June 2018.

NC expressed his thanks to Becky Clements for her contribution during her time on the Board.

Consolidation Documentation

FB referred to FB 144 17 and advised that this document has been shared with a number of audiences including Transition Assurance Committee, Rules and Governance Committee and a further version to FPSL Guarantors. There is a requirement for all Guarantors to sign a set of documents. The first set covers Consolidation; Non-Bank PSPs; Structural Reform Group Company Liability Prohibition and GDPR.

In the event that Guarantors are not in a position to sign all documents within this set, there will be a need for Guarantors to sign an alternative set which covers all the time critical items e.g. Non-Bank PSPs; Structural Reform Group Company Liability Prohibition and GDPR. This set would be used if an unforeseen event delayed the completion of the first step of the Consolidation process. The final versions of both sets of the documentation will be issued as soon as possible following the Board meeting. FPSL will also be amending the Articles of Association via a Written Resolution. Given that there is a 28 day time limit, in accordance with the Companies Act, before the Written Resolution lapses, this will be issued at the beginning of January (3rd) to ensure no time is lost during the holiday period.

NC also advised that there are Rule changes required for consolidation, GDPR and Non-Bank PSP access. Additionally there were documents to be signed by Participants and Guarantors including a change to the RCA Agreement to accommodate charge changes.

NC suggested that the second fall-back set is signed as soon as possible to meet regulatory and statutory objectives to enable FPSL to meet Bank of England timelines.

The focus then turned to the consolidation process.

RA and GD referred to risks and asked what due diligence has been undertaken to ensure that the NPSO is operationally ready to undertake the obligations undertaken by FPSL today.

NC began with an update from the Transition Assurance Committee. The TAC considered that there are three stages to the consolidation process.

1. Current Guarantors of FPSL resign (with the option to be guarantors of NPSO with a £1 limit on liability) and new, simplified Articles of Association for FPSL come into effect (ideally at the same time as Bacs and MPSCO) and FPSL becomes a subsidiary of NPSO
2. Handover of responsibility and accountability from FPSL and its Board to NPSO and its Board following the non-objection from FMID with a recommendation that FPSL continues to operate as it currently is until that point. The TAC had agreed a set of criteria to assess readiness for this transition.
3. NPSO to undertake any transformation change of the group (which is beyond the remit of FPSL Board) after assuming responsibility and accountability.

The first stage should happen as soon as possible so Participants were requested to sign the documentation as soon as possible. NC stated that the handover of responsibility and accountability should occur around April time as there would probably be destabilisation of the scheme should it take longer.

TC stated and it was AGREED that, from a governance perspective,



the TAC is empowered to act on behalf of the Board but would provide a recommendation to Board for approval of the final handover of the responsibility and accountability.

RW joined the meeting.

The Board debated the timing of the change of guarantorship, the readiness of NPSO, any possible undertakings or warranties that existing directors might be required to give and the process for changes to the FPSL Board. GD asked whether any indemnities would be provided to the current directors by the NPSO and the executive were requested to consider this during the discussions with the NPSO. It was noted that before becoming guarantors of NPSO, Participants wanted to ensure that the NPSO was adequately prepared to be the guarantor for FPSL and guarantors also wanted to understand all potential risks and liabilities involved.

NC advised that, once the transfer of guarantorship had taken place, when a Director resigns, the nominating Participant will not be entitled to nominate a replacement.

FB stated that NPSO requested that FPSL provide due diligence answers which have been provided (most of which was public information). NC proposed that, given the conversation at Board, these answers be shared with the Board.

Secretary's Note: This was made available on SharePoint under reference FB 147/17 on 18 December.

CT advised that one of the requests from the NPSO had been for a full list of all regulatory documentation for briefing purposes.

TC asked under what arrangement is FPSL sharing information with NPSO, given confidentiality clauses in her contract and advised that she has been asked to share minutes from the Audit Committee.

FB stated that CMA clearance has been received to share information which is different from confidentiality. CT advised that there is a subset of documentation that is confidential. DI advised that he too had been asked, in his capacity as Risk Committee Chairman, for copies of meeting minutes. The Board requested that a non-disclosure agreement was entered into with NPSO to allow sharing of information by FPSL.

FB

Action 406 FB to arrange the signing of a non-disclosure

agreement with NPSO to allow sharing of information by FPSL.

Following further debate, the Board **UNANIMOUSLY AGREED** that a Members meeting is called for January, with an invitation to Bacs, and invite Melanie Johnson and Paul Horlock to attend to lead discussions and a covering letter be circulated ahead of time setting out the reason for the meeting. NC proposed that this meeting can be attended via teleconference as well as in person.

