

# Minutes of the Board Meeting

Location: Online meeting via Microsoft Teams

Chair: [Andrew Vallance-Owen](#)

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## PHIN PB2108 Board Meeting held on 28 January 2021

### Board Directors\*

Andrew Vallance-Owen (Chair) [AVO]  
Don Grocott [DG]  
David Hare [DH]  
Michael Hutchings [MH]  
Matt James (CEO) [MJ]  
Jayne Scott [JS]  
Professor Sir Norman Williams [NW]

### Apologies

Professor Sir Cyril Chantler [CC]

### New Board Directors\*

Kay Boycott [KB]  
Nigel Mercer [NM]

### Other Attendees

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

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

### Welcome and introductions (Chair)

The Chair welcomed the attendees to the virtual meeting and advised that apologies had been received from Cyril Chantler.

## 1. Governance

### a. Ratification of New Non-Executive Director Appointments

The Chair recommended that the Directors approve the appointment of three new Non-Executive Directors (NEDs). The Chair made the recommendations on behalf of two nomination

committees: The first committee comprised of the Chair, MJ and JS and the second comprised of the Chair, MH, DG and NW.

Nigel Mercer was the medical professional nominee and was a past President of the FSSA.

Kay Boycott and Nina Hingorani-Crain were being nominated for the independent NED roles, with consumer/patient focused backgrounds.

The Chair reminded the Directors that they had all seen the CVs and application letters for all three nominees.

**The Chair asked Directors to confirm that they accepted the recommendation to appoint the three NEDs and the Directors agreed unanimously.**

*Nigel Mercer joined the meeting*

The Chair welcomed NM to the meeting and confirmed that KB and NHC would be joining later, as soon as their prior commitments allowed.

#### **b. Terms for Existing Non-Executive Directors**

The Chair recapped that the Board had previously discussed terms of office and had decided that the term for all new NEDs would be three years which could be extended for a further 3 years.

AVO also advised that he had discussed with MJ, JS and DG how to manage terms of office for existing Directors and suggested that the assumption be made that everyone be considered to have served their first 3 years at the point when the new Directors joined the Board. This provided the opportunity to work through what should happen next in terms of whether people would like to stay or move on. To this end, DG and JS would be scheduling individual conversations with all Board Members, including The Chair and MJ, to discuss thoughts regarding their positions. DG and JS would then bring the outcome of these conversations to the March Board Meeting and a plan could be developed for a sensible rotation over the next three years.

The Directors **agreed** with the proposed next steps as outlined above.

#### **ACTION – JS and DG to schedule meetings with Board Members regarding term of office**

The Chair drew attention to the fact that the Board did not have an appraisal process in place and commented that the Board had always functioned well and been able to reach a consensus on issues. The Chair and MJ had discussed that the onboarding of new NEDs was an opportune time to have a round of appraisal discussions. This process would be led by The Chair and would commence after the March 2021 Board Meeting and would be completed before the July 2021 meeting. The Chair stressed that these would be confidential, 2-way conversations that would review how each Director felt about their position as well as their relationship with the Chair. The Chair's appraisal discussion would be led by JS. The process would include the new NEDs and The Chair looked forward to hearing their first impressions.

The Chair asked the Directors to confirm their agreement with the appraisal process as described and it was **agreed** unanimously.

#### **ACTION – AVO and JS to schedule Board appraisal meetings**

AVO advised that after the July 2021 Members Meeting, a wider Board review would take place, possibly with an external facilitator. This was likely to be of at least a half day duration.

**c. Insurer nomination update**

The Chair confirmed that PHIN had received an Insurer nomination and a selection interview had been scheduled.

**d. RemCom Membership and Chair Appointment**

The Chair asked the Directors to consider if they would like to join RemCom and clarified that this invitation was also extended to the new NEDs.

The Chair commented that he has discussed with DH whether he would consider being appointed as new Chair for Remcom, following Gerard Panting standing down from the Board.

**e. ARC Membership**

The Chair asked the Directors to consider if they would like to join ARC and clarified that this invitation was also extended to new NEDs.

