

Minutes of the Board Meeting

Location: Online meeting via Microsoft Teams

Chair: [Andrew Vallance-Owen](#)

PHIN PB2127 Board Meeting held on 1 July 2021

Board Directors*

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

Apologies

David Hare [DH]
Nina Hingorani-Crain [NHC]

Other Attendees

Jonathan Finney, Member Services Director [JF]
Jon Fistein, Chief Medical Officer [JLF]
Jack Griffin, Finance and Commercial Director [JG]
Jessica Harcourt, Virtual Assistant (Minutes) [JH]
David Minton, Chief Technology Officer [DM]
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 all attendees to the virtual meeting.

1. Governance

a. Insurer nomination update

The Chair advised that the Insurers now had a nominee and details were awaited. The Chair had emphasised to the Insurers how important it was to PHIN to have a representative on the Board.

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

KB had been appointed to the Board of patientMpower, a digital health company in Ireland and to the Board of English Heritage. The Board did not perceive this to be a direct conflict with PHIN but would keep under review.

The Directors noted that all other declarations of interest as recorded to date in the register still applied.

NW joined the meeting

2. Approval of Minutes and Actions

a. Board meeting held on 18 May 2021

The minutes of the Board Meeting held on 18 May 2021 were approved as submitted.

It was noted that the strategic plan, to be put forward to Members for approval at the AGM in December, would be presented to the Board for approval in November.

3. Matters Arising

The outstanding actions were reviewed and updated. There were no additional matters arising from the previous meeting.

4. Finance

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

Board noted key highlights from the report. A deficit had been realised in the month, adding to the deficit forecast for the remainder of the year, as agreed by the Board, with the final amount being dependent on consultancy activity in the final two months of the financial year. Cash remained stable and reserves stood at 4.9 months operating expense cover which would reduce to 4.5 months by the end of the financial year. The need to replenish reserves had been factored into the budget proposals to be discussed later in the meeting.

JG clarified the reasons for the variations in the budget. In the first half of the financial year PHIN had been under budget. A busy last quarter saw costs including holiday pay accrual, the LSE consultant, Northgate activity and recruitment fees impacting on the budget. MJ commented that PHIN had not been able to recruit for some positions as quickly as originally hoped and the recruitment fees had hit the budget later than planned.

MJ clarified that the budget deficit was a planned one, the priority had been to stay within the budget and PHIN had always been in control of costs. The PHIN team had a track record of bringing down costs due to the continual focus on finding more efficient ways to carry out business. It was also discussed that on occasions where the scope of a project was increased, PHIN first looked to increase timescales for delivery rather than automatically committing extra funds.

The Board noted that a key consideration with reserves was whether they would comfortably cover a company's liabilities in a wind-up scenario. The 6 months reserves policy had been adopted as best practice, with input from the external auditors, in respect of PHIN operating in a difficult trading environment. Stress testing on the strategic plan and reserves levels had been conducted by the Audit and Risk Committee.

5. Information Governance

An update was provided in the Executive Report and no additional items were submitted for discussion.

6. PHIN Executive Report

MJ advised that good progress was being made operationally.

The website delivery was going well with a short, 2-week delay to allow for additional testing.

Several scenarios were being considered regarding work location for employees in the post pandemic period. One option being considered was to make working from home as the official place of work with office visits as required. This would enable PHIN to reduce office capacity and therefore costs. Board noted that some staff would prefer daily contact with colleagues in an office environment.

The ADAPt programme and pilots were moving forward and the programme was highly commended at the recent HSJ Partnership Awards (Data Alignment & Information Sharing category).

During the consultation process in 2020, Members had clearly communicated that PHIN should remain firmly focused on delivering the requirements of the Order. It was discussed that whilst the ADAPt programme was not explicitly in the Order, the programme and PHIN's wider partnerships, were particularly efficient ways of discharging the requirements of the Order on a long-term basis. There was a short-term cost of servicing the work but this should be balanced against the significant long-term benefit both within the scope of delivering the Order and creating wider benefits for the whole sector. Board further discussed the recommendations from the Paterson Inquiry and the need for data alignment between NHS and private healthcare, being a mandatory requirement for the sector. The Board noted that the level of cost to PHIN of pursuing the partnerships was marginal yet the damage to the private healthcare sector, of being unable to respond to potential Paterson recommendations, would be significant. The success of partnerships was a risk identified in the strategic plan.

MJ concluded the Executive Report by updating the Board on the discussions to date with the IHPN Partnership Forum.

MJ advised that PHIN was aware that Members would find a fee increase difficult to accept but that it was necessary to ensure that the Order was completed and that patients benefitted from that.

7. Reports of sub-committees

a. Audit & Risk Committee - 29 June 2021

As the Chair of ARC, Nina Hingorani-Crain, was unable to attend this meeting, the Board noted receipt of the paper "**Note to the Board from Nina Hingorani-Crain, 30 June 2021**" that summarised the discussions that had taken place at the recent Audit & Risk Committee (ARC). JS advised the position of ARC was that the budget work completed by JG was both robust and thorough. The budget proposals had been well tested by ARC both in terms of assumptions and process. The Board should decide on the balance of risks, particularly in reference to reserves.

