Minutes of the Board Meeting

Location: Online meeting via Microsoft Teams

Chair: Andrew Vallance-Owen

PHIN PB2116 Board Meeting held on 24 March 2021

Board Directors*

Andrew Vallance-Owen (Chair) [AVO]
Kay Boycott [KB]
Professor Sir Cyril Chantler [CC]
Don Grocott [DG]
David Hare [DH]
Nina Hingorani-Crain [NHC]
Michael Hutchings [MH]
Matt James (CEO) [MJ]
Nigel Mercer [NM]
Jayne Scott [JS]
Professor Sir Norman Williams [NW]

Apologies

None received

Other Attendees

Jonathan Finney, Member Services Director [JF]
Jon Fistein, Chief Medical Officer [JLF]
Jack Griffin, Finance and Commercial Director [JG]
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 Directors.*

Welcome and introductions (Chair)

The Chair welcomed the attendees to the virtual meeting and advised that no apologies had been received for this meeting. Introducing Rose Thompson, final year medical student from Birmingham University hospital, AVO advised that he was mentoring Rose, who was attending as an observer.

1. **Governance**

   a. **Insurer nomination update**

   The Chair advised that he was still awaiting for a further nomination regarding this nomination and would contact them again.

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

The Chair introduced the paper and MS clarified that this was the most up to date version, however an additional declaration had been received from NW, as he has been asked to Chair the Independent Reconfiguration Panel, and this had been added to the register.

MJ reminded the Board that a discussion about Medical Advisory Committee (MAC) chair roles and conflict of interests was needed at a future meeting. Board agreed that currently no conflict was perceived and that if a discussion relating to a specific hospital came up, the Director concerned would recuse themself. **ACTION MS to add to the May agenda**

NM advised that he was Chair of a local MAC and also advised Nuffield Hospitals in plastic surgery. Board noted that he would ensure that if they were discussed, he would recuse himself.

2. Approval of Minutes and Actions

a. **Board meeting held on 28th January 2021**

The minutes of the Board Meeting held on 28 January were approved, subject to correction of a minor revisions requested.

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b. **Strategy Discussion meeting held on 28th January 2021**

The Directors accepted that the minutes were an accurate reflection of the discussion held.

The Chair referred to the action tracker on the minutes and advised that the timetable was on track for scheduling the round of one-to-one chats with all members of the Board, as a two way appraisal process over the next couple of months. JS will undertake a reversal process with the Chair.

MJ reminded the NEDs that for complete transparency, PHIN's minutes are published and in the public domain.

A Director commented that mentioning individual colleagues in the minutes is not a style of minutes that they were used to and would prefer not to see account numbers on documents. MS clarified that attributing comments to specific people is avoided, unless requested by a Director and will take on board to not use Directors as a collective noun and attribute comments to a singular Director rather than Directors.

Board **agreed** that it was time to review the style of the minutes and reaffirm shorter minutes.

3. Reports of sub-committee

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

JS highlighted that the primary focus at the ARC meeting was the strategy, which was also on this agenda and invited questions; none were submitted.

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 advised that the DHSC had now commented on the Paterson Report but did not comment on two recommendations that PHIN would need to take forward.

MJ and DH had met with the CEOs or immediate Deputies of the six leading hospital. The meeting was constructive and an opportunity to be explicit about PHIN's strategy, including resourcing and financing and the ADAPt programme. The group was happy to meet again.

DH added that it was a good initial conversation and the information provided was very clear, resulting in a structured conversation and a rigorous and constructive debate. The hospitals will want to know what they will receive in return for the extra resources going into PHIN and that operations are streamlined, reflecting the difficult economic backdrop for the sector. The hospitals will need to see a clear road map for delivery against the things that the strategy was agreed upon and delivery of the ADAPt programme.

DH continued that resourcing needed to be beyond just the finances in the PHIN budget, but what can providers do to support and make this a seamless process. The Chair added that providers were also customers of the information PHIN published. In response to a question, DH clarified that the national NHS contracts would be ending at the end of March and healthcare services will revert to business as usual.

A Director asked what the impact of the emerging model for employing consultants in private hospitals [as opposed to working under Practicising Privileges] might have on the NHS. . Meeting noted that the impact was not clear at present but the direction of travel around employment and practicing privileges will been seen over the next few years.

A Director asked that if PHIN is still viewed as a cost of compliance resulting in difficult relationships with some providers, would the future transformation in the landscape to access private healthcare result in an increase in acknowledging that PHIN has a role to play or does PHIN still need to engage from a cost of compliance perspective?

