

Agenda

DHI Board Meeting: Wednesday 22nd November 2017, 4.30pm – 7pm

Venue: Inovo Board Room, Ground Floor, 121 George St, Glasgow

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|-----|--|-----------------|-------|
| 1. | Welcome | | JJ |
| 2. | Apologies | | JJ |
| 3. | Declarations of Interest | | All |
| 4. | Minutes of Previous Meeting (Paper 1) | | JJ |
| 5. | Chairman's Update - Verbal | | JJ |
| 6. | Chief Executive Update (Paper 2) | For Information | GC |
| 7. | Finance Update to end of October 2017 (Paper 3) | For Information | HA |
| 8. | Revised Governance Arrangements (Paper 4)
(Including appendices 1-6) | For Approval | HA |
| 9. | DHI Progress, Planning and Design Update (Paper 5
with Appendix 1) | For Information | JH |
| 10. | DHI KPI Update (Paper 6) | For Approval | JH |
| 11. | Commercial Development Update (Paper 7) | For Information | HA |
| 12. | Corporate Risk Register | For Discussion | JJ/GC |
| 13. | Date and Time of Next Meeting
Wednesday 14 th February 2018, 10am – 1.30pm.
Glasgow - Venue to be confirmed | | All |

BOARD MEETING

Minutes: Wednesday 16th August 2017

Chairing:

Mr John Jeans

Present:

Professor George Crooks
Chief Executive Officer
Digital Health & Care Institute

David Littlejohn
Executive Dean,
University of Strathclyde

Louise McKean
Solicitor and Contracts Manager
University of Strathclyde

Mr Hugh Anderson,
Commercial Finance
Director,
Digital Health & Care
Institute

Mr Don McIntyre,
Design Director,
Glasgow School of Art

Colin Kirkpatrick, Research
and Enterprise
Glasgow School of Art

Helen Raftopoulos,
Assistant Director,
Scottish Funding Council

James Cameron,
Head of Health and Life
Sciences,
Highlands & Islands
Enterprise

Ms Julia Brown,
Healthcare, Life and Chemical Sciences,
Scottish Enterprise

Charles Sweeney, CEO,
Critiqom

Conference line

Brian O'Connor, Chair, European Connected
Health Alliance, UK

Apologies

Ms Donna Chisholm
Regional Head of Sectors, Innovation and
Programmes,
Highlands & Islands Enterprise

Professor Harry Burns
University of Strathclyde

Irene McAra-McWilliam
Deputy Director (Innovation)
Glasgow School of Art

Mr Alistair Hodgson
Scottish Government

Professor Andrew Morris
University of Edinburgh

Ms Margaret Whoriskey
Head of Technology Enabled
Care and Digital Healthcare

Innovation,
Scottish Government

Visiting attendees

Mr Stuart Deed,
Strategic Partnering Director,
Digital Health & Care Institute

Mr Chaloner Chute
Chief Technology Officer,
Digital Health & Care
Institute

Board Secretary

Shirley Sharp, Office Manager/EPA, Digital
Health & Care Institute

ACTION BY

1. Chair's Introduction and Apologies

The Chair welcomed everyone to today's meeting and submitted apologies on behalf of those unable to attend.

2. Declarations of Interest

The Chair advised that for information and without conflict, he is co-chair for a National Centre for Universities and Business Task Force on Digital Health and Healthy Living.

3. Minutes and Actions from the Previous Meeting

SS advised the attendance for Julia Brown at the May and July meetings has been amended.

Chairs Introduction and Apologies – Paragraph 4, the chair reiterated that currently this is proposed funding for UK Government.

