

## ROYAL BROMPTON & HAREFIELD NHS TRUST

### Minutes of a Meeting of the Trust Board held on 21 July 2004 in the Concert Hall, Harefield Hospital

- Present: Lord Newton of Braintree (Chairman)  
Mrs M Leadbeater: Director of Finance  
Mrs S McCarthy: Non-Executive Director  
Mr P Mitchell: Director of Operations  
Professor A Newman Taylor: Acting Chief Executive  
Mr C Perrin: Deputy Chairman  
Dr. C Shuldham: Director of Nursing and Quality
- By invitation: Mrs C Champion: Director of Strategic  
Development  
Mr R Craig: Director of Governance and Quality  
Mr W Fountain: Associate Medical Director, HH  
Mr N Hodson: Project Director  
Mr N Hunt: Director of Partnership and Service  
Development  
Dr C Iisley: Chairman Medical Committee HH  
Dr. R Radley-Smith: Associate Medical Director HH  
Mr T Vickers: Director of Human Resources
- Observer: Miss M Greatorex: Chairperson Royal Brompton and  
Harefield Patient and Public Involvement Forum
- In Attendance: Mr N Chahal: Charity Accountant  
Mr M Chamberlain: Head of Procurement  
Mr J Chapman: Head of Administration  
Mr R Connett: General Manager Paediatrics  
Mrs L Davies: Head of Performance  
Mr G Everson: Head of Information  
Mrs J Pettit: Clinical Governance Manager, HH

Apologies for absence were received from Mrs Suzanne McCarthy and Professor Malcolm Green, Non-Executive Directors, Professor Tim Evans, Acting Medical and Research Director, and Dr. Gareth Goodier, Chief Executive.

The Chairman welcomed members of the public to the meeting. In response to concerns raised that the public found it difficult to hear proceedings in Board meetings the Trust was trying to install sound amplification systems in the Harefield Concert Hall and the Royal Brompton Boardroom. For this meeting two microphones had been made available including a roving microphone for use by members of the public.

The Chairman referred to the announcement on 19 July 2004 that Dr. Gareth Goodier, Chief Executive, will leave in the Autumn to become Chief Executive of North West London Strategic Health Authority. The Trust collectively was sorry

to learn of his departure but looked forward to working with him in his new position.

The Chairman expressed the Board's renewed gratitude to Professor Anthony Newman Taylor who had agreed to take over as Acting Chief Executive and to Professor Tim Evans who had taken over as Acting Medical and Research Director, in the Chief Executive's absence and the interregnum.

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REF

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2004/81 MINUTES OF BOARD MEETING ON 26 MAY 2004

The Board was asked formally to approve the minutes of the meeting on 26 May 2004, which had been deferred from the previous meeting as certain material had been omitted from copies circulated before the meeting to members of the public. Mr Tony Vickers asked that "committee" be substituted for working party in Minute 2004/59 on organisational development.

The Board then approved the minutes of the 26 May meeting.

2004/82 MINUTES OF BOARD MEETING ON 29 JUNE 2004

The Board received the minutes of the meeting on 29 June 2004.

(i) Preamble to the minutes

Mrs Jean Brett, Chair Heart of Harefield, said her input on the minutes on behalf of Heart of Harefield was considerable. Accuracy was ensured by referring to a tape of the proceedings. As she had not referred to the slotted-in Board meetings, of which Heart of Harefield was unaware, as "informal private meetings", Mrs Brett requested that a correction be made. Her comments were in writing and had been faxed to the Trust Offices. The relevant paragraph was, "Mrs Brett responded that the Board meetings had been arranged well in advance. They were listed by June and August 2003 and those lists had found their way to her. The meetings at the Brompton were not listed as seminar-type meetings but as Brompton & Harefield NHS Trust Board meetings under "The Chairman has agreed the following dates..." The leaked lists showed that the Board meetings at the Brompton had been slotted in at intervals despite Heart of Harefield having been told that the only Board meetings were bi-monthly."

Minutes should be an accurate record of what was said not a wishful later interpretation of it. If the Trust had desired a change, the request should have been made to her before the minutes were finalised and distributed, rather than words having been put into her mouth.

The Chairman agreed that the minute should be amended to record what Mrs Brett had said at the meeting and sent in writing to the Trust offices.

(ii) 2004/76 Comments and questions from members of the public on the car parking proposal

Mrs Brett requested the fourth paragraph on page 12 be amended to reinstate her comment that the disused buildings being removed would benefit Harefield.

