

## Minutes of the Board Meeting

Room: The Robert Adams Room, Chandos House, 2 Queen Anne St, London W1G 9LQ

**Chair: Andrew Vallance-Owen**

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### PHIN PB 2013 Board Meeting held on 12<sup>th</sup> March 2020

#### Board Attendees\*

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

#### Apologies

David Hare [DH]

#### Other Attendees

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

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

#### Welcome and introductions (Chair)

AVO welcomed Attendees to the meeting. Apologies were noted from DH.

SE was welcomed to the Board as the new minute taker.

GP announced that he planned to resign at the end of January 2021 and on behalf of the Board, the Chair thanked him for providing a good notice period to enable recruitment for the role.

MH requested the strategy discussion slides from the February board. **ACTION MS to send the slide deck to MH**

## 1. Review & Consideration of the Directors' Register of Interests

Attendees noted that all declarations of interests as recorded to date in the register still applied. There were no new declarations.

## 2. Approval of Minutes and Actions

- a) The minutes of the Board meeting held on 6<sup>th</sup> February 2020 were approved, subject to minor typographical corrections.
- It was noted that GP should be added to the list of Attendees.

There were no further amendments to the minutes. Attendees approved the minutes, pending the above amendments.

In addition, it was requested and noted that the minutes should be issued as soon as possible after the meeting.

- b) The following was noted regarding the actions from the meeting held on 6<sup>th</sup> February 2020.
- MJ advised that he had met with DH to discuss a couple of the outstanding actions.. Attendees noted that DH was on the Paterson Inquiry steering group and hoped to approach the NHS National Director of Patient Safety to discuss possible ways of working together.

## 3. Reports of sub-committee

- a) Audit & Risk Committee (ARC) 2<sup>nd</sup> March 2020: The Chair, JS, provided a verbal update.
- One of the main topics discussed was the proposed budget for next year and this was on the today's agenda for further discussion.
  - The Data Protection Officer (DPO) attended the meeting, and ARC was reassured that Information Governance and Data Protection was in a good place.
  - ARC had also undertaken "deep dive" reviews of two of the risks on the Risk Register; Loss of Hosting Facilities and Consultant Information Sharing System (CISS) tender. ARC was satisfied with the report submitted for the "Loss of Hosting Facilities" risk but did discuss at length the CISS tender risk.
  - JS advised that the Risk Management process was now is a really good place and it was good to see it working well.
  - JS advised that ARC was happy with the proposal that PHIN would review any risks presented by the Coronavirus outbreak on a case by case basis, to safeguard the PHIN team.
  - Attendees asked for an update on the deleted records from Aspen and JG advised that the team had looked into this and the records were NHS patient records and should not have been reported to PHIN.
- b) RemCom 12<sup>th</sup> March 2020: The Chair, GP, provided a verbal update.
- The discussion was primarily based on the paper submitted by MJ and noted that at present it was a difficult balancing act to ensure appropriate remuneration for staff. Attendees **agreed** that retaining staff was important for continuity
  - Attendees noted that GP, as Chair of RemCom, recommended that a review of the remuneration for the Chief Executive and the Non-Executive Directors (NEDs) was

recommended for March 2021 (noting that NEDs have been paid at the same rate since 2013).

#### 4. Matters Arising

Recruitment was discussed, in light of GP's stated intention to step down at the end of 2020..

Attendees noted that the FSSA had been invited to join PHIN as Members and a letter had been sent from AVO to the FSSA Chairman this week. It was proposed that once FSSA have become members, both FSSA and FIPO would then be asked to recommend 2 – 3 candidates, enabling appointment from this pool of candidates.

#### 5. PHIN Executive Report

The written report was taken as read and MJ raised some key points for Attendees' attention and discussion:

##### Portal

- The Portal rebuild had been major project, was currently being tested by consultants and scheduled to go live on Tuesday 17<sup>th</sup> March 2020
- In response to a question about patients accessing the Portal, Attendees noted that this was a tool for the industry and not for the public. To date consultants had given positive feedback on the improvements.