Secretary's Note: A General Meeting has been arranged for 11 January.

NC sought approval of the FPS Rules to accommodate consolidation, GDPR, Structural Reform and Non-Bank PSP access

TC noted that since the paper had been circulated, it had been noted at the TAC that the Non-Bank PSP concept had not been formally approved by the Board in 2017 as stated. However CT clarified that given the Bank of England were granting Non-Bank PSPs settlement accounts, FPS would have to take explicit steps to prevent such organisations joining the Scheme.

Board **UNANIMOUSLY APPROVED** v10.3 of the FPS Rules.

The Rules and Governance Committee minutes (FRGC 031 17) from the meeting held on 17 August were **NOTED**.

407. STRUCTURAL REFORM

CT updated the Board that Barclays and HSBC transition is complete. The resignation of RBS as a Participant and the introduction of Nat West into FPSL was successful and was a huge change for the bank.

Most of the sort code migrations are complete. The legal separation of the two Barclays entities will take place in April and the separation for HSBC will take place in June.

The changes to the Participation Agreement will also include changes in relation to ring-fenced banks.

NC referred to BPRS and stated that there appears to be some pressure and sought confirmation that the volume is within the parameters that were modelled. CT advised that this will be monitored by the Executive. JJ confirmed that the volume seen is within the tested capacity.

408. TRANSITION ASSURANCE COMMITTEE

NC provided an update under agenda item 406.

NC advised that, at the May 2017 Board meeting, a recommendation for FPSL to become a wholly owned subsidiary of NPSO had been approved. NC asked for Board to reconfirm the recommendation.

Board reconfirmed the recommendation and confirmed support in principle to proceed with consolidation subject to a satisfactory briefing by the NPSO in January as discussed in agenda item 406.

The minutes from the meeting held on held on 23 October were **NOTED**. The minutes from 24th November would follow in due course.

409. TECHNOLOGY, OUTSOURCING AND PROCUREMENT STRATEGY COMMITTEE

NC advised that the Technology, Outsourcing and Procurement Strategy Committee has met a couple of times with the first meeting to define the scope.

The Committee separated out the responsibilities as follows:

[Redacted Confidential]

NC advised FPSL have gone out to tender for the new infrastructure contract and received 50 Expressions of Interests which includes all the major players. There needs to be a firm alignment with the NPA and Bacs as requested by PSR. There is also a desire to obtain professional support around the procurement itself and FPSL has gone out to tender to ensure an independent view and structured approach throughout the procurement process.

TC asked whether the decision to extend the contract will be coming to Board. NC confirmed that this would and will probably need to be in the form of an ad-hoc meeting in the New Year.

NC also talked about how the change in supplier will be managed financially given that there will be a time with two suppliers operating in parallel. The Committee is trying to work out the optimum structure and financing options will form part of the procurement.

[Redacted Confidential]

The minutes from the meeting held on 30 October were **NOTED**.

410. CHANGE AND DEVELOPMENT PROGRAMME

GO reported on the following

Project Devon

FPSL is working very closely with NPSO and how the project fits into the NPA. Also, part of the programme is reaching out to Participants to ensure Participants and Aggregators will be ready through transition and a number of one to one meetings have been held. The RFI will be issued shortly.

Project Avon

MB advised that NPSO has taken over the responsibility for the work of the Payments Strategy Forum with FPSL being assigned the lead for Request to Pay. Sian Williams, Chair of the User Needs Group was very impressed with the excellent work the FPS team had undertaken to date and her thanks has been relayed to the team.

The demonstrator app has generated a lot of interest. The team are looking at creating a micro site within the FPSL website. The demonstrator tool will be converted into a public sandbox to enable companies to test their own developments. There will not be an FPSL or NPSO technical solution, only the rules and standards.

[Redacted Commercially sensitive]

The Board requested a formal paper setting out a formal recommendation be presented offline in January seeking approval of the policy exception. *Redacted Confidential]*

Action 410(i): MB to produce a paper formally requesting an exception to the procurement policy and spending of additional funds to retain *[Redacted Confidential]* for Project Avon.

MB

The Board noted that there is a demand for Request to Pay globally. The Board **APPROVED** the development of the public sandbox and control mechanisms subject to approval of the paper for the procurement exception and additional funding in January.

Project Durham

JJ referred to FB 128 17 and the follow-up paper FB 146 17. All 11 Participants who had been engaged on the PSF work stream have confirmed their intention to proceed via email. Signed Letters of Intent from all participating organisations are still awaited. *[Redacted Commercially sensitive]*

TC asked whether a Letter of Intent is legally binding. FB advised that it is not.