3.1 Actions from the Previous meeting (24/07/17)

AOB - LMck raised the issue of £250k capex re demonstrator environment and clarification from SFC. HR advised she will confirm after receipt of an email, including details from DHI Chief Technology Officer, Chaloner Chute. LMck advised that this has been sent **HR**

AOB - DHI/SG Visit to Estonia. Chaloner Chute to send completed report to SS for dissemination to colleagues. **CC/SS**

AOB - Chairs of IC Group – Business Case Approval Assessment by SFC. The Chair advised that Stuart Fancy from SFC has arranged a meeting with Director General's from Scottish Government and Chairs to update. There remain concerns about the assessment criteria and process. The Chair will plan to join the meeting by teleconference and update colleagues at the next scheduled DHI Board meeting in November. **JJ**

Chair advised that letters of appointment will be issued to Board members in September. Updates from Board colleagues will also be required re declarations of interest. **GC**

The Chair also advised on Industrial Strategy Challenge Fund and the potential for UK Government providing significant investment for industry, with healthcare

being an area of focus. There is also the possibility of grant initiatives from Innovate UK. JJ and GC will look at how these initiatives are being set and how DHI can tie into this.

JJ/GC

4. Chief Executive Update

GC advised colleagues to note the new format for the Board pack, which should hopefully offer a more condensed and structured format for Board colleagues to review.

GC also advised that DHI Head Quarters have now officially moved into the 1st floor of the Inovo Building from 1st August. The dilapidations are still an ongoing issue with the previous landlord, however Hugh Anderson and University of Strathclyde are in discussions to finalise the agreed sum to be paid.

GC advised that DHI has had constructive discussions with Scottish Government colleagues re links with DHI. GC has met with Margaret Whoriskey, Head of Technology Enabled Care and Digital Healthcare Innovation, who is comfortable with taking on that informal role as DHI Government sponsor. GC will attend regular meetings with MW and the division going forward and GC will update colleagues as appropriate.

GC advised that from 1st July 2017 until the end of the year, Estonia is assuming presidency of the EU Council. With a commitment to the development of Digital Public Services, GC has been invited to participate in the Task Force focussing on Digital Transformation and change management in health and social care organisations. GC hopes to represent and promote Scotland's interests in this area and DHI going forward.

HA commented that the Estonia visit has been a worthwhile visit and validation of DHI's approach going forward.

The Chair asked colleagues for comment/views on the new document format. It was agreed that this clearer and more concise format should continue.

5. Finance Update

Before HA addressed the Board with the finance update JJ asked HR for an update re report to SFC Strategic Fund Group and utilisation of proposed funds from phase 1 for phase 2. HR advised that the report was received too late for discussion at this month's meeting and will be discussed at the next meeting at the beginning of September. JJ enquired as to timelines on notification of SFC's response HR advised that this would perhaps turnaround within one or two days. HR advised that she has all the information required and would hope for a positive outcome.

JJ advised that he had recently met with Stuart Fancy, SFC and had advised on a slight change to the terminology used with regard to Phase 2. SFC would prefer Phase 1A being used going forward.

HA advised colleagues on the first quarter Phase 1A - April/May/June. No concerns currently with a cash positive position. Capex is still being deliberated over. HR advised that she has received the information required from DHI/UoS and this will be advised to DHI by the end of next week. JJ asked for clarification if this was DHI or UoS? DL confirmed this will be UoS.

HR

6. Risk Register

GC advised that DHI is developing its formal risk management processes and procedures. The SMT have collectively developed and updated the Strategic Risk Register for consideration by the Board. The Risk Register will form part of the governance system for DHI. JJ advised that this is a great start to the process and he will work with GC on its refinement and return to the next Board for comment/review at the next Board meeting. DL reassured the Board that DHI is part of the Universities Internal Key Controls Process re operations and practices within the University. DL confirmed that this has been submitted to the Head of School, which will then go to the Dean for review.

JJ/GC

7. Challenge Areas Update – Chaloner Chute

JJ advised that CC is attending today's Board meeting to go through this high-level update on the challenges proposed at the extraordinary Board meeting in July, seeking full sign off from the Board for Phase 1A going forward.