##### ISO Accreditation

- PHIN completed its ISO 27001 accreditation audit with no non-conformities and the existing non-conformity which had not been fully addressed for the past 12 months, was now closed. MJ thanked the team effort led by MS and DMI, commenting that the work involved should not be underestimated.

##### Website

- Attendees noted that that a consultant had been recently appointed to conduct research and recommend improvements to the user journey.

#### Coronavirus – Business Continuity

MJ informed the Board that PHIN had invested in upgrading its Microsoft licence to allow all staff members to be able to have individual conferencing abilities. A 'dry run' had taken place where staff were asked to work from home to test technical and security functions. This went well and the whole staff was fully operational, including where they needed to contact external parties.

Attendees noted that May's Board meeting may be held virtually and the arrangements will be communicated in due course. **ACTION MS**

#### Paterson Inquiry report

The Department of Health and Social Care's process is ongoing and MJ advised that he had attended a meeting with NW to discuss how to address some of the issues from the report. PHIN, as an



organisation, had not been invited to be part of the senior discussion group, but DH was on the panel. NW added that coronavirus had taken the focus away from the Paterson report and Attendees **agreed** that it was important to ensure that the focus remained on Paterson Report. Attendees further discussed issues with current process in light of the report.

### **Data Collection**

Board noted that NHS Digital was very keen to work with PHIN but currently, both were awaiting announcements re. actions on the recommendations from the Paterson Report review. JS asked for an update on the 6 month “Consolidate & Fix” project, which commenced at the beginning of January 2020, and whether the deadline would be met. JLF informed the Board that issues had been identified with the data acquisition pipeline which needed to be addressed and these impacted on the delivery deadline. In response to a question regarding the accuracy of the specifications, and whether the Providers were being asked for the correct information, JLF advised that there were issues with both elements that needed to be rectified. JS commented that this was useful to know but was concerned that 6-months seemed an ambitious challenge before moving to next phase. Board requested an outline of what was hoped to be achieved in 6 months and what had been achieved to date to be presented at the May meeting.

### **ACTION MS to add to the agenda.**

NW asked JLF how much collaboration had taken place between PHIN and the GIRFT programme, as Prof Tim Briggs, who was leading the GIRFT programme, had made tremendous progress in the NHS and was now looking to duplicate this success in the private sector. Attendees raised a concern about duplication of effort, and noted that the GIRFT programme was also well funded. MJ advised that he had met with Prof Tim Briggs, but no agreement had been reached regarding alignment of the two organisations. Attendees commented that this seemed to be a matter of urgency, noting that some of the private hospitals were sending the same data to both organisations and this could have a negative impact on PHIN in the long run.

NJM added that the ultimate purpose for PHIN was to provide information for patients and it needed to keep this focus, even with competing organisations and overlap in work, this needed to be kept under review for PHIN’s strategy. NW offered to discuss this with the GIRFT team at their next meeting; the Chair encouraged him to do this. MH suggested that PHIN approached the Chairman of CMA to discuss further support.

In response to a question regarding PHIN’s Twitter followers, Attendees noted that PHIN’s followers tended to be from the industry and country-wide PALS groups.

## **6. Finance**

### a) Finance Report, Management Accounts and Reserves – January YTD

JG reported that cash and debt positions were stable, and the year-to-date net surplus was £66k. The forecast for 2019/20 completed to the end of January, forecasted a deficit of £138k, which was a slight improvement to the budget.

Actual revenue billed was £275k against a budget of £284k in January 2020, and to date the revenue was £53k behind budget. Overall expenditure was £14k under budget in January 2020 and £192k favourable to budget year-to-date. Staff costs were under budget as expected, coming in £37k under budget in-month and £158k year-to-date. Savings had been made on recruitments costs and currently



there were two vacancies. Staff cost savings will continue to the end of the year, due to resignations and recruitment delays.

Attendees noted the cash and banking position. In terms of debtors, JG advised that the longer term debt position had reduced slightly, as at the end of January. In addition, approximately £22k was likely to be irrecoverable as Transform Hospital Group (THFC Limited) went into administration in 2018/19. More recently, MYA clinics and St Joseph's Hospital have also entered company voluntary arrangements (CVA) in the past two months. Debt for these two providers at year end could equate to £11k and £17k respectively. This brings the total potentially irrecoverable debt up to £50k.