[Redacted Commercially sensitive]

GD noted that the project was good for service users.

JJ advised that funding has been received by two Participants although the Letters of Intent are still going through internal governance. JJ also *[Redacted Commercially sensitive]* asked for approval that, in the event that 80% of Lol's not having been received, that the contract may be signed by the CEO, given that email confirmations have been received from the 11 participating organisations.

Board **UNANIMOUSLY APPROVED** the proposal.

Scheme Transaction Limit

MB referred to FB 133 17 and stated that, following the provisional agreement at the September Board meeting that the Scheme Transaction Limit be increased from March 2018, a detailed risk assessment was undertaken with input from the Risk and Operations Teams and a Participants Working Group was held. *Redacted Confidential]*

RW asked whether the fraud and financial crime areas been consulted. MB advised that FFA UK had been consulted and every Participant had the opportunity to attend the workshop.

Board debated the proposal to increase the Scheme Limit and raised the following points:

- Agree with the overall concept
- Concerns over the additional risk and timing
- Concerns around the application of CPR processes across the Participants.
- Would prefer that there is consistency across the Participants before the limit increase is implemented.
- Need to be clear that risks are being managed.
- Have Participants who intend to offer a higher transaction limit undertaken due diligence on Net Sender Caps?
- Have Participants undertaken due diligence around possible cyber attacks.

CT stated that most of these points have been covered during the risk review process. NC commented that he has been an advocate of the

CPR process which is improving and this process must be as robust as possible. NC suggested that the proposal to increase the scheme transaction limit should be approved with a review of the CPR process with any recommendations for change to be implemented in parallel.

Action 410(ii): Company to undertake a review of the CPR process.

Company

Any suggestion to be included in the review to be sent to the Secretary by the end of the year.

Action 410 (iii): Participant Directors to send suggestions of items to be considered for the CPR review by the end of the year.

Participant Directors

The Board also debated whether the higher Scheme Limit could be implemented in a contingency situation e.g. a Participant experiences a CHAPS issue.

MW suggested that increasing the limit is an opportunity and Service Users should be considered. A review of Participants level of performance against CPR could be undertaken and the robustness of Participant channels be considered.

Board **UNANIMOUSLY APPROVED** the proposal subject to appropriate go / no go criteria covering the issues for the ecosystem raised in the discussion, and providing no fundamental issues are identified by the Executive.

In response to the potential impact of the consolidation, CT suggested that this decision is being taken as a going concern and is the right thing to do. CMcM stated that he would expect the NPSO to undertake the necessary due diligence if the transfer of responsibilities takes place ahead of 20 March.

Business Initiatives

[Redacted Confidential] Project Surrey should be shown as red due to the NPSO's own programme being shown as red in relation to funding and how part of Cheque and Credit Clearing Company is brought into the NPSO as a legal entity. Also GO would like to see a more concrete plan concerning the move from phase one to phase two.

NC also stated that the transfer of guarantorship should have taken place by the end of 2017 but this will not happen until 2018.

Board requested that Project Surrey be broken out into two separate projects and report phase one (change in guarantorship) and phase two (handover of responsibility) separately which will also be helpful to

the TAC.

Action 410 (iv): GO to break down Project Surrey into two separate phases.

GO

NC expressed his thanks to JJ and his team for all their hard work in embedding the onboarding process into the Operations responsibilities.

The Development Programme Report (FB 135 17) was **NOTED**.

411. FINANCE

NC advised that this item will be covered in two separate sections, firstly the FPSL budget and secondly TY joining to request some funds.

PK summarised the 2017 financial position (FB 136 17).

The financial position was **NOTED**.

PK summarised the proposed 2018 budget (FB 137 17) and highlighted the following:

- *[Redacted Confidential]*
- There is no intention to increase the regulatory reserves given the amount of contingency within the budget, the level of deferred income *[Redacted Confidential]* and with consolidation taking place during 2018.
- The proposed budget indicates a reduction *[Redacted Confidential]* compared to the outline budget presented at the September Board meeting.
- UTSP has paid back the start-up costs and anticipates a surplus in 2018. *[Redacted Confidential]*

PK advised that, at this stage, this budget has not yet been shared with NPSO and, subject to the budget being approved by Board, approval is sought to share the budget with NPSO.

TC asked why the vendor accreditation fees and interest are not allowed for within the proposed budget this year. CT advised that this is not normally forecast given its unpredictability.

