

MINUTES OF THE 400th MEETING
PHONEPAYPLUS BOARD MEETING

Thursday 19th November 2015

2.30pm – 4.30pm

PHONEPAYPLUS LIMITED, 25th FLOOR, 40 BANK STREET, LONDON E14 5NR

Board Members

David Edmonds (Chairman)
Kevin Brown
Hugh Griffiths
Peter Hinchliffe
Steve Ricketts
Ruth Sawtell
Howard Webber
Joanne Prowse (Chief Executive)

Ofcom

Lynn Parker

PhonepayPlus

Peter Barker
Simon Towler
Ayo Omidéyi
Stephanie Ratcliffe (minutes)

1.0 STANDING ITEMS

1.1 Apologies and Introduction

There were no apologies received.

1.2 Minutes of 399th Board Meeting held on 21st September 2015

The Board **APPROVED** the draft minutes of the meeting held on 21st September 2015.

1.2.1 Matters arising and Action log

There were no matters arising.

1.2.1 Action log

The Board **NOTED** the updates to the action log.

1.2.2 Standing and other Declarations of Interest on agenda items

There were none.

1.3 Chief Executive's Report

The Board **NOTED** the Chief Executive's update on activity and progress across the organisation, with particular emphasis given to the headlines, as set out in the paper.

The following points were highlighted:

- A recent refresh of the terms of reference and membership of the Industry Liaison Panel.
- The successful completion of the office relocation.
- Progress on the recruitment for a NED with thanks to Hugh Griffiths and Steve Ricketts for their expertise concerning the skills requirement for the position.
- Positive working with Ofcom; currently working together to further refine the draft Investigatory Powers Bill, published on 4 November.
- The mid-point of the 12-month grace period for participating App Stores on children's spending caps. Positive relations with Google and Microsoft being developed. A further report to the Board will be made at the end of the 12-month period.
- The recent GIAG meeting which focused on ways to improve engagement and cooperation between regulators, mobile network operators, government and consumer bodies in order to achieve consistent consumer protection outcomes.
- The vulnerability workshop held following the publication of the discussion document in July. Following the decision to decouple the vulnerability guidance from the Phase 2 guidance project, draft vulnerability guidance will be produced in spring 2016.

The Chairman confirmed induction meetings with stakeholders continue.

1.4 Committee Reports oral updates

1.4.1 Audit, Risk & Corporate Governance (ARCG) Committee report - meeting held on 3rd November 2015.

The Board **NOTED** the oral update, following the recent ARCG Committee meeting, which addressed:-

- new insurance arrangements in place;
- a revised risk register;
- an understanding of the levy collection process;

- consideration of verification of outpayments received and internal audit requirements.

1.4.2 Resources Committee report- meeting held on 3rd November 2015.

The Board **NOTED** the oral update, following the recent Resources Committee meeting, which addressed:-

- the business plan and budget 2016/17;
- the organisations' cultural shift programme and ways to measure its success;
- plans for longer term funding review.

2.0 ITEMS FOR APPROVAL/DECISION

2.1 Legal Tender Proposals

The Board **NOTED** the tender process and assessment undertaken, for external legal services, as set out in the paper.

The Board **APPROVED** the Executive's proposals to:-

- appoint Field Fisher as PPP' external solicitors, for a period of 2 years on a non-exclusive basis to be reviewed thereafter. The Board **RECOMMENDED** that an interim review is conducted after 6 months;
- appoint Blackstone Chambers as preferred Counsel for specialist advice and support as required.

The Board **RECOMMENDED** a review of external legal support to take place regularly, possibly every 2-3 years, to ensure good value for money and demonstrate good corporate governance.

(Action: A Omideyi)

2.2 Business Plan and Budget 2016/17

The Board **NOTED** the presentation on the draft business plan and budget 2016/17 and agreed the proposed variation to the levy model for the next financial year and the consultation process and timetable. Advance consultation with the industry and mobile networks is underway, with positive feedback from Ofcom already received.