Board noted that Optegra and Schoen Clinic had joined as subscribers and reserves were better than forecast, providing 5.7 months operating expense cover.

#### b) Draft 2020 – 21 Budget

JG reminded the Board that the strategy being developed for 2020-2025, under any of the options being discussed, would require a significant rise in income. Board therefore considered two main scenarios to plan for the 2020/21 budget:

1. The strategy would be sufficiently advanced and detailed to enable a first stage fee increase, representing the first stage of the strategy, from 1<sup>st</sup> August 2020. This would require Board approval and discussion with Members prior to July 2020, and the plan was to develop the strategy and engage with members between now and July 2020, with August-December 2020 planned for scale-up and refinement of the operating model; or
2. The Strategy would not yet be at a level of support and detail to start implementation from 1st August 2020, therefore requiring a decision on fees for 1 August 2020 in advance of Strategy approval and roll-out.

In that context, JG presented a preliminary budget for 2020/21 which was essentially a baseline based on Scenario 2, but with two options:

- a) An inflationary uplift, essentially maintaining current resources and permitting no real change in pace of delivery; or
- b) A tactical uplift of around 20% which, whilst not fundamentally addressing the strategic issues and ambitions under discussion, would allow for very selective appointments, progress in some key current projects, and rebuilding of reserves levels in line with our policy.

The Board discussed the summary of the projected 2019/20 outturn, 2020/21 assumptions and options for a way forward; specifically noting the cost base (staffing, IT, marketing and Comms) and the impact of the sector activity on the volumes of patients, which impacted on PHIN's income.

#### **ACTION JG to continue to work on the proposed options and present to May meeting**

Attendees acknowledged that there may also be an impact on the private sector as demands grow on the NHS for beds and consultants to treat patients during the coronavirus crisis.

#### **7. Governance**

An update on governance was provided by the Chair of the Audit & Risk Committee (ARC).

#### **8. IHPH Consultant Information Sharing System Opportunity**

An in-depth discussion was held at the ARC meeting about a recent article in The BMJ saying that GMC should register doctors' interest. Specifically;

- A central registry should be created online, which would be accessible to the public.



- The CISS process has been paused (information from IHPN).
- PHIN can give a 'snapshot' analysis of the whole practice of any consultant, which can also be improved over time.

In the context of CISS, a discussion was held about the GMC, its role, and its line of accountability. Attendees noted that the GMC only ever investigated concerns, and did not seem to have or to want direct involvement in the operation of the appraisal process for revalidation; some Attendees believed it should engage to a greater extent. Attendees understood that the GMC reported to the Privy Council and is accountable to parliament via the Health Select Committee. Board noted that JLF has been talking to the GMC, regarding consultants who do not comply and are in breach of the CMA Order and would continue with the conversation.

## 9. Strategy

*Caroline Lien (CL) and Jenny Levitt (JL) joined the meeting (JL joined virtually)*

The Chairman offered opening comments and shared his sense that PHIN was feeling increasingly restrained by the CMA order; he felt that providers and consultants tended to react negatively to PHIN because of the perceived connection with the CMA. He asked what is PHIN's strategic vision and, solely as an example, suggested 'the best healthcare information service in the UK'. Whatever the end goal, he argued that patients and healthcare consumers should be central; therefore, it was crucial to find out what they wanted from an information service – a service adding value to consumers would also add value to the private sector. This information could better enable PHIN to develop an ambitious vision to increase the engagement of providers and consultants.

Attendees considered what the vision was for PHIN and where should it take the organisation. They **agreed** PHIN should have an ambitious vision and that this should add value to its healthcare consumer and patient customers with a focus on outcomes. Meeting discussed the options for researching consumer opinion; this information would be helpful when presenting PHIN's ambitions to provider Members. However, Attendees noted that costs of such research are significant, and not presently in budget.

Attendees commented that the CMA Order was in place and felt the mandate should be properly completed; it was disheartening that the private sector had been slow to comply with the Order and that the CMA needed to engage more to enforce the Order. The Chair agreed; it was not his intention to sideline the Order but to find ways to show how full compliance could add value to the whole sector including insurers. Meeting discussed possible ways that providers and consultants could be encouraged to support PHIN in delivering the requirements of the Order.

