

Forum Draft Strategy Outline

Purpose

The purpose of this paper is to update the Forum on:

- (i) Progress made on the appointment and role of the Independent Evaluators; and
- (ii) The consultation approach to be followed.

Collaboration with the Independent Evaluators

The Forum has agreed that independent expertise will provide confidence to the Forum that its work is robust and evidence based. In addition, such a resource will provide independent scrutiny of the findings to ensure that these are consistent with the PSR's statutory objectives.

Following a request for proposals, the Forum identified a preferred supplier that will be contracted by Toynbee Hall. The independent evaluators will act as a critical friend and will work closely with the Forum and the Working Groups, providing them with the support needed to deliver the outputs required.

Specifically, the Independent Evaluators will ahead of the publication of the draft strategy:

- Support Working Group chairs in completing the initial analysis required;
- Consolidate inputs received from the Working Groups;
- Validate all analyses received, undertaking a gap analysis and conducting further evaluation as necessary; and
- In close collaboration with the Forum and the Working Group chairs, develop a draft of the strategy.

In addition to the above, and following the consultation period, the independent evaluators will ahead of the publication of the final strategy:

- Work with the Working Groups to assess all consultation responses received;
- In collaboration with the Working Group chairs prepare and recommend changes to the strategy for consideration at the Forum meeting on 21 September based on responses received and the analysis conducted; and
- Finalise the strategy as directed by the Forum before 31 October 2016.

Proposed consultation approach

At its October 2015 meeting, the Forum agreed that one of its success criteria would be the general support of the Payments Community to its strategy. To this end, the Forum Secretariat has engaged widely with the Payments Community. Efforts will continue up to October 2016.

As the Forum previously agreed that the Payments Community be consulted on its draft strategy, the Forum Secretariat proposes a written consultation for a period of 6 weeks

launched on the day of the 2nd Payments Community event (Wednesday, 13 July 2016) and closing on Friday, 26 August 2016.

It is proposed that responses are provided in line with the structure of the draft strategy. A decision on whether specific questions should be included in the consultation should be taken by the Forum's June meeting once the draft strategy has been developed.

The Forum Secretariat will oversee the consultation and be supported by the Independent Evaluators who will assess responses with the Working Groups and provide a recommendation to the Forum based on the assessment. This recommendation will be put forward to the Forum for consideration at its 21 September meeting.

As with all Forum activities the consultation will be fully open. Responses will be posted on the Forum website (www.paymentsforum.uk), subject to any confidentiality provisions.

Action

The Forum is requested to:

1. Note the draft strategy outline (Annex 1);
2. Note where inputs from Working Groups will be required; and
3. Note the proposed consultation process to be followed.

PART 1: CALL FOR INPUT

Dear Stakeholder,

The Payment Strategy Forum (the Forum) is launching this consultation to collect the views of interested parties with regard to a proposed new strategy for payment systems in the United Kingdom.

This draft strategy is the product of a multi-stakeholder process that has been underway since September 2015. The Forum has engaged a wide range of individuals and organisations throughout its development.

The consultation period is open from **Wednesday, 13 July 2016 to Friday, 26 August 2016**.

Responses should be sent to the Forum secretariat by email on Forum@psr.org.uk.

Please note that all submissions should:

1. Include your name, organisation, position, a telephone number you may be reached on and an email address;
2. Be structured along the outline of the document, stating clearly which section and paragraph you are commenting on; and
3. Be kept as concise and to the point as possible.

An analysis of the responses will be presented to the Forum on the 21st of September 2016. Responses will be published on the website of the Forum (www.paymentsforum.uk), unless they are marked confidential.

We appreciate you taking the time to provide us with your input.

Yours sincerely,

Ruth Evans

Chair: Payments Strategy Forum

[x] June 2016

PART 2: PAYMENTS STRATEGY FORUM DRAFT STRATEGY OUTLINE

EXECUTIVE SUMMARY

To summarise the key aspects of the strategy setting process and its recommendations

I. BACKGROUND

Why the Forum was created:

- *How it was established;*
- *Its principles and objectives;*
- *Its Members;*
- *Methodology including the role of the Working Groups and the role of the Payments Community*

Responsible: Secretariat | Independent Evaluator

II. MARKET CONTEXT

Key Areas: A description of the current market including a clear description of the Value Chain

Responsible: Secretariat | Independent Evaluators

III. DETRIMENTS

Key Areas: Detriments identified at the start of the strategy setting process and how these led to the creation of the working groups and the organisation of their work

This section will be developed by Working Group.

Responsible: Secretariat | Working Groups | Independent Evaluators

Input Required:

End-User Needs Working Group; Simplifying Access to Markets Working Group; Financial Crime, Data and Security Working Group; Horizon Scanning Working Group

Date: To be agreed.

IV. HORIZON SCANNING (REGULATORY AND TECHNOLOGY HORIZONS)

Key Areas: An assessment of regulatory; market and technology developments and how these are relevant to the Forum's work

Responsible: Horizon Scanning WG | Independent Evaluators

Input Required:

HS WG Chair: Provide an overview of Regulatory and Technology Horizons

Date: To be agreed.

Horizon Scanning Working Group to provide input on how the regulatory and technology horizons are relevant to the Forum's work.

Date: To be agreed.

V. SOLUTIONS

- *Chapters to be developed by solutions proposed*

Responsible: Working Groups | Independent Evaluators

Input Required:

All Working Group Chairs to provide input from the respective Working Groups, how the work progressed, their findings and solutions.

Date: To be agreed.

VI. EVALUATION

- *Summary results of the evaluation of options/solutions*
- *This will include what should be delivered competitively or collaboratively*
- *This will capture relative priorities of each strategic initiative*

Responsible: Secretariat | Working Groups | Independent Evaluators

Input Required:

All Working Group Chairs to provide inputs from their Working Groups against the Evaluation Framework agreed by the Forum.

Date: To be agreed.

VII. IMPLEMENTATION APPROACH

A clear implementation plan identifying workstreams; dates and owners

Responsible: Secretariat | Working Groups | Independent Evaluators

Input Required:

All Working Group Chairs to provide input to the draft plan accompanying the strategy.

Date: To be agreed.

VIII. GLOSSARY

Reduced list from the PSR Glossary