ARC was happy to support the budget paper as presented.

b. Strategy Implementation Group – 7 June 2021

The Board noted the paper submitted. The Strategic Implementation Group remit was to deal with matters by exception and would therefore be focusing on areas that were problematic for the



overall implementation.

8. PHIN Strategy & Implementation

a. 2021-25 Strategic Plan progress

An update was provided in the Executive Report.

b. Strategic Plan 2021-25 - 2021/22 Budget Proposals

The Board noted that the Budget Proposal for 2021/22 had been reviewed at both the Strategic Implementation Group and ARC meetings and discussed the various options to the main strategic plan, taking into consideration the progress and feedback from the IHPN Partnership Group. This included the resourcing investments required, with specific mention of the need to address resource bottlenecks in Informatics, the Strategic Project Lead focusing on patient engagement and programme support that would be key to the success of the implementation of the plan and ensure delivery of the requirements of the CMA Order. The proposed budget from 1st August 2021 was for a cost base of £4.5m, which would lead to an increase in subscription fees ahead of full approval and implementation of the Strategic Plan later in the year. This factored in the proposal to top-up reserves to 5 months operating expense cover rather than the 6 months cover that was the Board policy.

The proposed subscription fee increases were discussed and it was noted that the increase partially related to a reduction in activity in the sector in 2020 and affected the fees calculation as specified in the CMA Order. It was also noted that the patient activity data was still being received and would likely lead to a small change in the subscription fee proposal.

Efforts were being made by the PHIN team to arrange meetings with all the voting Members ahead of the July Members Meeting to discuss the detail of the proposed budget.

JG drew attention to the update on the main Strategic Plan which identified further cost savings, achieved by, reducing future office accommodation requirements, identifying a more economical method of recruiting staff during the scale-up period and adjusting for inflation assumptions.

The Board noted that PHIN's current revenue of £3.4m per year equated to c. 0.08% of the estimated private healthcare sector as a whole.

The Board appreciated the thoroughness of the budget proposals and were pleased to see that sensitivity to the needs of Members had been factored into the proposals as much as possible. It was also reassuring to hear about the assurance work carried out by the Audit & Risk Committee.

MJ requested that the Board fully supported the proposed 2021-22 Budget for the record, as it had been carefully worked through, MJ continued that PHIN's objectives were rooted in legal obligation and were reasonable and well thought through. The Chair agreed with this point and added his belief that the Board was united in this matter and fully supported that this was the only way to ensure that PHIN was able to deliver the CMA Order.

The Board noted that PHIN would issue the invoices for 2021/22 in August at the higher subscription fee rate required for the current year and would address any issues of non-payment by Members on a case by case basis, if they arose.

The Board further discussed the requirement to create a cash management plan to deal with a range of scenarios,

ACTION JG to create cash management plan

MJ added that he would signal at the Members Meeting that on 1 August PHIN would be increasing subscription fees, in line with the strategic plan, PHIN had not raised fees in the previous 2 years in

recognition of the upcoming strategic plan and had instead absorbed costs into reserves whilst pre-committing a small amount of additional expense following the very positive response to the public consultation. To maintain PHIN's solvency, after the initial fee increase from 1 August, there would be a requirement to further increase the fees to enable implementation of the Strategic Plan for which approval would be sought at the December AGM.

The Board acknowledged that although a fee increase was initiated every year from August, the size of the proposed increase would not have been budgeted for by Members. The Partnership Forum had requested that PHIN minimise the impact for 2021/22.

It was **agreed** that the involvement of NEDs in meetings with stakeholders would be helpful.

ACTION MJ/AVO to discuss and agree Board support required

It was **agreed** that MJ would provide an update to the Board on the conversations with the Partnership Forum and wider Members. This update would take place before the July Members Meeting

ACTION MJ to update Board on Member discussions ahead of July Members Meeting

The Board expressed full support for MJ to take forward the proposals supported by appropriate members of the Board.

The 2021-2022 budget and subscription fees were approved unanimously, and approval was subject to a final review of the budget following the Members' Meeting on 21st July 2021.

The Board **agreed** to temporarily accept a reduction in reserves to 5 months operating expense cover, hence breaching the 6-months reserves policy. The intention remained to maintain the original 6 months cover in the longer term.

The Chair was very appreciative of the huge amount of work that had gone on behind the scenes to enable the discussions and extended his thanks to MJ, JG and the wider PHIN team.

9. AOB

JLF highlighted several points from the Executive Report relating to the development, production and publication of (Article 21) measures and the wider activities of the Informatics Team.

- The reporting on the progress of measures publication had been made clearer as requested.
- At hospital level, some data had been published for 11 of the 12 Measures and for 3 out of the 11 Measures at consultant level.
- Work was progressing to develop more graphical views of the data, both internally and externally to consumers and other stakeholders.
- There had been extensive work completed to improve the navigation and retrieval of the current procedure groups on the PHIN website.
- There had been positive conversations with both the GMC and CQC. PHIN had been working with the CQC to find ways to collaborate on data reporting as well as on ways to improve reporting compliance at site and consultant level. The GMC had expressed their support for PHIN and had suggested several ways that this could work in practice. The Chair confirmed that he would be seeking meetings with the GMC and CQC over the coming weeks to discuss the draft strategic plan; he welcomed the support from JLF.

The Chair closed the meeting by acknowledging the significant amount of work ahead and reconfirmed that the Board would support the team as required over the coming weeks.