**f. Review & Consideration of the Directors' Register of Interests**

The Chair reminded the Directors that MS had sent a letter requesting they review their interests as stated in the Register. The Chair reminded everyone to respond to MS advising of any interests that needed to be added or removed. A new version of the Register of Interests would then be reviewed at the next meeting.

JS advised that she had been appointed a Non-Executive Director (NED) to the Scottish Government and, whilst there was currently no direct conflict with PHIN, this would be added to the Register and reviewed on a regular basis. The Directors congratulated JS on this distinguished appointment.

MJ thanked MS for the considerable work on the appointment process for the NEDs and for enabling such a quick recruitment process.

The Chair added his thanks and remarked that he had been very impressed with the NED recruitment process and the quality of the candidates.

**2. Approval of Minutes and Actions**

**a. Board meeting held on 12th November 2020 (Doc PB 2041)**

The minutes of the Board Meeting held on 12 November 2020 were approved, subject to a minor change.

In response to a request from an Attendee, it was **agreed** that going forward, the Board Members would be referred to as "Directors" to distinguish them from other meeting attendees.

In response to a question from an Attendee, DH clarified that a proposed programme board of senior operational stakeholders had not been progressed as hoped due to Covid-19 diverting

attention on all sides. It was not felt that it was the right time to approach private hospitals considering their workload.

**b. PHIN AGM Minutes held on 10th December 2020 (Doc PB 2042)**

The Directors accepted that the minutes were an accurate reflection of the PHIN AGM held on 10 December 2020. The Chair clarified that the minutes would be formally reviewed at the 2021 AGM.

**c. PHIN Members' Meeting Minutes held on 10th December 2020 (Doc PB 2043)**

The minutes of the PHIN Members' Meeting held on 10 December 2020 were approved,

**3. Reports of sub-committee**

**a. Audit & Risk Committee (ARC) 20 January 2021**

JS confirmed that ARC had met in the previous week and had reviewed the Finance report from JG which would be discussed later in the Board Meeting. The Gift and Hospitality Register had also been reviewed which contained very little e.g., employee gifts that were given in place of an end of year party. All items were within the HMRC threshold for trivial gifts. JS remarked that having such a register demonstrated the maturity of PHIN's governance.

The majority of the ARC meeting had focused on the emerging strategy discussions as ARC wanted to have assurance over the process and to look at the financial modelling. JS confirmed that ARC is happy with the direction of the strategy development. JS stated that ARC have an important role to play as PHIN develops the strategy and will be reviewing how to balance resourcing with budget per the strategy. The ARC meeting had also covered the usual update on risk and JS had been pleased to receive a very positive report from the Data Protection Officer (DPO). JS summarised that the majority of what was covered in ARC was on the agenda for the Board Meeting.

JS requested questions and none were forthcoming.

**4. Matters Arising**

Items had been added to the agenda and there were no additional matters arising from the previous meeting.

**5. Executive Report**

**a. PHIN Executive Report**

MJ began his report by commenting that he was delighted to be working with NM, KB and NHC going forward.

MJ advised that there were several papers in the Board pack related to strategy and implementation and whilst they included the detail, the overriding intention was to provide assurance to the Board that a comprehensive planning process was underway that linked the strategic objectives to a robust plan with clear deliverables, timescales and resourcing requirements. In addition, the intention was to assure the Board that PHIN were in a good position to respond to the challenges that the plan presented.

MJ went on to highlight several external areas of interest before moving onto operational highlights.

- The ADAPt Programme was in an increasingly good place as engagement from NHSX and NHS Digital was increasing after having been impacted by vital work related to Covid-19. MJ had asked again for a Programme Board nomination from the Royal College of Surgeons and was pleased to advise that Neil Mortensen had submitted a nomination. Fran Woodard from NHS Digital and MJ would be speaking to the nominee and would report back to the Board in due course.
- PHIN is awaiting a response from the Getting It Right First Time Programme (GIRFT) on two documents that PHIN had prepared at their request: a licensing agreement and a Data Sharing Agreement. Both had been sent to GIRFT in the last quarter of 2020.
- MJ stated that PHIN remained very committed to making the partnerships work with both the National Clinical Improvement Programme (NCIP) and GIRFT but a decision needed to be made whether the partnerships would move forward. NW, Chair of NCIP stated his commitment to working towards a good solution and the Directors discussed at length the complexities involved.

