

# Minutes of Board Meeting

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## PHIN 1715 Board Meeting held on 25th May 2017

### Board Attendees\*

Andrew Vallance-Owen [AVO] (Chair)  
Jayne Scott [JS]  
Fiona Booth [FB]  
Don Grocott [DG]  
Michael Hutchings (MH) (Joined by Telephone)  
Matt James (CEO) [MJ]  
Gerard Panting [GP]  
Professor Sir Cyril Chantler [CC]  
Natalie-Jane Macdonald [NM]  
Professor Sir Norman Williams [NW]

### Apologies

Professor Nancy Devlin [ND]  
Jonathan Finney, Member Services Director [JF]

### Other attendees

Dr VJ Joshi, Clinical Informatics Director [VJ]  
Geoff Green, Finance Director [GG]  
Mona Shah, Office Manager [MS] Minutes

*\*Note, for the purpose of these minutes, Board members will be referred to as Attendees.*

AVO welcomed the Attendees to the meeting.

## 1. Request for declarations of Conflicts of Interest

Attendees noted the following declarations;

- AVO continues as Senior Independent Director at The Royal Brompton & Harefield NHS FT
- NW continues as a NED on the Board St Georges NHS Trust
- NJM continues as NED on the Board of Nuffield Health

AVO advised attendees that the working group had met to discuss the Directors' conflicts issue and a follow up meeting would be scheduled for June. A proposal would be presented at the July Board. Referring to the Articles 6 and 45-64 of PHIN's Articles of Association, the meeting noted that the document was very legalistic and required simplification. Summarising the key points from Articles 45 – 64, AVO highlighted to the Board their "duty of confidentiality" in relation to all matters discussed at the meetings as well as their obligation to disclose conflicts of interest.

## 2. Approval of Minutes from Board Meeting held on 07th April 2017

The Board reviewed and approved the revised minutes of the meeting held on 26<sup>th</sup> January 2017.

The minutes of the Board meeting held on 07<sup>th</sup> April 2017 were approved, subject to minor revisions.

No other issues were raised and attendees noted that MJ had not been able to submit the NED contract to this meeting. All other actions had been addressed and were progressing.

## 3. Chief Executive's report

MJ presented the report, highlighting that the PHIN website had been successfully launched on 3<sup>rd</sup> May, with the first three of the CMA's specified performance measures.

The response from the press and social media had been positive. Board noted that the coincidental conviction of Ian Patterson had also highlighted the issue of consultant practicing privileges and medical indemnity and discussed the indemnity issues related to this case.

The Chair advised the meeting that following the soft launch of the website, a PR "wash up" meeting seemed to indicate that everything has gone well. Further articles were being published and an HSJ article was the first article to discuss the data and what it represented.

AVO and Board thanked and congratulated the team on the successful launch and noted that the website was working well and being continuously improved in subtle ways, as PHIN now had an in-house web developer. NW advised that he had been invited to speak at the GIRFT conference (c.150 consultants attending) and could say something about PHIN. NW requested a couple of slides be shared with him for his presentation.

### **ACTION MJ to send slides to NW for the presentation**

The CMA continued to be supportive around the press launch and sent out notices for non-compliance to c.150 hospitals to remind them of the deadline for data submission. A number of hospitals had since been in contact with PHIN and were settling invoices as a result of these letters. MJ advised that he had also been invited to support to draft a letter from the CMA to participating providers (starting with the largest), thanking them for their engagement and highlight what more needs to be done to ensure they were compliant with the Order. MJ was also actively trying to engage with NHS England and attendees noted that Miles Scott was the new contact person.

NMJ asked what was meant by "the pain of compliance seems greater and more immediate than the pain of non-compliance", as stated on page 4 of the CEO report. MJ clarified that the CMA's process is lengthy and had not yet touched most providers in any way; in fact, the higher profile Providers could see enforcement action principally focused on much smaller providers who were not engaged at all, and had seen no visible action taken against those prominent providers who were known not to be compliant. Set against this are the considerable costs involved in compliance, and the apparent general disposition of the providers that quality reporting and transparency were viewed as things that were being done only as compliance exercises under threat of sanction, rather than with commercial,

strategic or competitive intent, or enthusiasm. As such, there was a real risk that providers would logically engage as slowly and minimally as possible, reducing the cost of data collection as far as possible unless and until forced to do otherwise.

