

# Minutes

Redactions

CCB/001/17



9<sup>th</sup> December 2016

**To** C&CCC Board of Directors

**From** Sarah Connors

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## MINUTES OF THE MEETING OF THE C&CCC BOARD HELD ON 8<sup>TH</sup> DECEMBER 2016

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<b>Present:</b>	Jane Bevis	Chair, Independent
	Bill Andrews (BA)	Santander UK
	Heather Benjamin (HB)	Independent Director
	Graeme Donald (GD)	Lloyds Banking Group
	Sameer Dubey (SD)	Barclays Bank
	Colin Last (CL)	Nationwide Building Society (Phone)
	Steve McArdle (SM)	Independent Director
	Lisa Neary (LN)	Co-operative Bank
	Damian Pettit (DP)	Royal Bank of Scotland Group
	Lorraine Suttie (LS)	Clydesdale Bank
	Sue Yarham (SY)	HSBC
	Steve Grigg (SG)	C&CCC CEO
	Jason Aird (JA)	C&CCC COO
	Sarah Connors (SC)	C&CCC Secretary

The meeting commenced with the chair announcing that Steve McArdle had been reappointed as an Independent NED for a further 3 years. The Appointment and Nominees Committee had recognised Steve's contributions over the last 3 years and agreed that it was important to have continuity for the next 3 years through this period of change.

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**MEMBER CIRCULATION**

The Chair also noted that this was to be Steve Grigg’s last Board meeting as CEO of C&CCC and the rest of the Board joined her in thanking him and recognising all the work he had done over the last year with several offering their own personal endorsements. The Chair noted SG had had to make this choice to achieve a reasonable life/work balance and noted that we should all reflect on how we ensure staff can achieve this while delivering such a large and critical programme.

The Chair advised that the Appointment and Nominees committee were scheduled to meet over the coming weeks to discuss the replacement of SG and that we already had one candidate engaged and were looking for others.

**Delivery Group**

**REDACTION – COMMERCIAL SENSITIVITY & PROVIDED IN CONFIDENCE**

The Members of the Board who had attended the demo of ICS were very pleased to see the substantial progress made and thanked SG and the team. It was good to see tangible output.

**Summary of DECISIONS 8th December 2016**

<b>DECISION:</b> Publish redacted version of Minutes of board meetings held on 3 <sup>rd</sup> November subject to minor grammatical errors being updated. <b>(Post Note: Published)</b>
<b>DECISION:</b> The Board agreed to proceed with NEWCO proposal.
<b>DECISION:</b> The Board agreed to move forward with the implementation of the

essentials recommended under the new Targeting Operating Model <b>REDACTION – COMMERCIAL SENSITIVITY</b>
<b>DECISION: REDACTION – COMMERCIAL SENSITIVITY AND LEGAL PRIVILEGE</b>
<b>DECISION: REDACTION – COMMERCIAL SENSITIVITY</b>

**2046 CONFLICTS OF INTEREST**

The register of conflicts was reviewed. There were no amendments to the register as published.

**2047 MINUTES OF BOARD MEETING HELD ON 3<sup>rd</sup> NOVEMBER 2016**

The minutes of the meeting held on 3<sup>rd</sup> November were approved subject to amendment of grammatical errors. The proposed redactions were also approved on this basis.

The redacted minutes will be sent to PSR and published on the Company’s website.

**REDACTION – COMMERCIAL SENSITIVITY**

SG commented on the time consuming process currently in place to have Minutes approved by the Board before publication which could cause delay. It was agreed that a new streamlined process by correspondence would be looked at and implemented to avoid late publication in the future.

**2048 OUTSTANDING ACTIONS**

The list of actions, which was noted, would be updated and recirculated.

**2049 CEO REPORT**

The CEO report was noted.

**2050 REDACTION – COMMERCIAL SENSITIVITY & PROVIDED IN CONFIDENCE**



**2051 ICS CONTRACT APPROVAL**

Steve Grigg provided a brief update.