*Kay Boycott joined the meeting.*

- MJ continued his updates by advising that there had been no output from either the Paterson or Cumberlege response teams.
- An announcement had been issued by DHSC regarding the ADAPt programme moving to pilot phase. This had been endorsed by Nadine Dorries and the announcement was picked up by the press.
- MJ referred to PHIN's membership of the Breast & Cosmetic Implant Registry Steering Group and noted that NM was part of that group. Funding was in place from NHS England (NHSE) and the group was starting to interact with Cumberlege which was in line with the "collect once, use often" approach that PHIN has pushed hard for. MJ advised that he would keep the Board updated on developments.
- MJ referenced the objective setting process in PHIN which was usually completed in Q1. A very good process ran last year, facilitated by the Breathe HR system, with objectives being set at all levels within the organisation and reviewed throughout the year.

MJ stated that historically PHIN's strategic priorities became the objectives of the Executive Team. MJ had asked The Chair to consider whether anything more needed to be done to ensure that his personal objectives were appropriate and fully aligned to corporate needs. MJ reiterated his request for the Directors to give thought to this.

### **Engagement Update**

MJ commented that the Engagement Team were doing very well to maintain data submissions from hospitals despite the ongoing situation with Covid-19 and that this had required considerable effort on their part.

MJ invited JF to update the Board on the activities of the Engagement Team and JF highlighted the following points:

- The next website update would be in March 2021 and JF was pleased to note that the same number of hospitals would be on the website as had been seen in previous periods.
- PHIN continued to have website visits in the region of 10,000 per month and were looking to improve on this.
- Media activity was strong over December and into January including the story related to data on private healthcare activity during Covid-19 being featured in the Financial Times.

The Directors asked what was being done to get PHIN known in the consumer area. JF confirmed that once the right consumer stories were available that this area would be a focus.

- JF confirmed the excellent news that 8,000 consultants were now submitting fees information. The team were continuing to do analysis and segmentation so PHIN could better target those consultants that were most busy in private practice.
- Following up with consultants and hospitals required a great deal of effort and included the team walking people through how to use the portal.
- The fee submission process for consultants was simplified to allow them to indicate that an operation was performed as a 'package' without having to enter a notional surgical fee.

JF clarified that PHIN has not had any package prices submitted by hospitals yet. Several thousand consultants are performing surgery under a package so, as an interim measure, consultants can now say whether surgery is done under a package.

The Directors commented that there could be a very substantial difference in the price of a package across different hospitals so it was not at all clear to a patient what they would ultimately need to pay.

It was suggested that a growth in the self-pay market was anticipated and that this would be an opportune time to discuss the topic with the hospitals. The Directors agreed that the private sector needed to come together and look at what pricing information patients really needed. It was noted that the CMA cannot add new obligations into an Order once it has been laid.

It was noted that hospitals view self-pay pricing as a very complex area that cannot be fairly and directly compared to other hospitals. The Directors felt that the private healthcare sector needed to get together, possibly led by IHPN with PHIN facilitating, to come up with a way to sensibly express pricing information.

AVO summarised this part of the discussion and commented that approaching the CMA was not the way forward in resolving the issue of accurate and transparent pricing and that working directly with providers was.

### **Informatics Update**

JLF highlighted the following points regarding the work of the Informatics Team:

- Regarding the Article 21 measure production process, at the end of last year PHIN produced data sheets that showed activity at site level, both across the private sector that PHIN gets directly and also incorporating HES data, to show whole site practice. PHIN was looking to expand this over the next couple of months to include more national figures to aggregate them and also looking at how to do this at consultant level for activity.
- The team were prioritising the development of new measures and establishing a sensible order in which to proceed.
- The team were looking at PROMs, particularly to understand the barriers to PROMs publication. JLF thanked AVO for his considerable support with PROMs. It was noted that PHIN had been disappointed at response rates and this needed looking at closely.
- JLF confirmed Dr Michael Anderson of the London School of Economics (LSE) had started the research phase of the PROMs Implementation Review.
- Other priorities were patient satisfaction and patient experience measures as well as looking at links to registries where a wealth of information was available. Productive conversations had been had with the National Joint Registry and the British Association of Spine Surgeons to see what could be done to foster more links.
- The Chair requested that JLF circulate the questions that were currently being used to evaluate patient satisfaction