Attendees further discussed concerns that following the passing of all the deadline dates, Providers who had attempted to comply had incurred some costs and those that had not, did not incur any costs but had gained more time to comply. This would result in limited measures being published. Attendees noted that in the absence of a third party to take enforcement action on behalf of consumers, or on a competitive basis (as with most other CMA remedies) the CMA was having to lead enforcement action itself. Board discussed the relationship between Providers and Insurers and noted that Insurers have voiced concern about the absence of a third party and NMJ agreed to discuss this point with Insurers.

Board noted that although PHIN is not subject to FOI requests, one query citing FOI had been received. Attendees suggested that PHIN publish a RAG rating for Providers and hospitals, keeping in mind that the CMA has reserved the right to name and shame. Board also noted that CMA action had already resulted in some improvement.

**ACTION VJ/MJ – to circulate the “RAG” rated list of hospitals to the Board.**

MJ advised the Board that the team had produced some excellent data packs for Member CEOs and their Senior Executive teams, and the first meeting with Ramsay Health Care was well received. These meetings will be repeated with the major Providers. Positive conversations had also taken place with Nuffield Health and NHS Digital.

Attendees asked for a brief business overview for Doctify and Genesis Care, with whom PHIN had met. The Executive Team provided brief backgrounds, noting that the Genesis Care meeting had been to discuss participation in the cancer registries, while Doctify was a new business with parallels to PHIN, helping patients to find consultants for treatment.

MJ advised attendees that the recent Article 22 meeting had been well attended by a good mix of hospital groups and FIPO. The main points discussed were self-pay, the requirements of the CMA Order and consultant fees being published without hospital fees. Attendees **agreed** to adhere to the Order and not offer additional services; if hospitals request more from PHIN, the Board would review at a later date. Attendees noted Spire’s recent advertising poster which quoted costs and discussed the possible impact of this information on publishing consultant fees.

#### **4. Reports of sub-committee**

##### **RemCom**

Board noted that the meeting scheduled for today had been cancelled and the chair of the sub-committee, FB, advised that review of the remuneration for NEDS, Chair and Deputy Chair was ongoing and would be presented to the Board in July. The sub-committee fully supported the recruitment strategy presented at the previous meeting.

##### **A&R**

JS advised that a conference call had taken place on 10<sup>th</sup> May 2017 and a report would be submitted at next Board meeting

## 5. Finances

MJ invited GG to present the finance report.

### a. Finance Report & Management Accounts -April Year-to-date (Doc PB1713)

Board noted that PHIN was projecting a Full Year Surplus approaching £550k against a projected surplus of £100k, which was substantially due to revenue ahead of forecasts, deferred costs including difficulties with recruitment during the year, and progress on debt.

### b. 2017-18 Draft Budget Review (Doc PB1714)

GG advised the Board that the draft budget was set by re-using discharge volumes from calendar year 2015, as self-declared volumes were not yet available for 2016 and the known issues with data completeness for 2016 discharges meant that we could not reliably count submitted episodes. Meeting noted that hospitals had already been asked to declare what volumes should have been received. JS advised that this should be kept under review and to consider that private healthcare volumes may be reducing. The meeting was reminded that the FY16/17 fee increase reflected experience at that point in time (to 31 July 2017) on collecting subscriptions from new members (only 14% of value of invoices issued from April 2016 had been collected), and prudent allowance for the costs of debt recovery processes or bad debt provisions; however, significant progress had been made during the year.

MJ advised that the unfilled budgeted posts that had resulted in underspend during the year had now almost all been filled, with a number of successful appointments made. In year, this created a risk as some work that was budgeted for in FY16/17 could not be completed and would need to roll into the next financial year. The meeting also noted that PHIN had had to raise its rates of remuneration in order to fill posts, especially for technical staff, and that this would inflate future costs.

Referring to the latest Organisation Chart (distributed with the papers), MJ confirmed that a new Product Manager had accepted the post and she brought with her relevant experience from previous roles in the sector.