DH responded that this is not yet clear. The last 12 months providers have been affected by the pandemic and PHIN did the right thing by supporting providers with technical aspects for data submissions. The future has not yet been fully considered as providers are just emerging from the impact of the pandemic. MJ added that the market conditions will become more favourable and in the future PHIN can help providers become more successful in the market with the information it can provide. Predominantly, PHIN is seen to be in the compliance box and has to demonstrate value by offering products that benefit providers.

Board noted that there will be major changes in the NHS over the next few years. The extremely long waiting lists in the NHS at the present time needed addressing. This would include the work force, which is limited. It was also highlighted that should more private hospitals adopt an employment model, which was internationally successful, it could have a major impact on how care is provided in both the NHS and private sectors.

Board noted that, from a Director's perspective, a shared understanding of the market would be helpful for a future discussion. The income envelope that PHIN is working to is key to the strategy, noting that having external auditors looking at the financial modelling and working with providers through a partnership board were both helpful. Clarity was requested around the sequencing relating to approval of the strategy and assurance about the number of episodes that the market thinks it is going to have going forward, which would impact the finances and whether the partnership board can help with this.

MJ advised that the successful PMO type model that has worked well across the sector to manage the pandemic, could be refocused towards PHIN. PHIN is not dependant on the activity levels in the sector, as income is based on PHIN's reasonable costs. Board noted that the increase in fees would be a gradual one over three years. This has been very clearly signalled at the meeting with the hospitals as a matter of transparency. DH added that it was important to revisit this and ensure that are back up plans in place and involve the hospitals in discussions over the next few weeks.

The Chair asked for an update on ADAPT and MJ confirmed that it is very active at the moment, involving planning for the next stage and initiating the three pilots in 2021 and operationalise in 2022. Working in the background, teams are busy with meetings with hospitals and the ADAPT

programme board is working well. MJ added that he and NW have also been in conversation with prospective teams with GIRFT. Board noted that both GIRFT and NCIP will transition to NHS England and NHS Improvement (NHSEI) by 1 July 2021 and that GIRFT and NCIP have always had a standing invitation to join the ADAPt board.

JS wanted to bring to the attention of the Board that the team had again successful passed the ISO 27001 surveillance visit without any non-conformities and requested a formal minute to say that this was a huge achievement for the team and provided much assurance for PHIN. JS thanked every member of the team involved in this process.

The Chair informed the Board that he had joined PHIN's monthly team meeting, along with NM and KB, and thanked the staff for all their hard work.

The Board noted that ADAPt, with PHIN, has been shortlisted in the HSJ Partnerships Awards.

6. Finance

a. Finance Report, Management Accounts and Reserves – January YTD

The Chair invited JG to present the reports. JG highlighted the there was a deficit in the month, driven by recruitment costs and the position at the end of February, which was in line with the run rate. JG also highlighted that a deficit was still projected to the end of the year, but cash and debt remained steady and reserves remained at 5.5 months cover. The reserves were expected to decline over the remainder of the year as previously advised.

JG invited questions and none were submitted.

7. Information Governance Management Framework

MS advised that the document is a board approved document that comes to the board every two years for review and approval. The Board noted that it has been vastly reduced in size by the DPO to remove unnecessary information. The Chair had submitted a query regarding articulating the responsibility of the Board, which had been passed on to the DPO and asked for the Board to approve the document.

A Director commented that it is a thorough document and good to have assurance that it is regularly updated. Amendment was requested to the table under 10.3, to add that the ARC and Board have a role in monitoring an audit, to align with the role of ARC in terms of accounting policy, to clarify the governance framework. **ACTION MS to feedback to DPO and update the IG Management Framework**

Board Approved the document subject to the amendments discussed.

8. PHIN Strategy & Implementation

a. 2021-25 PHIN Strategic Plan

MJ presented the timelines, advising that the plan had not hugely changed since January, but work had been carried out the Exec with the team, along with the Programme Manager, to add the detail behind the delivery dates for 2021/22. The Strategic Plan was still being reworked and a draft would be shared with the Board around mid-April for comment, before the May Board meeting. The next step would be for the CMA and Members to vote and approve it at the July Members' meeting.

The Chair invited comments from Directors as soon as possible following distribution and JS suggested that an informal meeting for the Board to discuss the plan further before the May Board meeting might be useful if necessary.

b. Strategic Plan 2021-25 Implementation and Resource Planning (Doc PB2114)

Taking this paper as read, MJ invited JG to highlight key points in the paper. JG updated Directors regarding the finance modelling and advised that detailed work was being carried out in the background relating to scaling up of resources and issues and sensitivities around the long-term modelling. Information highlighting risks and consideration of the factor around contingencies, reserves and subscription fees were included in the paper and would be presented in detail at the next ARC meeting. Board noted that the work being carried out by Brebners regarding financial modelling assurance was being undertaken by a different team and not the usual audit team.