**ACTION – JLF to circulate the questions that are currently being used to evaluate patient satisfaction.**

- The Chair commented that several meetings had been happening with Royal Colleges and surgical Associations that had provided very useful background as to their views on PROMs and their value. Some of these conversations had been related to consultants who were performing operations under local anaesthetic and were therefore operating outside of the regulations. The Chair commented that a discussion needed to be had as to whether PHIN should be including data on doctors who were not on a UK Specialist Register. This request had been raised to PHIN particularly relating to aesthetic surgery. The Directors continued to discuss this, including reference to the Keogh Review of aesthetic surgery. It was agreed that developments in this regard would be kept under review.
- PHIN continues to shore up their methodological rigour to ensure the measures production process is as robust as it could be. Dr Katie Saunders had joined PHIN's Informatics Team from the University of Cambridge to focus on the development of future measures for publication. Dr Michael Anderson (LSE) had been providing econometric support in addition to working on the PROMs project.

The Directors were pleased to hear that the Informatics Team was being strengthened with additional staff and were appreciative of the useful way in which the data had been presented in the Executive Report.

It was discussed that staff changes in hospitals caused the data quality to dip which limited PHIN's ability to publish. The Informatics Team were focused on making it as easy as possible for data to be submitted. The data acquisition tool that the Technology Team had built was

proving very helpful in this regard. JLF commented that a guiding principle for the team was being able to give a clear indication of what data PHIN expected to receive from hospitals.

MJ remarked that it was a strategic challenge for PHIN that a financial incentive did not sit behind hospitals getting data to PHIN, which it did for other organisations such as Healthcode.

The Directors suggested that the written reference MJ had made, regarding a possible third-party audit of capabilities and objectives, was a good idea and could possibly be extended to include the entire capability process.

### **Technology Update**

DM presented the following highlights from the Executive Report:

- Data acquisition v1.1 had been completed including PROM's submission and an enhanced data submission overview page. It was a much easier system to use and gave senders instant feedback.
- Completed on schedule the migration of the last of PHIN's legacy infrastructure to a service managed by Microsoft.
- The Firewall was changed and subsequent penetration testing detected no critical vulnerabilities.
- The architecture planning for the new PHIN website was largely complete. Initial planning indicated that delivery by the end of June 2021 was realistic.
- In response to a question from the Directors as to whether there had been any trade-offs during the discovery phase of the website, DM clarified that PHIN will be able to deliver the vast majority of requested website features. Some areas would then be improved upon going forward e. g. having a very sophisticated search engine encompassing natural language was a target for the following year. Some interactivity tools e.g. chatbots, were in the plan but would not be available in time for the launch of the new website in June.

### **Corporate Update**

MS presented the following highlights from the Executive Report:

- The PHIN team had been making very good use of the LinkedIn Learning platform
- Two team members with four years' service had resigned. In response to a question from the Directors, MS clarified that PHIN does not see much churn in junior staff. The recent recruitment had been more focused on growth than on replacement. The two team members who had recently resigned had joined PHIN as their second job and both had developed enormously and contributed to PHIN's success. They had both been offered very good new roles and MJ and the team understood their desire to move on at this point in their careers and wished them well.
- PHIN would be onboarding 4 new members of the team in February 2021.
- Data Protection: Ben Seretny had been busy supporting the ADAPt Programme and working through various data issues.



The time was approaching for the DPO to undertake an annual audit and BS had requested, as is best practice, the input of another colleague from The DPO Centre, to ensure policies and processes were fit for purpose.

The next ISO audit would be taking place on 17 February 2021 and preparation meetings had started.

