



Minutes of Board Meeting

PHIN 1835 Board Meeting held on 27th September 2018

Board Attendees*

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

Apologies

Dr Jon Fistein, Chief Medical Officer [JLF]

Other Attendees

Jonathan Finney, Member Services Director [JF]
Geoff Green, Finance Director [GG]
David Minton, Chief Technology Officer [DMI]
Mona Shah, Director of People & Process (Company Secretary) [MS] Minutes

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

AVO welcomed the Attendees to the meeting.

Apologies were received from Jon Fistein and the Board accepted the apologies. Attendees also noted that Nancy Devlin was delayed due to traffic issues and would join the meeting in due course.

AVO welcomed David Hare to his first meeting and asked the attendees to introduce themselves to him, providing a brief summary of their backgrounds.

1. Request for declarations of Conflicts of Interest

Attendees noted that all declarations of conflicts as recorded to date in the register still applied.

No additional declarations of conflicts had been reported since the previous Board meeting.

2. Approval of Minutes

- a. **Minutes of the Board Meeting held on 19 July 2018** were **approved** as submitted. In response to a point of clarification about the HMRC letter MJ confirmed that the “mutual trading status” letter had been sent to HMRC and PHIN had received a letter confirming acceptance of its mutual trading status.
- b. **Notes of the Members’ Meeting held on 19 July 2018** were **approved** as submitted. Attendees commented that the minutes were very good considering the level of engagement and complexity of the discussions. Attendees agreed that the meeting had gone as could be expected and was constructive and balanced.
- c. **Minutes of the General Meeting held on 19 July 2018** were **approved** subject to correction of typographical errors.

3. Reports of sub-committee

- a. Audit & Risk Committee (ARC) 18th July 2018 – JS advised the meeting that she had provided a verbal update at the July Board meeting and the minutes submitted had not yet been approved by ARC which was next due to meet in October. Attendees noted that the issue regarding external verification of volumes declared by Providers continued to remain under review and MJ was exploring options. MJ added that a discussion had taken place at the July ARC meeting about whether and how providers might provide verification of the volumes submitted; it was suggested that Members might ask their Auditors to provide a robust statement (volumes as reported according to CMA obligations being commensurate with the financials reported) at a relatively low cost to themselves. Attendees also noted that this process would require the members’ Finance Directors to take an active interest in this matter. MJ added that he had had an informal conversation with Grant Thornton and would seek further input before bringing this back to ARC or Board. DH added that he would like to be involved in this process.

ND joined the meeting at this point.

ACTION MJ to involve DH when talking to Auditors regarding external verification of volumes.

4. PHIN Executive Report

The report was taken as read and MJ talked through the key points. Board noted that good progress had been made over the summer period and the website had been updated on 13 September with information for the first 1,000 consultants and transparent volumes for hospitals. The consultant website launch seemed to be one of the most successful launches with positive responses from both the media and consultants. AVO added that a huge amount of work had been involved to facilitate this launch and added his congratulations to everyone involved.

CC asked in what format the consultant fee information will be presented when launched in April 2019 and noted that the initial focus would be on self-pay for surgeons, then physicians and finally other disciplines such as anaesthetists. MJ added that the CMA Order required fee publishing only for main procedures carried out by consultants.

NW asked what proportion of all eligible consultants did the initial 1066 consultants, in the first tranche, represent and MJ clarified that there were c.14k currently eligible. Attendees noted that concerns would relate to consultants who are on the website where any issues could come to light regarding their practice.

ACTION JF to report on the process for consultant fee data collection to November Board

MJ noted that a further drive for consultants to sign off their data would commence in the run-up to publication of fees in April 2019, as consultants would be required to log in to provide their fee information from January onwards and might reasonably be expected to look at their performance data at the same time. The team was aiming for 2,000 consultants to have approved their measures by the end of the calendar year, and 5,000 by the end of April 2019.

Attendees asked whether PHIN could initiate a process by which consultants would not be able to update their fee information without first approving their data; MJ agreed to explore options and implications.

