
**Minutes of a Link Scheme Holdings Ltd (the “Company”) Board Meeting
Telephone Call held on Thursday 9th January 2020**

Present:

Sir Mark Boleat – Chairman
John Gill
Tracey Graham
John Howells
Lord David Hunt
Bill Raynal
David Rigney
Liz Richards

Apologies:

None

In Attendance:

Mike Knight – LINK Scheme Executive
Graham Mott – LINK Scheme Executive
Adrian Roberts – LINK Scheme Executive
Tom Sleight – LINK Scheme Executive
Sue Wallace – LINK Scheme Executive

1. Welcome and Conflict of Interest Declarations

The Chairman welcomed the Directors and those in attendance to the meeting. He highlighted the significant issues affecting LINK which were relevant to the agenda:

- The number of LINK transactions has continued to decline with a fall of over 10% in the year to December 2019. The decline in cash usage in recent weeks continues to average over 12%.
- (Redacted on Confidential Grounds)
- The Community Request an ATM Initiative has been very useful in supporting the limited number of areas not addressed by the other footprint management initiatives. LINK will use this to reassure stakeholders and the public on cash access.
- LINK is in a satisfactory position politically. There was nothing in the Queen’s Speech on access to cash.
- (Redacted on Confidential Grounds)
- (Redacted on Confidential Grounds)

The Chairman reminded the Directors of their obligations under the Companies Act 2006 and the Articles of Association of the Company to declare the nature and extent of their interests (whether direct or indirect) in a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. As required by section 175 of the Act and the Articles, each Director (as applicable) confirmed and declared the nature and extent of his/her interest (whether direct or indirect) in accordance with section 175 of the Act and the Articles (the Conflicted Directors).

Bill Raynal declared his position as a consultant to Scottish Building Society which has a contractual relationship with a Network Member.

David Rigney declared his position as Non-Executive Director of Principality Building Society which has a contractual relationship with a Network Member.

2. Minutes of the Previous Board Meetings and Matters Arising

The Chairman stated that the minutes of the meetings held on 3rd and 4th December 2019 had already been approved.

All actions from the previous meetings of the Company have been completed or were on the agenda for this or future meetings.

There were no matters arising.

3. Committee and Meeting Updates

The approved minutes of the Audit Committee meeting held on 3rd December 2019 had been included in the Board papers for this meeting.

Liz Richards (Chair of the Audit Committee) noted that the Board call held on 4th December 2019 had already discussed the main topic considered at the Audit Committee Meeting. (Redacted on Confidential Grounds)

The approved minutes of the Consumer Council meeting held on 4th December 2019 had been included in the Board papers for this meeting.

Tracey Graham (Chair of the Consumer Council) noted that this was the first Consumer Council meeting to include the Post Office, which was a welcome development. She also noted that Nigel Constable (NoteMachine) and Teresa Pearce MP had stood down after this meeting. She highlighted the main areas covered at the meeting:

- Presentation from Chris Hemsley, Managing Director of the PSR, who updated the Council on the PSR's Annual Plan and priorities for 2020.
- (Redacted on Confidential Grounds)

The Board had a general discussion on the PSR in the context of the offer made by Chris Hemsley to explore the regulatory issues with the FCA. Directors emphasised the need to ensure Government is aware of the hurdles that need to be overcome.

4. CEO's Report

The CEO provided the Board with an overview of LINK's performance over the last year. He noted that the decline in cash usage, the ATM estate and the network footprint were broadly in line with expectations. (Redacted on Confidential Grounds)

The Board noted the contents of the CEO's Report which summarised the overall position of LINK. The key issues highlighted were:

The increase in pay-to-use ATMs in the past 12 months of 3,889. Although this is still close to the number of pay-to-use ATMs in 2017, the large increase is likely to concern some commentators (Redacted on Confidential Grounds)

(Redacted on Confidential Grounds)

The Board further noted that:

- (Redacted on Confidential Grounds)
- First and Second Line continued to perform as expected since the last Board meeting.

5. Update on the Community Request an ATM Initiative

The Board considered the paper providing an overview and analysis of requests for an ATM received from communities by LINK in the first three months following the launch of the test and learn trial in October 2019.

The Board noted that LINK has received over 2,700 requests relating to 2,200 locations across the UK. The bulk of the requests (2,574) had been received through Which?. (Redacted on Confidential Grounds)

In general, the Board considered the paper to be a valuable document and discussed the need to get some of the information into the public domain. The Board noted that the Consumer Council may also wish to see the paper. The Board agreed that the best method for publishing the information is in the report that LINK produces monthly.

ACTION: CCO.

6. Review of Draft Strategic Plan

The Board considered the draft of the Strategic Plan (Redacted on Confidential Grounds) which was included in the Board papers. The Board noted that discussions will be held with individual Directors during January with a view to finalising the content during February and obtaining Board approval in March. **ACTION: STRATEGY DIRECTOR.**

Directors provided general feedback on the draft as follows:

(Redacted on Confidential Grounds)

The Board agreed that the overall direction and approach of the Strategic Plan was appropriate. The draft will be updated to take account of the points raised at the Board meeting and subsequent specific feedback from individual Directors. **ACTION: STRATEGY DIRECTOR.**

7. Agenda Item Redacted on Confidential Grounds

8. Approval of Updated Cyber Security Strategy

The Board considered the updated Cyber Security Strategy which was included in the Board papers.

The Board noted the key changes from the previous draft:

(Redacted on Confidential Grounds)

The final version of the Cyber Security Strategy will be circulated by e-mail for Board approval within the next few weeks. **ACTION: COO.**

The Board noted that the cyber security session scheduled for 20th February 2020 will be run by KPMG. KPMG will be asked to cover the issue of ransom payments in the event of a cyber-attack. A future paper on the Board's policy in this area will also be scheduled. **ACTION: COO.**

9. Finance Report

The Board considered the Scheme's Finances.

(Redacted on Confidential Grounds)

10. Noting of any e-mail Approvals

There were no e-mail approvals to note.

11. Any Other Business

There was one item of AOB:

- The Board was informed that Diligent Board Books had been chosen as the software package for Board documents and that individual accounts had now been set up. Directors will be contacted within the next week with information on their usage. Initially this system will be used for Board, Audit Committee and Risk Committee meetings. Policies will follow in due course. **ACTION: COO.**

12. Next Meeting

The next meeting will be held on Thursday 6th February 2020 at 10.30 am (Redacted on Confidential Grounds)