**b. Homeworking and Wellbeing Survey**

MS presented the results of the survey and confirmed that PHIN continue to keep in touch with individual staff. MS summarised that the results of the survey were reflective of the current lockdown and the winter months. The report clearly showed that employees were very positive about the work PHIN is doing in terms of ensuring they can continue to work from home. This covered both ensuring the correct equipment was provided and keeping in contact with line managers. The Directors commented on the encouraging nature of the report.

JS commented that the survey results were in line with what other organisations were experiencing. JS went on to remark that MS, Aleks and the whole team were being very proactive and asked whether any messaging from the Board, recognising the ongoing difficulties, would be helpful. All Directors were supportive of this suggestion. The Chair confirmed he would be pleased to participate in such meetings.

MS responded that the next PHIN team meeting would be in early February and having some Board Members attend would be very much appreciated by staff, who are all working extremely hard.

MS stressed the importance of the Executive Team and Managers continuing to have the daily stand-up meetings and one to ones to keep staff feeling part of a team and keeping the culture alive whilst everyone was required to work from home. This remains a team effort and not just down to a few individuals.

**ACTION – MS to circulate details of the February meeting and collect interest from Board Members in attending.**

KB asked whether consideration had been given to medium and long-term working models. MS confirmed that PHIN had been considering this and were working closely with an external HR consultant regarding future working models and a shared workspace policy had been drafted. It was clarified that the strategy needed to be finalised in order that the organisational structure could be finalised and in the interim, various scenarios were being modelled. What was clear was that the current PHIN offices were at full capacity, following the additional posts recruited.

**6. Finance**

**a. Finance Report, Management Accounts and Reserves – December YTD**

The Chair invited JG to present his report on PHIN's financial position to the end of December 2020. JG advised that, as in previous years, December expenditure was lower than other months of the financial year and therefore PHIN had performed better than anticipated and the surplus had increased. As a result of the investment in the business related to strategy

development and implementation, a reforecast has been carried out. The expectation is that outturn will be within the original budgeted deficit of £248,000.

In summary, PHIN was in the position, at the end of 2020, that it had expected to be in at the beginning of the year. PHIN's cash balance had been a stable over the past few months and the long-term debt position had also improved.

At the end of December 2020, PHIN's reserves provided an estimated 5.3 months operating expense cover against a target of six months. It was anticipated that this reserves balance would decline over the rest of the year to around 4 months cover due to the increase in spend in the second half of the year. JG acknowledged that this was not the optimal reserves level going into the new strategy implantation period. The targeted reserves balance of 6 months operating expense cover would need to be considered when setting subscription fees for the next financial year. This situation had been discussed at length in the January 2021 ARC meeting.

The Directors asked a question regarding the extent of any risk to PHIN when considering the reduced activity in the private sector over the last year. JG clarified that subscription fees are mandated by the CMA to cover PHIN's reasonable costs and are calculated by looking at the cost base at the start of a financial year and the activity across the private healthcare sector in the preceding calendar year. Therefore, in the current budget year, the activity figure was based on 2019 volumes, prior to the impact of Covid-19. This would change in PHIN's new financial year from 1 August 2021 where subscription fees would be calculated on the 2020 activity, which would be significantly affected by Covid-19.

MJ commented that this was not considered a financial risk but rather a communication and relationship risk. The reduction in sector volumes and PHIN's strategy implementation and increase in resources would be happening at the same time. This meant that PHIN would need to communicate the imperative for this clearly with members.

MJ clarified, for the benefit of the new NEDs, that whilst PHIN had a budgeted deficit, PHIN had always achieved a surplus since inception. PHIN had known for several years that a substantial shift in the scale of the organisation was required and as such decided not to raise fees in the intervening time, both in response to the unknown Covid-19 pressures on the sector in 2020 and in the knowledge that a more detailed conversation would be required with members on the strategy.

The Directors asked whether there was any risk with the majority of PHIN's money being in an HSBC bank account considering that HSBC had been in the news recently. JG stated that there was no identified risk and PHIN had another bank account with Lloyds to mitigate any issues that could arise.

## **7. Information Governance**

There was nothing to report in addition to the Executive Report and the verbal report from ARC.