The Chairman agreed the amendment.

(iii) 2004/68 Report from the Chief Executive

Dr. Caroline Shuldham said the name of Hayley Pryse-Hawkins, who had been named as "London's Outstanding Achiever of the Year" award winner for nursing was misspelt in the minutes presented.

The Board then approved the minutes of the meeting on 29 June as amended.

2004/83 REPORT FROM THE CHIEF EXECUTIVE

The Board received a report from the Acting Chief Executive which included an account of five matters. Professor Anthony Newman Taylor also informed the Board that the Department of Health had announced the star ratings for NHS Trusts that day. Royal Brompton and Harefield had received three star rating for 2003/4. This was an outstanding result and many Trust staff had worked immensely hard to achieve it. Three star status presented the Trust with an opportunity to apply to become a Foundation Trust. Additional capital funds would also be allocated.

Mrs Lucy Davies, Head of Performance, informed the Board that the Trust had met all seven mandatory targets and was placed in the top band for the three focus areas which determine three star status. Royal Brompton and Harefield was also the only specialist cardiothoracic centre to achieve three stars. It was public recognition that the Trust was among the best in England and Wales.

The Chairman commented that three star status would not have been achieved without Lucy Davies' leadership. On behalf of the Board he thanked Lucy Davies.

2004/84 PADDINGTON HEALTH CAMPUS DEVELOPMENT

Mr Nigel Hodson, Project Director, presented a report which referred to four matters. A Press release dated 12 July 2004 from the Paddington Health Campus Project was attached to the report.

Mr Hodson said the key point was that the Strategic Health Authority (SHA) had issued a statement on 12 July saying that following the

independent review by the Department of Health into the Paddington Health Campus Development it had been agreed that the Project should be progressed and a new Outline Business Case (OBC) developed by October 2004. Mr Hodson stressed that the independent review report had not yet been published but was imminent.

Mr Hodson's written report also included a section on Harefield Hospital at Paddington. Patients who require tertiary care services would be treated within the Paddington Campus. A large proportion of Harefield patients would however be treated for routine care at new cardiac facilities opened at local hospitals. Mr Hodson's report gave cardiology and cardiac surgery workload projections.

Responses to the draft PPI Strategy were arriving and the outcome would be reported in the Autumn. Mr Hodson asked the Board to note his brief references in his report to recent communications on progress with the Development.

2004/85

#### COMMENTS FROM MEMBERS OF THE PUBLIC

Mrs Jean Brett, Chair Heart of Harefield, first drew attention to a clerical error. The Project Director's report was dated 27 July instead of 21 July, the date of the Board meeting. Mrs Brett apologised for having to mention it but Heart of Harefield liked accuracy on documentation.

Mrs Brett also commented that the report read more like a medical director's prognosis for Harefield. However, its main point was that the SHA had issued a Press Release on 12 July. That Press Release gave the strongest indication that the review into Paddington by the National Audit Office, the Treasury and the Department of Health was over and that its report was out whereas the review report was not out nor was it out today.

Mrs Brett thought it extraordinary that such a misleading document should have been released when the Trust was paying Christows, a Public Relations Company, out of public funds. To ensure accuracy all Christows had to do was to check with the NAO Press Office on whether the report was out. Instead what was regarded as being crafted to deceive had been issued. However, the explanation and apology received that day from Mr Steve Peacock, SHA Acting Chief Executive, was welcome. Mr Peacock accepted that the review report was not out and the Press release could be interpreted otherwise. The admission was admired. The reality was that spin had been used to give the impression that the review report was out and that it was backing Paddington whereas the NAO had made clear that the report was not out and that it was inappropriate for anyone to pre-empt its contents. Mrs Brett cautioned against spin as it caused trouble, saying the amount of spin used from the outset on Paddington could make Alistair Campbell look like an amateur. It was not acceptable.

Mrs Brett said there was sympathy with Mr Hodson having inherited "a poisoned chalice" but it was disgraceful that two misleading Press releases were within the Board's papers. Serious journalists had been misled by them. It was unethical. On Mr Hodson's comments on why Harefield should not continue with its current workload Mrs Brett said that they had no place in a Project Director's report on the present state of the Paddington Health Campus. The PHC Project was in worse than reverse. In November 2000 its Outline Business Case had been submitted. In July 2004 its new Outline Business Case was still in preparation.

