

# Minutes of Board Meeting

**PHIN PB1934 Board Meeting held on 5<sup>th</sup> November 2019**

## **Board Attendees\***

Jayne Scott (Chair) [JS]  
Professor Sir Cyril Chantler [CC]  
Don Grocott [DG]  
David Hare [DH]  
Michael Hutchings (MH)  
Matt James (CEO) [MJ]  
Gerard Panting [GP]  
Professor Sir Norman Williams [NW]

## **Apologies**

Andrew Vallance-Owen [AVO]  
Natalie-Jane Macdonald [NJM]

## **Other Attendees**

Jack Griffin, Finance and Commercial Director [JG]  
Jon Fistein, Chief Medical Officer [JLF]  
Jonathan Finney, Member Services Director [JF]  
David Minton, Chief Technology Officer [DMI]  
Mona Shah, Director of People & Process (Company Secretary) [MS]  
Nicola Slade, Executive Assistant, (Minutes) [NS]

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

**JS welcomed Attendees to the meeting.**

**Apologies were noted from AVO and NJM.**

## **1. Review and consideration of the Directors' Register of Interests**

Attendees noted that all declarations of interests as recorded to date in the register, still applied.

DH declared his involvement in the development of CISS.

## **2. Approval of Minutes and Actions**

- a. Minutes of the Board Meeting held on 26 September were approved.**
- b. The Actions List was reviewed during the meeting and all items updated.**

### 3. Reports of sub-committee

#### a. Minutes of the Audit and Risk Committee held on 23 October verbal update.

JS updated on Brebners positive feedback on the audit process and reporting. Mark Sherlock's (Brebners) gave very strong assurance on how well controlled and well governed PHIN, as an organisation is. He intended to state this at the AGM in December 2019.

JS would like to thank MS and JG on behalf of the Board for all of their hard work, preparing for, and supporting the audit process.

### 4. Matters Arising

#### a. Draft Chief Executive Foreword to Annual Report

MJ introduced his foreword to the 2019 annual report, the style of the report had been reviewed this year, it was more condensed than in previous years. The draft objectives for 2020 had been included and reflect the conversations the Board has had over the past few months.

The Attendees raised the following comments:

- Good that the focus is on patients as our priority.
- The Paterson report will be due in the New Year, the report may generate further dialogue between PHIN and providers.
  - The ADAPt project should pick up the relevant issues from the Paterson report and PHIN would be involved in the process.
- The fee increase should be clearly identified as taking place in 2020, and raised with Members at the AGM with the explanation provided.
  - DH and MJ agreed to meet to review the fee increase and discuss the most effective way to disseminate to Members.
- Are the priorities deliverable with the limited resources PHIN has?
  - MJ advised that the priorities are couched conservatively, with variable timescales and that some tasks are already in process.

Attendees agreed to send any comments to MJ outside of the meeting. MJ would review the wording and recirculate by 11 November, to allow for feedback, prior to the report going to design. The published report will be sent out to all, prior to the December AGM.

**ACTION: MJ to meet with DH to review the fee increase and discuss the most effective way to disseminate to Members.**

**ACTION: ALL, to send comments to MJ on the Annual Report as soon as possible to allow for recirculation by 11 November.**

### 5. Finance

#### a. Financial Statements

JG introduced the Financial Statements for 2018/2019: income for the year was £3.3m, up over 20% on the previous financial year; expenditure for the year was £3.1m, also 20% higher than the previous year, predominantly due to headcount increasing from 25 to 30, reflecting investment in staffing. Operating costs also rose, part linked to the increase in staffing, impacting on recruitment and training and development costs. Overall surplus for the year was £248k which was nearly double the 2017/2018 figure. Retained earnings

increased to £1.5m, providing 5.6 months of cover, which is slightly below the governance target of 6 months working capital.

JS stated the ARC recommended approving the Annual Report and Accounts for 2018/2019. JG added that Brebners had provided extremely positive feedback on the Audit process and would like to thank MS for supporting the Audit process.

**b. Management Letter of Representation**

JS advised that the ARC recommended approval and signature of the Letter of Representation. Brebners had five low priority recommendations for PHIN to action, which were agreed to be taken forward.

ARC agreed that fee income should be reviewed for services such as Chemotherapy, this was in hand and ARC would review in the January 2020 meeting.

**The Board approved the Financial Statements and Management Letter provided by Brebners.**

**c. Management Accounts and Finance Report to Sep 2019**

JG reported a good start to the new financial year, revenue had been billed at £275k against a budget of £284k and expenditure was £47k under budget in September. Year to date the net surplus stood at £77k, this is a helpful start to the financial year, give the budgetary pressures over the medium and longer term.

The Attendees discussed the fluctuation of NHS patient figures and asked if there was a similar impact in private activity. ? There was a general expectation of growth within the private sector, but no timelines were known. There was no immediate shift to move NHS patients to the private sector. The Attendees advised that PHIN must put its own finances in order, the planned fee increase needed to be landed in the currently challenged market.