JS and MJ clarified that piece of work undertaken by Brebners is about quality assurance of the financial modeling and the previous discussion about external auditors for the wider capability assessment should be a party that the Members have confidence. Board noted this clarification.

A Director commented that it would be helpful to have cashflow as part of this and the suggestion about external auditors selected by Members would be good for the investment needed including maintenance and growth. A key area of risk identified is the expanded Customer Service team, which is a newer area and might benefit from assurance around costing and modelling. A further discussion about this was supported by other Directors.

A Director asked what the plan was to look at increasing the capacity and headcount versus impact. MJ added that impact is important and particularly relates to the consumer area, but PHIN has not yet looked into this and doesn't know what the right model would be. Looking at consultant/hospital engagement, this is better known to PHIN, but it is greatly under resourced. Currently, there is a grouped resource in this area that is being refined to support maintenance and forward looking over the next couple of years. Directors further discussed the operating models of other organisations in the market and the level of resource required to take PHIN forward from today and allow partnership working with some of those other organisations. Directors were keen to pursue options for partnership working and possibly review the Target Operating Model.

MJ commented that PHIN is an organisation with a very clear and important duty to patients under the CMA Order to deliver a number of requirements to a fixed agenda. PHIN cannot speak to any potential partners to engage without an understanding of various barriers that could arise. PHIN's Plan A is that it is the Information Organisation for the CMA and has to deliver the CMA Order. It would also be useful to have a Plan B and have the resources to do this with a set of goals that could be highly disruptive. If PHIN fulfills its purpose, it would not exist, at least in the same form, in 10 years.. There is also an issue of competition for the attention of consultants. Directors noted that the strategy priority 1 is to deliver the CMA Order and working in partnership is priority 4 but following consultation, this will be moved up to priority 3.

Board noted a comment that PHIN is the only organisation in the private sector that could do this and its role is pivotal for the next 3-5 years. The work will be particularly of value to patients. Board also noted that NW has been trying to concentrate on bringing the private sector together with the NHS, especially following the work done during the pandemic. The Paterson Inquiry and Cumberlege recommendations may give the impetus to the NHS to collaborate with the private sector.
The Chair advised that he has been supporting the PROMs project, led by Michael Anderson from the London School of Economics (LSE), and speaking to several professional surgical associations and colleges, and there is clearly more engagement around data coming into registries.

Directors noted that NCIP is engaging with NHS Trusts to use the data for appraisal and evaluation for consultants and some are now asking for private practice data to get a whole practice view. Suggestions have been made to the GMC to mandate the requirement of private practice data to address some aspects of Paterson Inquiry. This was supported by various other Directors.

Directors noted a suggestion from an Exec member that it would be worth spending time to agree PHIN's goals and quantify the standards for delivery of the service. When will PHIN know that it is succeeding? In response, a Director added that you would need to have the metric targets, asses the current skills and what would be a realistic target with the resources in the current plan. There should be clear target metrics for the next 5 years.

DH commented that providers who fund PHIN will expect a Plan B and the resourcing required to achieve this in case they are not supportive of Plan A. Directors noted that by the May Board meeting, there should be some feedback from the providers.

NM commented that he has been asking at regional and national meetings for NHS Trust Responsible Officers (ROs), to take private practice into account, since revalidation was introduced. The higher level ROs and Trust ROs did not engage with this and only did so as a result of the Paterson Inquiry.

MJ agreed that Members will want certainty specifically relating to costs but there needs to be an acknowledgement that there will be a degree of uncertainty; it is difficult to be consultative and certain at the same time. Everyone wants to get to a scenario whereby the NHS and private sector are working closely together to have one system that works in harmony and not competing with each other, of which PHIN is only one entity. Directors from this Board have been actively working to make this happen.

MJ summarized how PHIN would maintain the five primary functions established over the past 5 years: collect data, analyse data and publish data with governance sitting across all three and engagement underpinning them. Acknowledged that these five functions need to be maintained, but gathering data could be outsourced to NHS Digital in the next five years. Need to find a way to synthesize the collection of consultant data and possible eventually led by NCIP. There will always be a role for PHIN in looking at private healthcare and PHIN can then focus on the publication of data with good governance.

The Chair added that an informal meeting in between now and next Board might be beneficial.

9. AOB

- The Chair advised that at the NEDS only meeting earlier it was decided that two more Board Committees would be set up - Strategy implementation Oversight Working Group chaired by JS and a Customer Engagement Committee chaired by KB.

- MS advised that online anti bribery training had been procured for the PHIN team and the NEDS from "High Speed Training". The training session was one hour long and with an assessment at the end. Information and password will be sent out on Monday 29th March.