**REDACTION – COMMERCIAL SENSITIVITY**

SG encouraged Board members to attend the contract review sessions on offer to ensure we did not hit issues further down the line.

**REDACTION – COMMERCIAL SENSITIVITY**

**2052 NEWCO PROPOSAL**

Steve Grigg provided his update on the work KPMG had completed on the NewCo Proposal. The proposal was to set up NewCo to run in parallel with the existing C&CCC. The ICS Programme would remain under C&CCC with the view to transfer to NewCo at a later date. SY queried the timings around outputs from the KPMG Newco proposal and Steve advised these should be delivered prior to industry testing end May 2017.

**REDACTION – COMMERCIAL SENSITIVITY& PROVIDED IN CONFIDENCE**

The Board agreed to proceed with NewCo.

**2053 PRICING PROPOSAL**

**REDACTION – COMMERCIAL SENSITIVITY**

**2054 REDACTION – COMMERCIAL SENSITIVITY**

**2055**

**TARGET OPERATING MODEL**

*Jon Male (JM) and Joe Al-Gharabally (JAG) from Ernst & Young joined the meeting*

JM and JAG provided an overview of the Target Operating Model Design and focus on the seven strategic imperatives as agreed with C&CCC stakeholders through the engagement process.

JAG explained that the new Target Operating Model required a significant level of commitment and that he believed if the fundamental changes recommended in the TOM were not implemented in line with the ICS programme, the company would face real difficulties. It was recommended that the TOM became integral to the ICS programme delivery.

**REDACTION – COMMERCIAL SENSITIVITY**

*Jon Male & Joe Al-Gharabally left the meeting.*

The Board approved implementing TOM essentials

SG expressed how important it is to implement TOM. SG advised that due to the works and practices that had been in existence for many years there were weaknesses that need to be urgently addressed.

The Chair and GD advised that this was raised as an issue when staff were originally TUPED over but never addressed. DP and SD commented that this would need to be added to the current list of risks and asked if an internal audit needed to be carried out. It was agreed that audit at this stage would add little benefit. It was noted that the TOM would resolve this issue and this would be noted on the action plan and work should be commenced immediately.

*Damian Pettit left the meeting.*

#### ICS PROGRAMME UPDATE

2056

Jason Aird introduced his update

#### **REDACTION – COMMERCIAL SENSITIVITY**

- The programme had delivered a key level zero milestone last week with RCA accounts tested and implemented at the Bank of England, these would stay dormant until go live.
- The challenge was to keep C&CCC momentum **REDACTION – COMMERCIAL SENSITIVITY**
- The Delivery Lead was being replaced on the Governance workstream and additional resource added to bolster current work.

LS and SD noted that the GWG paperwork has been unsatisfactory with only an agenda being issued before the next meeting, no sign of previous minutes or actions.

**REDACTION – COMMERCIAL SENSITIVITY** had now been focused on this to improve.

LS praised the Fraud Deep Dive given at SIG and JA would circulate the presentation to the Board for their information.

**RISK**

(agenda item discussed after 2054 at meeting)

HB provided an update and agreed that any issues should be taken offline due to time constraints.

**2057** The Chair commented that we needed to ensure there is clear separation of roles and the wording needs to be changed.

SY commented that this needs to be brought in line with the other schemes and as agreed at the last Risk Committee. SM advised that there used to be an escalation process in place via the Board and that this should be looked into and possibly implemented.

HB took the action to amend the wording as requested and the documentation will then be recirculated to the Board.

**AOB**

**2058** It was agreed that 2017 Board meetings would be extended 13:00-16:00 and that we would be looking to hold some of these offsite at either **REDACTION – COMMERCIAL SENSITIVITY** sites.

**Date of Next Meeting:**

Monday 23<sup>rd</sup> January

13:00-16:00