MH observed that these things do take time, and gave the example that following an investigation by the CMA into larger supermarkets, the lack of progress necessitated the creation of a regulator – the Groceries Code Adjudicator. Some years later however, this had become so well accepted that supermarkets were now using the results in their marketing, even printed on their fleet of lorries: "Top in the Grocery Code Adjudicator's survey of compliance with standards."

Board agreed that PHIN needed to be more patient centric but questioned at what point could PHIN move away from relying on funding from the Order and be more adventurous. Attendees commented that to achieve the requirements of the Order, it would need force behind it to ensure progress; adding that they agreed that patients need to be involved and market research was required.

MJ welcomed the focus on patients and the thinking about how to achieve the Order but move away from total reliance on the Order. PHIN had proven that it can do what is needed but further funding was now required to grow to the next level, PHIN was constrained by a lack of resources. MJ shared the analogy that PHIN was like any start-up that had proven its proposition but exhausted its “Series-A” funding, and was now in need of a “Series-B” funding injection to continue to develop. In the context of funding, Attendees asked whether there was a need to hold a meeting with Insurers again. MJ reminded the Board that PHIN was not currently in a position, due to constrained resources, to meet the basic and reasonable requirements for information made by the insurers, and consequently was in a weak position to ask them for funding.

***CC left the meeting at 1.00pm***

Meeting discussed the possible options as presented by MJ;

- If cost didn’t matter and a shared endeavour to grow the full market share was the priority, but if Providers were not supportive of this, then consider the other options.
- Deliver the CMA order, which is where PHIN currently sits. Meeting further discussed whether providers believed that PHIN can deliver what it needs to deliver, taking into consideration the state of private healthcare industry in a shrinking market, also the difficulties for new entrants seeking to access the market. There were questions around what essential information patients wanted; the fear of consultants about information in the public domain; and how data would be more meaningful with greater granularity.

CL thanked AVO for his valid opening remarks and commented that the important question was “what do patients want?”

The Chair invited a summary of actions to take forward. It was **agreed** that MJ should continue to arrange routine meetings with the top provider CEOs as agreed at the February meeting while research on consumer/patient requirements was undertaken; MJ pointed out that the Board would need to approve a substantial budget to carry out proper patient engagement and this would impact the on the in-year deficit. Attendees also noted that once this process of patient engagement started, it would keep rolling on, requiring additional funding and the business could then have difficulty in deliver patient requirements; the Chair responded that, in his view, the research was less about delivery at this stage, but more about developing a case for the added value that could be brought to the sector. He asked for options for the research and its funding to be worked up over the coming weeks.

**ACTION MJ/JF to assess some options for how consumer/patient research could be undertaken as part of the strategy work.**

**ACTION MJ/NW to explore potential for co-operation with GIRFT and NCIP in greater detail.**

Board shared their frustrations with the process and the challenges faced over the past few years, adding that more people needed to lobby on behalf of PHIN. Attendees suggested a review of the PHIN business model with discussion of possible options at the next meeting.

***GP left the meeting at 1.45pm***

**10. AOB**

**Coronavirus**



MJ advised the Board that if agreed, he was recommending that from Friday 13<sup>th</sup> March, all staff would be allowed to work from home as a proactive precautionary measure, in response to the potential coronavirus crisis. This would reduce any risk of infection during travel times and safeguard the team. The office continued to remain open and the King's Fund was ensuring that the office was clean and safe for staff to use.

**Approval: Board approved that from next week staff will have the option to work from home.**

**PHIN Board meeting dates for 2020**

Thursday 21<sup>st</sup> May 10:30am to 1pm

Thursday 30<sup>th</sup> July 10.30am to 1pm, followed by Informal Members meeting to 4pm

Tuesday 1<sup>st</sup> September 2pm to 5pm, followed by Board dinner at 7pm

Wednesday 2<sup>nd</sup> September, Board Away Day from 9am to 4pm

Thursday 12<sup>th</sup> November 10:30am to 1pm

Wednesday 10<sup>th</sup> December 2020: AGM and Lunch 12pm to 3pm