ACTION MJ/JF to review whether a process can be introduced to ensure that consultants must update their data when adding their fee information

Board noted that the portal was also updated with improved functionality in the data sign-off process for consultants and the data maturity report was ready for publication; both being discussed in detail under the relevant sections of the Executive Report. In addition, the downloadable file of the aggregated data, as discussed with Members at the meeting in July, would be published for key stakeholders following clarification of legal issues. Board noted that the data will be available from 6th October 2018 and would be updated quarterly.

The meeting was advised that the ISO27001 surveillance audit had taken place on 26 September and no major or minor non-compliances had been flagged. Board congratulated the team on this successful outcome and complimented the team on their hard work.

Informatics

MJ advised the meeting that JLF would be joining PHIN on a full-time basis from 1st October 2018 and in his absence invited questions and comments. The Chair requested clarification of what approach would be used to capture adverse events.

ACTION JLF to provide clarification of the approach for publishing adverse events

Information Governance and Risk

GG presented the key points and advised the meeting that the ISO 27001 surveillance audit had highlighted two opportunities for improvement; one related to the Q Pulse system and to not lose any risks on the current risk register during the transfer to Q Pulse. Attendees noted that the Information Security Management Team (ISMT) had undertaken a comprehensive review of the current register and identified that most of the issues were actually “threats” rather than “risks” and had re-categorised accordingly. The second improvement related to data backup and restore, as the last time this was done was in 2017 and the auditor recommended that this should be done more regularly. The next ISO 27001 interim visit was due to be scheduled for early 2019, with a full recertification visit in June/July 2019.

GG advised the Board that the internal audits were being carried out by Monmouth Partners and shared the agreed dates. The annual financial audit process had gone smoothly, and a report was expected in early October, in time for the next ARC meeting on 24th October 2018. Attendees also noted that an updated Privacy notice had been published on the PHIN website. The new Risk management system, Q-Pulse, had been procured and training received by key staff. A sub-group of the ISMT was meeting to populate the risks in Q-Pulse, based on the existing risk register.

A new training platform for information security issues, Nanolearning, had been successfully deployed and positively received by staff. Courses in GDPR and Cyber Security were being rolled out on alternate weeks, and the completion rate was currently 82%. MJ suggested that if Board members wanted to be included in the training courses, they could. The platform also included the ability to imitate phishing attacks and an exercise had been undertaken to raise awareness.

Attendees reported that they had received phishing email from MS and noted that these should be reported to MS as they were being monitored for the coming three months to establish the severity of the problem.

PHIN continued to work on the ADAPt programme to align standards, methodologies and reporting systems across NHS and private healthcare. NW asked whether this was going well, and MJ advised that the new Secretary of State had not become involved to date but other ministers had been offering support to the programme. MJ added that ADAPt now had a stakeholder committee and the aim was to put out a consultation to the public by the end of 2018, once some technical and processing capabilities had been addressed. Attendees also noted a major issue relating to consultants not being able to check their NHS data; PHIN has implemented an essential process to allow consultants to check their private activity data and prompt hospitals to make corrections before the data is published on PHIN's website; the NHS does not have an equivalent process for HES. At the least, the ability to correct private data must be maintained and, ideally, this would be extended to NHS data.

GP asked whether consultants reported any issues with their NHS data that needed amending and MJ confirmed that three quarters of the consultants who had accessed their data so far had chosen not to approve their NHS data, presumably due to inaccuracies. Attendees noted that to date around 5,000 consultants had logged on to the portal and 1066 have approved their data for publishing. Attendees asked why the consultants were going to the hospitals to get their data corrected and not NHS Digital and noted that in practice this was not possible as currently no process existed to enable this to happen. The meeting further discussed the impact of inaccurate coding on the data in both the NHS and private healthcare and the fact that billing in private sector was based on CCSD codes and the NHS used OPCS codes. Board asked whether it was possible to add a warning to the PHIN website stating that the information for some consultants may be very limited and patients to consult their GPs.

ACTION JF to consider adding a warning regarding the limited information available for some consultants.

