

# Minutes of the Board Meeting

Location: Marlborough Room, The King's Fund, 11-13 Cavendish Square, London W1G 0AN

**Chair: Jayne Scott**

---

## PHIN PB2329 Board Meeting held on 24 May 2023

### Board Directors\*

Jayne Scott (Chair) [JS]  
Don Grocott (Deputy Chair) [DG]  
Professor Sir Cyril Chantler [CC]  
Ian Gargan, Chief Executive [IGN]  
Jack Griffin, Chief Financial Officer [JG]  
David Hare [DH]  
Michael Hutchings [MH]  
Nigel Mercer [NM]  
Keith Richards [KR]  
Hugh Savill [HS]  
Claire Whyley [CW]  
Professor Sir Norman Williams [NW]

### Other Attendees

Jonathan Finney, Member Services Director [JF]  
David Minton, Chief Technology Officer [DM]  
Mona Shah, Director of People & Process (Company Secretary) [MS]

### Apologies

Jessica Harcourt, Virtual Assistant (Minutes) [JH] Minutes produced from a Teams recording

*\*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 meeting. The Board would be meeting PHIN staff for an informal lunch later and the Chair shared the planned introductory remarks regarding the importance of meeting the agreed delivery dates. The Board agreed with the approach.

### 1. Review and consideration of the Directors' Register of Interest

There were no new declarations of interest raised at the meeting and the Directors noted that all declarations of interest as recorded to date in the register still applied.

### 2. Governance

#### a. Board Review of Effectiveness

There were several common themes that emerged from the recent one to one meetings the Chair had held with the PHIN Non-Executive Directors, including the view that the Board was working effectively with clear agendas and objectives, the right level of debate was happening and there was clarity on conclusions reached.

Several ideas had been put forward to improve the way that PHIN operated and these had been highlighted in the paper.

The Directors discussed the suggestion of an informal arrangement of non-executive and executive director pairings with the aim of encouraging a greater understanding by non-executives of key issues and to allow more detailed support and insight to be provided.

The pairing of non-executive directors with the managerial level within PHIN was also discussed although it was recognised that this would need to be carefully co-ordinated due to the number of staff involved. IGN suggested that as a starting point, 2 – 3 PHIN managers could be in scope.

The paper also noted the view that PHIN should spend more time as a Board considering key risks and mitigations and Directors agreed that more time would be carved out for such discussions. The Chair commented that the Audit & Risk Committee was playing a lead role in developing the system to better support strategic risk management in the longer term.

The timings and length of Board Meetings would be kept under review to ensure sufficient time for topics to be fully explored. **Action 2.2.23.2 WORK** regarding Board Meeting structure was updated accordingly. It was agreed that going forward lunch would be available from the end of meetings and that a short break would be included during the meeting.

The Directors noted the contents of the paper and agreed with the issues raised.

The Directors **agreed** that progress against the issues set out in the paper later would be reviewed in 6 months' time.

- b. It was noted that additional items of governance would be covered in the discussion in item 3b.

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

#### **a. Board meeting held on 30 March 2023**

The minutes of the Board meeting held on 30 March 2023 were approved as presented.

Regarding item 7c, it was confirmed that a letter had been sent to HMRC regarding PHIN's ability to earn interest income on reserves but no response had yet been received and this would be followed up.

IGN gave the Directors an overview of the PHIN Private Market Update: May 2023 and the significant media interest it had generated. IGN shared the themes of the questions that were being put to him in media interviews. The Directors commented that they were likely to be asked similar questions and it would be helpful to have a briefing document outlining PHIN's position.

The Directors asked about the availability of more recent private activity data from January 2023 to date. IGN confirmed that this was not yet available but providing more up-to-date information would be explored.

**ACTION 24.05.23.1 IGN to prepare Board briefing paper on PHIN's position on questions arising from the quarterly market update regarding private healthcare**

The Directors discussed adding value for patients who had specific information requirements e.g. those travelling abroad for surgery. It was felt appropriate to consider this in the future while the current focus needed to remain on delivering the CMA Order.

#### **b. Audit & Risk Committee meeting held on 19 April 2023**

HS gave a verbal update on the recent ARC meeting. The draft budget and draft risk appetite statement had been discussed and HS noted that these items were on the agenda for today's meeting.

#### **4. Reports of sub-committee**

##### **a. Delivery Oversight Committee Meeting – 11 May 2023**

JS gave a verbal update on the DOC meeting and noted that the most recent CMA Reporting Pack was on the agenda. There had been a good level of challenge at the meeting with attendees drilling down into the figures and into progress being made. There had been a helpful presentation and demonstration of Portal 6 which could be considered for a future presentation to the Board.

##### **b. People & Remuneration Committee Meeting (PRemCom) – 24 May 2023**

MH provided a verbal update on the discussions at the PRemCom meeting that had taken place that morning. It had been agreed that the review of director remuneration would be deferred to next year. The first winners of PHIN's new Excellence Awards had been identified and would be announced in June.

A topic of discussion at PremCom had been the importance of PHIN staff working together in the PHIN offices. Board Meeting attendees continued to discuss this topic noting that staff were coming into the office at least 2 days per week and it was also noted that due to office space, it was not possible for all employees to be in the office at the same time. The Board asked that the hybrid working arrangement be kept under review in line with developments in the private healthcare sector.

#### **5. Matters Arising**

##### **a. Draft risk appetite statement**

Attendees noted the paper that outlined PHIN risk categories and risk appetite for operational, strategic and external risks.