The Board **RECOMMENDED** the Executive Summary to be amended to clarify (a) the two major effects on the levy, market size and fine collection rate, and (b) our ability to regulate to an 'absolute level' with assurance of sufficient resource, as required by Ofcom.

The Board **APPROVED** the business plan and budget subject to some minor amendments.

Next steps will be to seek final approval from Ofcom on the budget and business plan and to continue pre-consultation talks with industry, prior to its presentation at the ILP meeting on 10 December 2015.

(Action: P Barker)

2.3 Governance – Board Quorum

The Board **NOTED** the proposal to reduce the current quorum at Board meetings, following a reduction in size of Board structure, as set out in the paper.

The Board **APPROVED** the recommendations to reduce the current quorum at Board meetings to four members and to remove the requirement for the quorum to include non-Executive industry members.

The necessary amendments will be made to the terms of reference and Board Code of Conduct Handbook.

(Action: S Ratcliffe)

3.0 ITEMS FOR DISCUSSION

3.1 Part 4 progress update

The Board **NOTED** the progress update and next steps concerning Part 4 review and its consultation, as set out in the paper. An accompanying table was presented to the Board, detailing where key decision points and supporting criteria are set out in the Code and where, in due course, in the supporting procedures.

Discussion followed concerning the level of granularity of the criteria supporting decision points in the Code and the approach to take in ensuring the right balance is achieved; to set out further detail in the supporting procedures to provide greater flexibility.

The timings for the publication of the proposed Code and condoc and the supporting procedures, which will replace the current I&SP, were discussed. The Executive confirmed the supporting procedures will be published in close proximity as possible to the Code and condoc.

The Board **APPROVED** the launch of the consultation. The supporting procedures document was to be circulated to the Board for comment as soon as possible and in advance of publication.

(Action: S Towler)

4.0 ITEMS FOR INFORMATION

4.1 Management accounts Summary report period ended 30th September 2015

The management accounts summary report, period ended 30th September 2015, was presented to the Board. The Board **NOTED** the Resources Committee had seen sight of and were content with the new formatted report and that further development is planned around fines reporting and bad debts, for improved clarity.

4.2 Risk Register progress update

The Board **NOTED** the draft revised risk register. A wider review of the register is planned, following discussions at the strategy meeting which will also consolidate changes proposed by the Audit, Risk and Corporate Governance Committee.

4.3 Funding model review update

The Board **NOTED** the information paper setting out the current levy funding model and options to vary it, current income streams and alternative core funding models. The Board **ENDORSED** the unadjusted levy approach and that further developments will be reviewed with the Resources Committee, as consultation with industry continues.

5.0 AoB

- **Rebranding**

The Board **APPROVED** the Chairman's recommendation, as mentioned at the industry forum, to consider a change of name for the organisation. The Executive agreed to take matters forward.

(Action: J Prowse)

- **National Audit Office**

The Board **NOTED** the organisation's position in light of the Office for National Statistics requirements to classify PPP as a central government sector body, and **NOTED** that this is likely to lead to inclusion on a GRAA Order for 2016/17 and, consequently, appointment of the National Audit Office as external auditors. Advice has been given that this development does not cause any conflict for directors under the Companies Act 2006, however the Executive is seeking further clarification.

- **Bank Mandates**

The Board **AGREED** for David Edmonds, Chairman, and Peter Hinchliffe, Deputy Chairman, to be authorised signatories for any change of signing arrangements/signatories needed for the PPP Barclays Bank PLC account.

The Chairman thanked Hugh Griffiths and Howard Webber, whose terms of office expire at year end, for their valuable contribution and huge support over the years. The Board wished them well for the future.

End of Minutes

Date & location of next meeting:

Date: Tuesday 26th January 2016

Time: 10am-1.00pm

Location: PPP offices, 25th Floor, 40 Bank Street, Canary Wharf, London, E14 5NR