Engagement

JF presented key points from the report and advised the Board that hospitals engagement was stable at around 550 hospitals with 480 having commenced data submission. The team had provided a lot of support to the hospitals and engaged positively with new and up-coming providers. Board also

noted that the website would be refreshed at the beginning of October when 29 hospitals would be added for the first time, bringing the total to 368.

A key focus over the coming months would be data maturity. In the 2017 Annual Report, PHIN had committed to publishing a “data maturity report” and this was being consulted on with a beta version available to members in the portal for the last three months. The report demonstrated that good progress had been made on data supporting publication of the basic measures. Attendees asked whether hospitals could be shown by volumes and MJ/JF noted but thought that this would be weighted differently to the benefit of the bigger Providers.

A Coyne and N Silvey had continued to refine the work on procedure groupings, used to present work back to consultants and hospitals, with input from various Royal Colleges and Speciality Associations. This was a time-consuming exercise and they had focused on only this for the past two weeks. CC advised that that he recommended contact with the British Society of Urinary Gynaecologists (BSUG). MJ added that PHIN was trying to align with GIRFT and NCIP.

ACTION MJ to establish contact with BSUG

Meeting discussed the ongoing consultation with the cosmetic surgery sector and the Chair added there was potential legislation being introduced in this sector to look out for.

Board noted that the more than 5k consultants had logged on to the Portal and this was steadily increasing. Work continued on designing how consultants would submit their fee information to PHIN under the requirements of Article 22 and feedback was being sought from consultants, professional associations and hospital groups to refine the process. The consultant search was launched on the website on 13 September, representing a big milestone for the organisation and the sector.

Meeting further discussed the collection of consultant fees and the format of data collection. MJ advised that a report would be submitted to the next Board meeting as work had been ongoing trying to align with the way the sector collects data and requirement to complete and submit a form. Attendees raised a concern about the partial nature of the data and the danger of patients being charged more than they expected since hospital charges are the major part of overall costs; JF advised that PHIN would enable hospitals to provide prices, and would publish them where provided. PHIN hoped to offer guidance rules for consultants to complete the form on website to allow for the most accurate information.

The Chair added that the CMA’s Order did not actually require hospitals to provide pricing information to PHIN for publication but reiterated that PHIN would seek to do so where the information was provided. Attendees voiced concern regarding all other costs that may not appear on the website, such as anaesthetists. JF added that the team would aim to add as much information as possible, but this would not all happen in first step in April 2019. MJ clarified what would be published in April 2019 would firstly be based on the legal requirement under the CMA Order, with improvements intended over time. Board noted the constraints in generating this information and added that PHIN needed to explicitly outline what it was publishing, to avoid patients complaining to PHIN that the fees on its website are misleading.

ACTION MJ/JF to bring to Jan 2019 Board the narrative for the collection of fees and an update for development to this point

Technology & Informatics

DMI presented key points from the report and advised Attendees that the updated Portal was launched on 6th September. DMI also advised that Sharepoint would be removed from the portal earlier than anticipated due to it causing persistent and unnecessary issues, that were disadvantageous to PHIN; the proposed decommissioning of Sharepoint will be in the New Year. Attendees also noted the website release on 13th September which included the consultant search function, volume transparency and suppression of revoked profiles and measures. Work was progressing on Article 22, focusing on three main work packages; “Consultant journey”, “Hospital Packaging Pricing” and “Import of Third-Party Data”.

Installation of the new telephone system, including a new network was now complete, providing a greater bandwidth and allowing the new circuit to be partitioned to provide dedicated access for guests. DMI advised that the PHIN main line telephone number would be forwarded to the new system to maintain continuity. Attendees also noted that the design phase of PHIN’s infrastructure for Azure migration was also complete and the build was expected to be completed by the end of October. The ClaraNet environment was expected to be switched off by the end of the year, following two months of parallel running with Azure. The expected reduction in costs was from £120k to c.£50k.

Board also noted that the new risk management system, Q-Pulse, had been installed and key staff had received training. DMI advised Attendees that Tableau, an analytic software used by PHIN, were forcing a subscription model for its use and would result in a huge increase in cost, with the number of consultants using the Portal; it was intended that Tableau would be removed from all external facing systems and be restricted to internal analytics use only.