MJ added that there was a need for one more senior role to work alongside Dr Joshi, increasing our capacity to analyse and derive value from the data held, either by freeing Dr Joshi to do that role by taking responsibility for technical infrastructure and delivery, or directly in informatics. Currently, over-reliance on Dr Joshi was one of PHIN's most serious risks, and his current remit was too wide. Two credible candidates, one for either role, had been in conversation with PHIN. Attendees noted that these appointments would place PHIN in a much stronger position as the business progressed. Attendees commented that it was CEO's decision to appoint the right role and not for the Board to decide; one of PHIN's business risks is around key personnel and as a data company, the business needed to keep improving and developing. MJ confirmed that he was not asking the Board to choose the role to appoint but, to be mindful of the budget and headcount implications.

Board noted that one post had been budgeted for and **agreed** that the Company should recruit on that basis.

Attendees noted that the A&R Committee had discussed headcount during the last conference call and GG had submitted the 5-year head count with the Board papers. MH requested the total staff cost to be added to the 5-year graph and not just salaries. MJ added that it was good to move the skills inhouse and stop using the third-party services where possible, which would in turn reduce cost.

MJ addressed the issue of fees, forecast in-year surpluses and reserves, reminding the Board that while no formal reserves policy was in place, the agreed 5-year Strategic Plan and other public communications stated an intention “to build up six months of capital reserves” by 2018.

MJ suggested that PHIN should offer to return some money to Providers, having made an informal commitment to do so at the Members’ meeting in July 2016 and the AGM in November 2016. The Board **agreed** that it was not desirable to retain surpluses in excess of plan, and supported the principle. Attendees questioned the mechanism that could be used to achieve this; MJ noted that the first idea considered by the A&R committee had been to reduce fees for 2017-18 and budget for a loss in year to run down reserves, this was rejected as it is undesirable to budget for a loss. An alternative proposal was to offer a credit note or discount against the future payment. Attendees were concerned that, given the ongoing issues with data completeness and quality, this could be perceived as hospitals being rewarded for not submitting data, as some costs had been saved where progress toward full publication was hampered by lack of data submission compliance, notably in terms of being able to publish consultant-level measures. MJ recognised the potential for that perception externally, but noted that retaining surpluses in excess of plan would be a weak yet potentially controversial mechanism for encouraging progress on data submission; Members did not necessarily connect subscription fees with data quality, as the responsibilities lay with different people in those organisations.

**ACTION GG to update the 5-year headcount to incorporate all staff costs.**

The Board discussed the options presented for the FY17/18 budget and **agreed** to approve a balanced budget and did not support one that would show a loss.

**ACTION MJ to advise the Board of the FY17/18 fee rate before the July Board and Members meeting.**

JS added that the reserves policy should be formalised before the absolute rebate figure is settled.

**ACTION delegated to the next A&R meeting and to keep the Board updated outside of the two meetings.**

## 6. Matters arising

- a. Revised Minutes of the January Board meeting and Workshop (DOC PB1707) V2

Approved.

- b. July Members’ Meeting 2017 – look ahead

The Chair asked the Attendees whether a formal resolutions meeting should be held at the July Member’s meeting. Noted that some serious issues needed to be addressed as the Implementation

Forum (IF) meetings were poorly attended and the right people did not always attend. Attendees suggested that it might be better to deal with the Members on a 1:1 basis and then bring them together on an intermittent basis.

Meeting discussed how the different forums of engagement could be improved and attendees **agreed** that a hard-hitting presentation at the Members' meeting would have high level impact, if senior Member representatives were present.

**ACTION AVO to send an invitation to senior Members to ensure attendance**

## 7. AOB

No other agenda items were raised.

### **Dates for Future Meetings**

- Meeting dates for 2017

#### **PHIN Board meeting dates for 2017**

Thursday 25 May 10.30am-1.00pm

Thursday 13 July 10.30am-1.00pm, followed by Members meeting 2.30pm – 4.30pm

Thursday 28 September 10.30am-1.00pm

*Thursday 16 November 10.30am-1.00pm*

*Thursday 07 December – AGM -10.30am followed by lunch.*

#### **PHIN RemCom meeting dates for 2017**

Thursday 25 May 2017 – 9.00am – 10.00am

#### **PHIN Audit & Risk Committee meeting dates for 2017**

Wednesday 12 July 2017 – 2.30pm – 4.30pm

*Thursday 26 October 2017 – 10.30am-12.30pm*