CC advised that he will provide a summary of the challenges agreed with key stakeholders identified. CC asked colleagues to note that the six challenges and the simulation toolkit outlined account for the majority of DHI funding; the financial aspects of the Challenge process are included in Paper 5.

CC discussed in turn the six Challenges highlighted in *Appendix: Challenge Summary* of paper 4. Each challenge identifies the policy alignment, senior service leadership, clinical leadership, industry interest and potential route to market. A detailed discussion took place, with particular focus on each challenge and its sponsorship, deliverables, adoption, which in turn can lead to the commissioning of a new service.

JJ then asked HA to give colleagues an overview of the proposed financial plan of phase 1A.

HA pointed out that the focus of paper 5 was to give a balanced and proportionate view without affecting future business outputs. HA asked colleagues to note the cost reduction elements highlighted in *Chart 1. Cause of Change* within paper 5. A £520k reduction in staff costs, 3 leavers within the design team not being replaced, reducing their complement to 8.4 FTE. There are also several technical and commercial heads that are not being recruited. Overall reduction based on the original plan submitted to SFC in December 2016 shows a reduction of five staff.

HA proposed that the next business phase commence 3 months early on 1st January 2019, saving £480k in this final quarter. JJ advised that this was raised at his meeting with Stuart Fancy, and he is comfortable (in principle) with an earlier application from DHI. August 2018 will therefore be a critical Board meeting. HA also advised that costs associated with developing the infrastructures in the demonstration toolkit have been reduced by £450k (50%). Anything beyond the foundation structures is dependent on corporate partners and 3rd party grants. The calculation of overheads associated with all academic grant work has been changed from 80% to 70% for phase 1A. This will have an impact on all academic institutions who receive grant allocations from DHI through this phase. CK advised that 80% is the standard across the sector but is comfortable with 70% as a short-term solution for a minimum period of time. CK also advised that if, during that period funding becomes available, then he would hope this would be revised.

JJ advised that the reduction in funds for marketing could be an issue and that DHI needs to take a creative approach to raise its profile. JJ asked for Board colleagues to consider and assist in this area. DL suggested discussion between DHI Marcoms and UoS would be useful. **All**

JJ then asked colleagues to review all the 6 Challenge areas, the proposed toolkit and balanced budget and to endorse this package. Board colleagues were in full agreement with the business plan going forward for Phase 1A.

8. Commercial Update

JJ advised that SD would inform colleagues on the potential commercial partners, this would be for information only and not for approval.

SD advised that DHI has identified target areas where financial, technical and personnel support are potentially available to bridge the financial shortfall in DHI Phase 1A. These areas include commercial partnerships with industry, the progression of Third Sector directly funded projects and grant funding. The targeted additional third party funding for Phase 1A is £800k.

JJ asked what can DHI promise in the short-term, given that the future business case is uncertain? SD advised that those partners currently in discussions with DHI are confident and comfortable with the identified risks.

SD then went on to advise colleagues about ongoing discussions with IBM, Capita Consulting and Scottish Wide Area Network (SWAN) re demonstration and simulation facilities. SD also advised that Macmillan Cancer Care are exploring the potential of a second phase to their existing project with DHI. Discussions are also underway with the British Heart Foundation and work is ongoing towards a grant funding application with Digital Health Technology Catalyst, through Innovate UK. JJ asked for SD to return to the November Board meeting to present funding opportunities going forward, specifically where this will relate to the current pipeline of work. **SD**

9. AOB

JJ advised that the November Board meeting will be scheduled to a later time on the same date, to allow colleagues to attend the SG sponsored Digital Health and Technology Event that same day. This event will be held in the new Technology and Innovation Centre and if possible, the Chair will arrange for the Board meeting to take place in the Inovo building; the meeting will take place from 4.30pm until 7.00pm.

10. Date and Time of Next Meeting

The next scheduled meeting will take place on Wednesday 22nd November @ 4.30pm, Board Room, Ground Floor, Inovo Building, Glasgow.