Attendees noted that James Parmley joined PHIN in August as the Development Manager. Two Developers had left the team, but recruitment for their replacement was underway.

People & Process

MS referred to key points in her report and Board noted that Sarah Boyce had joined PHIN on 17th September as Office Administrator/PA. Attendees noted that there were five unfilled roles as discussed during the budgeting process and recruitment was underway to find a Programme/project Manager. As the team was growing in numbers, office space was becoming an issue and the current Board room was being converted into an office and the Engagement team would move into this room in early November. This would allow the Technology and Informatics teams to reorganise themselves in the main office. Unfortunately, PHIN would then only have one meeting room suitable for 10-12 people. MJ had also moved into the small meeting room, which had been converted into a dedicated Chief Executive Office.

MJ added that PHIN’s Annual Report would be submitted to the Board for approval following a discussion today and presented an outline of the proposed content. Outlining the format, Attendees noted that chapters would be structured starting with the Chair and CEO forewords, updates from the Departments and Committees, followed by key messages. MJ asked the Board to consider what the overall tone of the report should be and to be mindful of what PHIN had achieved to date but communicate the serious concerns about data quality. There had been steady progress made over

the past 12 months with consultant engagement and the ADAPt programme had brought recognition for PHIN. There had been a number of key appointments, such as Dr Jon Fistein and Dr Natalie Silvey.

Attendees acknowledged that broadly a balanced message would be communicated in the report and commented that this was an opportunity to convey the primary purpose of PHIN and to reinforce PHIN's dependency on various parts of the healthcare sector and rightfully celebrate the progress made by PHIN. Attendees added that it was an opportunity to flag up that primarily PHIN need to provide information for patients and if addressed correctly, could increase use of private healthcare. The Chair added that emphasising the enormity of the task and the huge amount of work already undertaken and required ahead was necessary and to refer to PHIN's Vision, Mission and Values.

Meeting **agreed** that as PHIN's work progressed, it sometimes uncovered strategic issues in the sector not of its making but which needed to be addressed before PHIN could move forward and discussed how these could be shared with the sector.

In response to a question, the Chair acknowledged the request for a patient orientated report and **agreed** to consider it as a separate exercise. MJ added that he had already held discussions about a patient friendly online "Private Healthcare Book" and would pursue this concept further.

ACTION MJ to further consider producing a patient focused report and keep Board updated.

5. Matters Arising

a. PHIN Competition Compliance Draft Statement

MJ advised the Board that he had spoken to MH regarding the current draft statement and suggested not to pursue this concept further. The draft statement did not meet the purpose it was intended for.

Board unanimously agreed to not pursue this further.

6. PHIN Articles Update

The Chair outlined a summary of the responses received from the voting Member organisations following the PHIN Articles discussion at the General Meeting in July and email correspondence sent from him to voting Members after the meeting. Meeting noted that five written responses had been received in total.

Referring to a letter received from Spire Healthcare, Attendees noted that amendments had been submitted to the document that was circulated to the Members in July. Board **agreed** that it would need to consider each suggestion and decide which ones the Board would accept. Attendees noted that they needed to decide on an initial view before the AGM in December.

Proposal for 12 December (i-iv)

i. Articles 23 and 24

To restore Articles 23 and 24, per 2012 version, such that unanimous consent of Directors is required for Board reserved matters. Board noted that written responses from members since the July meeting, at the Chairman's invitation, were 4:1 in favour of restoring the previous version.

Attendees asked how the changes had been articulated to Members and did the Members clearly understand the changes? MJ advised that the Articles were initially reviewed to improve the sections on conflicts of interests, and a potential risk to the mutual trading status identified by PHIN's lawyers. The appointed sub-committee reviewed the Articles with the lawyers to bring them up to date under corporate law and governance. This had been clearly communicated to members in letters and at the July meeting. MJ added that PHIN could continue to just use the Articles as they have been used for the past 6 years with little risk, save for the need to make the changes material to mutual trading status.

ACTION Board agreed not to resist restoration of this Article to its original wording.