[Redacted Confidential]

Board **UNANIMOUSLY AGREED** that the proposed budget will be shared with NPSO once the Non-Disclosure Agreement has been obtained.

Board discussed the likelihood of Bank of England FMID charging for their services. JJ advised that the Bank has confirmed that they will charge but have yet to determine the formula for this. *[Redacted Confidential]*

GD suggested that separate invoices are issued for such items and the Company operating costs are invoiced separately to clarify the driver behind the request.

Board **UNANIMOUSLY APPROVED** the proposed 2018 budget as set out in FB 137 17 and that no further top-up of the Regulatory Reserves are required*[Redacted Confidential]*.

TY joined the meeting

TY provided a summary of the work undertaken by NPSO to date and highlighted that more work needs to be done around the New Payments Architecture which requires funding.

TY advised that NPSO require a substantial amount of money to continue the work*[Redacted Confidential]*.

CT stated that, within the finance paper presented to Board, the figure he'd included was between £750k - £1.05m.

NC asked how the money will be spent. *[Redacted Confidential]*. The staff are being provided from UKPA, the PSOs, consultants, contractors and a number of personnel being seconded from Participants. There will also be a need to go out for legal advice and arrangements to hold major stakeholder events.

NPSO has not yet worked through their own long term funding model hence why the request for funding and support is being sought from a number of sources to ensure that resources with the knowledge of the work done to date are not lost.

NC stated that a number of key projects are already funded within the various Schemes e.g. Project Devon, Project Avon and Project Somerset and he had asked the Independent Chairman of Bacs to confirm that his understanding is correct.

TY advised that the design is not yet complete and an element of 'in flight' work currently being undertaken by the PSF had transitioned across to the NPSO.

RW sought reassurance that there will be investment in permanent staff rather than the use of contract staff. TY confirmed that was the

intention but NPSO are not yet in a position to move away from contract staff.

RA referred to the work streams within the industry and the challenges being faced in obtaining the expertise. RA also referred to TY's statement about staff being seconded from some Participant organisations and stated that the seconded staff are already being paid by their employers so there was a potential for double-counting.

CT expressed his concern and stated that adding incremental resource doesn't always provide incremental benefit.

TY stated that NPSO have looked at the number of people required to run this properly and to ensure momentum is maintained.

DI asked if the staff required is in addition to the staff already working on the projects within the Schemes. TY confirmed they are in addition to the staff currently employed.

Board asked how the NPSO will track the spending of funds provided by FPSL and how they will obtain sight of this. TY admitted that this had not yet been thought through but if the FPSL Board would like sight of this, a mechanism can be put in place to provide visibility.

Board also agreed that a contract would need to be in place to ensure Board is acting in the best interest of the Company which would document the service being provided and adequate governance.

TY left the meeting.

The Board discussed the request from TY at length and raised the following points:

[Redacted Candid Debate]

MB stated that this has triggered an awful lot of uncertainty with the Project Devon team. Board agreed that this was worrying.

NC expressed his concern that there is no design authority within NPSO.

The Board **UNANIMOUSLY AGREED** that, whilst supportive in principle, the NPSO should be requested to present the governance and detailed spend to Board in February.

Action 411: CT to request NPSO to produce a detailed paper setting out the governance and detailed spend.

CT

TR and JS left the meeting.

The Board also **AGREED** *[Redacted Confidential]* subject to a satisfactory contract being in place ahead of time and an adequate

briefing by the NPSO in February.

CM left the meeting.

412. RISK COMMITTEE

DI referred to the Risk Committee Report (FB 138 17) and asked if there were any questions.

No questions were raised.

JA referred to the UKPA Assurance work as referred to within the report and advised that this is now closed.

NC referred to the 'limited assurance' around the UKPA Assurance work and sought confirmation that there is a secure current environment for staff to operate within. CT provided the confirmation.

TC asked for a much clearer definition than 'strong credit rating' when referring to ring-fenced banks.

[Redacted Confidential]

The Risk Committee report was **NOTED**.

The Risk and Assurance Dashboard (FB 139 17) was **NOTED**.

CT summarised note FB 140 17 which sets out the revised banding proposal and has undergone a more risk based assessment. It was noted that this proposal has been presented to Risk Committee but not been presented to a number of Participant Groups e.g. Service and Operations Committee, Technical Group and Development Forum.

Board **AGREED** that Participants should be properly consulted and present the paper back to Board at the February meeting.

Action 412: JA to present the revised banding proposal to Technical Group, Development Forum and Service and Operations Committee and for them to consider the full end to end process before resubmitting to the Board for approval.

