

MINUTES

TO Board
FROM Rachel Langworth, Board Secretariat
DIRECT 020 3217 8393
EMAIL rachel.langworth@bacs.co.uk
DATE 16 August 2016

MINUTES OF THE BOARD MEETING HELD VIA CONFERENCE CALL ON 10 AUGUST 2016

PRESENT	David Rigney	Bacs (Chair – in person)
	Mike Chambers	Bacs (<i>in person</i>)
	Ailsa Beaton	Bacs
	Andy Hollingdale	Bacs (<i>in person</i>)
	Rachel Langworth	Bacs (<i>Secretariat – in person</i>)
	Martin Henry	Allied Irish Bank
	James Meyrick	Barclays (<i>in person</i>)
	Melanie Martin	Citi
	Dougie Belmore	Clydesdale
	Sue Yarham	HSBC
	Anne Trolland	Lloyds Banking Group
	Mark Nalder	Nationwide
	Andy McComb	Northern Bank
	David Malley	RBSG (<i>in person</i>)
	Liz Cooper	Santander
	Alan Duff	Virgin Money

ID	ITEM	ACTION
08/16.01	H2 2016 BUDGET <p>The Chair noted his thanks to all for joining the meeting at short notice; all confirmed agreement that the meeting should be held. The Chair advised that the purpose of the call was to discuss the paper issued to Board on 21 July regarding an additional budgetary requirement to fulfil the H2 2016 commitments, as agreed at June Board. [DELETED- COMMERCIAL SENSITIVE].</p> <p>The Chair noted his apologies to Board for Bacs having to request additional funds, noting that the majority of the required funds has materialised as a result of the significant change in the regulatory relationship with the Bank of England (BoE) and the Payment Systems Regulator (PSR) that has led to the extensive increase in activity and required deliverables that were</p>	

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	<p>unknown and could not have been budgeted for in the previous year. The BoE has specifically requested that the work it has asked Bacs to undertake be of a significantly high standard. In a meeting between M Chambers, D Rigney, and the Chair of the PSR and the Financial Conduct Authority (FCA), the PSR made clear its expectation that the work around the Direct Debit (DD) proposition review be delivered by the end of October 2016. A Hollingdale added that Bacs had met with the PSR in the week commencing 1 August regarding the status of the strategy work and the PSR asked if it was fully funded. Bacs explained that the funding request is being considered; Bacs is due to report back on the matter within the next week. J Meyrick noted that Bacs had previously published that it would deliver a review of the DD proposition by H2 2015, and therefore felt that the PSR was being reasonable in its demands regarding the October 2016 deadline. M Chambers advised that as Bacs worked through the review it identified that a wider and more in-depth scope was necessary; Bacs has kept the PSR apprised of this.</p> <p>[DELETED – COMMERCIALLY SENSITIVE]. S Yarham raised the issue of future budget planning, noting that the majority of members plan their budgets in June. M Chambers acknowledged this; previously Bacs had aligned with this date, however had moved to September as a result of the timing of the issuance of the BoE Priorities and Observation. A Beaton confirmed that this issue, and that of the potential for ‘reserve funds’ for any ad-hoc items that arise mid-year, is to be discussed at the next Audit and Risk Committee meeting on 8 September. M Chambers added that Bacs is constructing the 2017 budget at present.</p> <p>D Rigney summarised the discussions held, noting that the majority of the concerns lie with the delivery of the DD proposition review. It was clarified that should a vote be required, it would be based on vote allocation which is capped at 22.5%. [DELETED – COMMERCIALLY SENSITIVE].</p> <p>The Chair thanked all for attending and closed the meeting.</p>	<p>Bacs 19/08/16</p> <p>Bacs 19/08/16</p>

ID

ITEM

ACTION

Date of next meeting: 6 September (tentative)