The Directors considered if the framework outlined in the paper was an appropriate tool for the Board to use when discussing risk. The Chair summarised these discussions by noting that the framework was helpful and that PHIN as an organisation was risk adverse when considering the integrity of data and financial matters. However, there was a willingness amongst the Directors to explore the possibility of tolerating a higher level of risk under certain, measured circumstances in order to foster innovation, for example. This would be discussed further at the Board Workshop taking place in September 2023.

**ACTION 24.05.23.2 Audit & Risk Committee to review draft risk appetite statement in line with Board discussion on higher risk tolerance in certain areas.**

##### **b. Members Meeting and Quality Forum Agendas**

###### Members Meeting

The Directors noted the contents of the paper and IGN provided an overview of proposed agenda for the Members Meeting in July 2023.

The draft agenda included an update on the Acute Data Alignment Programme (ADAPt) and DM provided an overview of the current status. The Directors asked that a paper be brought to the July 2023 Board Meeting outlining PHIN's position on ADAPt, future involvement and the content of the update that would be made at the Members Meeting. This would also enable any questions at that meeting to be answered effectively.

**ACTION 24.05.23.3 DM, IGN, JF to prepare ADAPt briefing paper for July 2023 Board Meeting**

###### Quality Forum

IGN introduced the subject of the planned quality forum and noted that it had originally been suggested by one of PHIN's Members.

The Directors discussed that it was important to work closely with the Partnership Forum on the agenda and to ensure that the content of the event remained focused on topics that were in scope of the CMA Order. The event was envisaged as a private healthcare sector initiative facilitated by PHIN. The Chair asked that the Board be kept informed and consulted again prior to the event being finalised.

## **6. PHIN Strategy**

### **a. CMA Order progress reporting – 4 Domains – April 2023**

The Directors discussed the reporting pack which provided progress information across the 4 CMA reporting domains as at the end of April 2023. It was confirmed that the pack had been reviewed in detail at the meeting of the Delivery Oversight Committee on 11 May 2023. The Directors were pleased to hear about the increased provider participation and noted the significant number of meetings that had been undertaken by PHIN with various providers in order to achieve this.

The Board **approved** the release of the reporting pack to the CMA.

### **b. Proposed External Governance Review - Terms of Reference and CMA Feedback**

The CMA had clarified that the feedback provided on the Terms of Reference (ToR) were intended as suggestions. The Directors noted the contents of the paper and the recommendations made by the Delivery Oversight Committee (DOC) on next steps. The CMA had asked to see the final draft of the report prior to sign off and the Board accepted this.

The Board **agreed** with all the recommendations made by DOC in the paper.

The Chair asked about the expected timetable for delivery of the governance review and JG advised that an update would be given to the Directors on this at the July 2023 Board Meeting. Given delays in agreeing the terms of reference, the planned delivery date may need to be revisited.

**ACTION 24.05.23.4 JG to advise Board of completion date for external governance review at July 2023 Board Meeting**

### **c. CMA Escalation Process – Hospitals and Consultant**

The paper was taken as read and it was noted that the Chief Executive Report contained additional information. JF summarised that PHIN had worked closely with the providers in scope of the CMA's escalation process with positive outcomes.

The Chair noted that the Board needed to discuss PPU's and the Devolved Nations further.

**ACTION 24.05.23.5 MS to add agenda items for PPU's and Devolved Nations deep dives to future Board Meeting**

### **d. PMI Plenary, PROMs and Patient Update**

The paper was taken as read and there were no questions.

## 7. Finance

### a. Finance Report, Management Accounts and Reserves – March YTD

JG advised the Directors that a reforecast had been completed in March 2023 and based on projected costs and revenues to year end, PHIN was expected to be below the budgeted surplus. It was anticipated that this would result in a reserves position of 4.9 months operating expense cover at year end which was below the temporarily relaxed governance target of 5 months cover. The overspend was expected to be recovered in the 2023/24 budget which would be reviewed in the next agenda item. JG noted that the cash position was strong and debt remained low.

The Directors **approved** the temporary reduction of reserves in the current financial year to 4.9 months operating expense cover in order to deliver the Portal 6.0 project.

### b. 2023-24 Draft Budget Proposal

JG gave an overview of the budget proposals for the 2023/24 financial year, considerations for their implementation and phasing and asked for questions.

A Director raised a concern about the constraints of the budget for 2023-24. The Board discussed that the 2023-24 budget was as tight as it could possibly be in terms of the reserves position and the flexibility it allowed. As PHIN moved towards the 2026 delivery date, the budget needed to be kept under very careful review and the Partnership Forum would be updated accordingly. The Directors noted that it had been agreed with the Partnership Forum that providers would be given advanced notice of any future uplift in fees to enable them to budget accordingly.

## 8. For Information

### a. Chief Executive Report & Executive Operational Report

IGN presented the operational summary for May 2023 which included briefing the Directors on progress made in relation to external stakeholder engagement, senior level recruitment and the ongoing work to define PHIN's mission, vision and values.

In regard to the recruitment of the Director of Clinical Informatics & Quality, it was agreed that a Non-Executive Director would be involved in the interview process.

#### **ACTION 24.05.23.6 JS & MS to define NED involvement in recruitment process for Director of Clinical Informatics and Quality post**

There were no questions and the Board thanked IGN for the update.

MS was pleased to update the Board that the report from the recent 3-day internal ISO audit had identified no nonconformities. Some opportunities for improvement had been identified which were welcomed due to PHIN's focus on continuous improvement.

### b. Chief Executive Communication

The paper was taken as read and there were no questions.

## 9. AOB

There was no other business.

**Date of next Board meeting: Tuesday 25 July 2023**