JA

RW and JP left the meeting.

413. AUDIT COMMITTEE

TC advised that the cyber audit had taken some time to complete and had identified that greater clarity around roles and responsibilities was required. Action was underway by the IT security team to address

this.

TC also advised that there is a concern around the resourcing within Internal Audit *[Redacted Confidential]*. CT advised that this has been discussed with the NPSO and UKPA. The Committee had approved the internal audit plan for 2018

TC stated that, when discussing liquidity, it appears that not all Participants are currently paying operating costs by Direct Debit. *[Redacted Confidential]* However PK advised that there were three Participants who had not signed Direct Debit forms and these will be invoiced for the full 2018 years costs at the beginning of the year.

Board were advised that all Participants were first notified in March 2016 of the requirement to move to direct debit following agreement by the board which was followed by a further communication in May 2016.

TC highlighted the reference to the Criminal Finance Act which came in during September 2017 and noted that further work was underway. The Audit Committee Minutes from the meeting held on 14 November 2017 (FAC 127 17) were **NOTED**.

414. REMUNERATION COMMITTEE

This item was discussed at the end of the meeting following the departure of Company staff.

TC reported on the activity of the Remuneration Committee since the last Board meeting. This had met on four occasions to discuss the impact of the PSOs' consolidation, the annual salary review for the scheme as a whole *Redacted Confidential]* and the outcome of the annual process. TC outlined the key decisions taken noting the agreed principle to align with Bacs where appropriate. There was some discussion around the impact of the consolidation process, the potential risks and what actions could be taken. *[Redacted Confidential]*

415. OPERATIONAL PERFORMANCE AND RESILIENCE

Craig Rice joined the meeting.

JJ referred to the Operations and Service Delivery Report (FB 141 17) and highlighted the following:

Performance of Infrastructure

The performance of *[Redacted Commercially sensitive]* the Central



Infrastructure has been excellent during this reporting period.

Payments Originating Overseas

Following a request from Board, more information on Payments Originating Overseas is now included within the report.

Incidents

There has been an increase in trend on the number of incidents during the reporting period, some of which are as a result of the embedding of new Participants who are going through their Friends and Family phase and have very low volumes during the first six months of going live.

NC requested that, over the course of the next three to six months, to see what the profile of the embedding period looks like.

Secretary's Note: The outage reporting will be included for future Risk Committee meetings.

Credit Payment Recovery (CPR)

There continues to be issues with two Participants. *Redacted Financial Stability*] The Company are now trying to re-arrange the meeting for early January. NC suggested that, should the meeting not take place in early January then a further Performance Enhancement Review meeting should be held.

[Redacted Financial Stability

]NC proposed that poor performance within CPR and the introduction of Performance Enhancement Review meetings to agree improvement plans will be included in the next iteration of the Procedures and this was agreed.

Action 415(ii): JJ to amend the Procedures to include Performance Enhancement Review meetings for poor performance in CPR.

Cap Management Meetings

The individual meetings with all Participants are nearly complete. The introduction of the new cap management process, in line with the Bank of England Priority, will go live in February 2018.

***[Redacted Commercially sensitive]* Security Update**

CR advised that MI data is starting to arrive from *[Redacted Commercially sensitive]* as per the attachment at the end of the Operations and Service Delivery Report and the security team are

JJ



working in collaboration *[Redacted commercially sensitive]*.

NC expressed his disappointment and frustration regarding the lack of sufficient data and analytics from VocaLink and stated that the Cyber Target Operating Model should be updated in terms of MI and the analytics. JJ advised that assurances are being received from a number of areas including audit, security and risk. *[Redacted Commercially sensitive]*

The report was **NOTED**.

Craig Rice left the meeting.

416. CHIEF EXECUTIVE REPORT

CT referred Board to his report (FB 142/17) and asked if there were any questions.

No questions were raised.

Board **NOTED** the report.

417. ACTION LOG

NC discussed the one open action on the log (347(ii)). Board **NOTED** that risk reporting will change following the introduction of NPSO and **UNANIMOUSLY AGREED** that this action can now be closed as this will be taken up by NPSO.

JJ also advised that he and CT are meeting with FMID during week commencing 18 December. CT stated that relationships are much better than earlier in the year. NC confirmed that he had heard the same from FMID.

The Board **NOTED** the action log (FB 143/17).

418. ANY OTHER BUSINESS

None.

Dates of Meetings for 2018

19 February, 10:30 – 12:30

19 April, 10:30 – 15:00

20 June. 10:30 – 15:00