**Debtors:** now the corporate team is fully resourced, debt collection was a priority action for the team. Debtors over 90 days have been issued letters and a new approach was being trialled for consistent non-payers working alongside our debt collection agency.

**Cash:** Several large hospital groups have not been prompt with their Q1 2019/2020 subscription fees, which has reduced the cash position from £243k to £1,173k.

**Accommodation:** PHIN had rejected additional office space at The King's Fund earlier this year due to budgetary pressures. However, we will reach a tipping point when the current office space will no longer fit staffing needs. There may be a requirement to move, if space is unavailable in The King's Fund. To note, our current accommodation is 50% cheaper than other central London locations and we would likely need to move out of central London to achieve savings. Staff retention, recruitment and moving costs as additional expense would need to be factored into any move costs.

Attendees noted that cost control was important and planned to convey to Members at the AGM that PHIN are doing everything possible to keep costs tight.

The Five-year Strategy was work in progress and it was not clear how staffing would be affected or the need for additional accommodation. At the Strategy Day capacity was raised as a concern for PHIN to achieve the CMA objectives. As the strategy develops, PHIN should

be clear with Members about the plans for additional fees and ensure set at the correct level, rather than planning for regular increases.

Attendees agreed the discussion had taken place at the Strategy Day and the important requirement for the correct messaging for Members. It was agreed to extend the January Board meeting to accommodate a further strategy discussion. The Board would focus on planning during the first three months of 2020, to prepare for Member engagement meetings over the summer.

Items to be discussed at the extended Board meeting in January:

- Understanding what options are available for PHIN, to build the robust forward three-year plan.
- Is it possible to extend the remit of PHIN, from the current CMA objectives?
- Income review, discuss additional options to improve cashflow;
  - including approaching Insurers in regard to fees
  - is it possible to licence PHINs data?
  - discuss other income options.
- Consider any conflicts in the CMA order
- Approach CEOs, to discuss the wider funding issue and engage them in the problem-solving element of the discussion, via MJ/DH

**ACTION: MS/NS to extend the January meeting for the regular Board meeting and extend for Strategy discussion.**

#### **d. Financial Authority Limits**

**The Board approved the financial authority limits, transferred from Geoff Green (Ex-Finance Director) to Jack Griffin (current Finance Director).**

## **6. PHIN Executive Report**

The report was taken as read and MJ raised key points from the report.

Summary of key points discussed:

#### **Hospital measures:**

- Had been delayed due to discovery of some significant inconsistencies in the presentation of data, further work will be required to provide a better long-term solution. Internal teams are working together to address the issues.
- Attendees asked if a discussion with Hospitals to ensure better quality data would assist with the process. JLF advised that a full review of data was being undertaken, to include an understanding of the provider process, which would help with the longer-term solution.
- MJ advised that PHIN have identified issues within the internal systems and have an ongoing review process to fix them within the next six months. This would involve massive engagement with the providers to bring them along with the process. It is a necessary periodic refresh, for example, some providers have been submitting zero data on infections since day one. We will fix this along with other issues, to ensure the data can be published regularly in the future.

#### **Plans and priorities for 2020:**

- Planned publication for data for the remainder of 2019
- Improve aspects of both portal and website, in response to members and patients

- Publication schedule to be resumed, to include hospital-level PROMS, patient satisfaction measures for consultants and consultant information in the website data download

**Engagement Processes review 2020:**

- The Engagement team were reviewing key engagement channels and were preparing a broad engagement strategy paper for the January Board meeting.
- Two external consultants had been approached; the brief would be revised to focus on stakeholder engagement and support with the engagement process.
- The cost of engaging consultants had been approved by the Board via email, due to the available underspend in the current budget.
- Attendees noted that external support would also be required for the CISS tender.

**PHINs system view of website traffic:**

- Attendees requested a review of the website traffic, pages 11 and 12 in the report, in the January Board meeting.

**ACTION: JF to submit a report on website traffic to the January Board.**

*DH left the meeting*

## **7. Governance**

### **a. Risk Register Update**

MS advised that the risk process was working well across the organisation and there were no major changes in the Risk Register. The Q-Pulse software was due for review in March 2020, with the licence due to be renewed in August 2020.

JS stated that the ARC would keep the Risk Register and the Q-Pulse system under review. The risk process had come a long way in the organisation, the paper and the register were in a good place. JS and MH would review the updated register in detail and respond with any comments directly to MS.

**ACTION: JS/MH to review the update in detail and respond with any comments directly to MS.**

## **8. AOB**

### **a. IHPN**

MJ advised that he had been working with JG to consider what PHINs response would be to the CISS tender. PHIN have a concern that with us and Healthcode, there will now potentially be a third organisation processing data. During the next three months, we will consider PHINs response in line with the tender process and discuss in the January Board, the support for the bid process that may be required.

*CC left the meeting*

## **9. Dates of next meetings**

Board meeting dates for 2020 would be circulated by email to all Attendees.

### **PHIN Board meeting dates for 2019**

Thursday 12<sup>th</sup> December 2019: AGM and Lunch 10.30am to 2pm