The Chair added that restoration would be proposed as an amendment at the AGM in December and open to vote; Board would not take a view either way.

ii. Article 51

To amend the Article allowing the Board to accept potential conflicts of interest, such that unanimous consent of directors is required. Board commented that it was experienced enough to understand a conflict and whether or not it could be accepted.

ACTION Board agreed not to resist the suggested amendment to the Article.

iii. Articles 69-73

To reinstate these Articles allowing the appointment of alternates by Directors. Board unanimously agreed that the NEDs did not represent organisations; collectively the NEDS were the PHIN Board and their primary role was to support PHIN. Attendees noted that DH concurred with this view and did not support the proposal.

ACTION Board unanimously agreed to resist this amendment seeking to appoint alternates and MJ/DH agreed to discuss how to communicate this to Members in December at the AGM.

iv. Article 4

To restore the words "but not further or otherwise" after the expression of PHIN's Powers.

ACTION the Board agreed to accept the proposal to restore the wording of this Article

Board noted that the concept of Members fees had been removed from the Articles and therefore the point regarding "refund" was redundant and irrelevant.

Board also **agreed** that it should not have the power to remove nominees appointed under the CMA Order, but the Board had to retain powers, under Company law, to remove anyone guilty of gross misconduct. Members should also be reminded at the AGM In December that PHIN needed an approved set of Articles.

ACTION MJ to respond to Spire Healthcare’s letter as above

7. Finance

a. Finance Report & Management Accounts Year end 2018/18

GG presented key points from his report and Attendees noted the full year revenue figure was £3.71M and was £31k over budget. Attendees noted that staff costs continued to increase, due to an increase in headcount in the second half of the year. The year ended with 21 employees and the YTD staff costs were underbudget, largely due to the delays in recruiting to some roles.

The IT expenditure was significantly over budget, primarily due to the ongoing development work related to the Azure migration, which was brought forward to be included at year end. Attendees noted that the list of debtors was reducing slowly, and the debt collection agency had provided an excellent service. GG added that there were a number of providers identified where their debt would need to be written off for valid reasons and asked what the final retained earnings figure was and how many months in reserves. GG advised that there was a reserve figure for 5.4 months.

b. Finance Report & Management Accounts August 2018

GG advised the Board that FY18/19 subscription invoicing was being calculated using the actual volumes declared by Providers for the calendar year 2017. Providers in the main had settled their Q1 invoices, however some queries had been raised regarding the volume data and these were being addressed on an individual basis. The total value of invoices issued was about £823k for the first quarter.

Expenditure fell below budget by £31k, again primarily due to staffing costs and the phasing of recruitment. There were underspends on both the portal and website in the month. The old debt had been reduced significantly and there is approximately £20k of older debt that would still be collected.

Governance

a. PHIN – Assets, Access Control, and Risks

GG highlighted the key points from the paper and outlined the methodology that was being adopted to configure risks and threats by taking an asset-based risk approach. Board noted that the old excel spreadsheet had been decommissioned and ISMT had reviewed the original spreadsheet and identified that most of the identified risks were in fact “threats”. The updated spreadsheet was being used to populate the risks in QPulse, with input from key team members for every department. Board **agreed** to delegate the review the risks to Audit & Risk Committee (ARC) in October and receive an update at the Board meeting in November.

b. Update on Risk Register/Q-Pulse Presentation

Board **agreed** to defer the presentation to the October ARC meeting.
ACTION MS to add to the agenda

c. Appointment of SIRO and Caldicott Guardian

MJ proposed that Geoff Green be appointed as SIRO and Dr Jon Fistein be appointed as the Caldicott Guardian. **Board unanimously approved both appointments.**

8. AOB

There were no AOB items submitted for discussion.

Dates for Future Meetings

Meeting dates for 2018

PHIN Board meeting dates for 2018

Thursday 22 November 2018 – 10.30am-1.00pm
AGM 2018 – 12 December 2018

PHIN RemCom meeting dates for 2018

No further meetings scheduled for 2018

PHIN Audit & Risk Committee meeting dates for 2018

Thursday 24 October 2018 – 10.30 am – 1.00pm