Noting that Mr Julian Nettel in an interview had said that it should not be thought that the last four years had been wasted. Mrs Brett said he was correct as it was the last six years. On where Mr Hodson had alleged Harefield patients would go Mrs Brett said there was no possibility of the cardiac patients being treated locally. Watford Hospital had zero star rating and tremendous problems, not even meeting its two week cancer referral target. Was Mr Hodson suggesting Harefield patients go there? Hillingdon and other local hospitals had similar problems. Mrs Brett criticised figures that were plucked out of the air which had no reality when general hospitals could not cope with their present workload.

On briefing journalists in Mr Hodson's report, Mrs Brett said what Mr Nettle should have been making clear was that due to the Paddington site being "useless" it would be necessary to have a different site and a land swap with Chelsfield. This change of site was also what the Paddington Project Director should have been reporting on rather than on seeking to disadvantage Harefield, a great hospital which had come through with three stars. Heart of Harefield's congratulations applied to both Hospitals. Mrs Brett said, "When it is not broke you don't mend it."

The Chairman responded by saying that the Trust was unaware of the exchange of letters with the SHA and he may need to comment later.

Mr Hodson acknowledged that the position of the independent review was not satisfactory and apologised for the misrepresentation and misunderstanding in the PHC Press release.

Professor Newman Taylor said that since the inception of the PHC Development it had been planned to relocate most of Harefield's patients to local DGHs where they could be treated more conveniently. Relocation would coincide with the capital development. Mr Hodson's report said nothing new. Royal Brompton and Harefield Hospitals at Paddington would provide services for patients who required specialist tertiary care.

The Chairman said it was inappropriate to debate the star ratings of other hospitals. Star ratings did not equate directly with quality of patient care. Royal Brompton & Harefield NHS Trust had provided high quality care for years regardless of star ratings.

A member of the public present said she was most impressed with Harefield Hospital and its grounds. She had been shocked to hear it could close when its infection rates were low and its treatment excellent. As Harefield was beautiful and loved by its patients she asked why not close Hillingdon Hospital instead as it was hated. She also asked what would happen to the site if Harefield Hospital closed.

The Chairman suggested that the inference was that Harefield should be turned into a DGH. This was greeted with general dissent from the floor. The Chairman continued saying that Harefield is a specialist cardiothoracic hospital and the Board's specific concern is that the identity of Royal Brompton and Harefield should not be submerged in a secondary care hospital.

Professor Newman Taylor said the critical question in the future location of services would be the changing nature of the patients who were requiring specialist services in a tertiary cardiothoracic centre. Patients treated in Royal Brompton and Harefield Hospitals increasingly have complex disorders which require adjacency of other specialist services, such as gastroenterology, renal medicine, neurology and diabetes medicine. He agreed Harefield is a great hospital but it is not adjacent to a DGH for treatment of these complex disorders. On the future of the Harefield site Professor Newman Taylor said a number of proposals are under consideration including development as a science park.

Mr David Potter, Vice-Chairman Heart of Harefield and Chairman of Rebeat, said he echoed what Mrs Brett had said on the inappropriateness of half of the Project Director's report. It was well known that 40% of Harefield's patients come from Hertfordshire and Buckinghamshire and prefer to come to Harefield rather than go to Paddington or another centre of doubtful excellence.

Mr Potter said that what Mr Hodson's report should have provided was the information he undertook to give in the previous meeting. He also asked what progress had been made on the Section 106 agreements having formally expressed doubts that any benefit would be gained. On the benefit to research by Harefield moving to Paddington, Mr Potter pointed out that bed and bench already existed at Harefield through the presence on site of the excellent Sir Magdi Yacoub Institute. Whereas, the suggested Science Park at Harefield would have no patients nor beds so depriving the Sir Magdi Yacoub Institute of them.

Mr Hodson apologised for the absence of the information requested at the previous meeting but understood Mrs Claire Champion had answered the question at the meeting. He considered there was benefit in discussion on the Section 106 agreement as it would enable the Project Team to facilitate an agreement with Westminster City Council over the future planning application.

Professor Newman Taylor said there was uncertainty over patient-centred research and development on isolated sites. It was more important for tertiary patient care to be provided adjacent to DGH specialities. Scientific research could be undertaken in an institution further away.

The Chairman commented that he had no wish to limit the public's comments but some of the points made to the Board had been raised on innumerable occasions.

Mr Kenneth Appel, a member of the Royal Brompton and Harefield Patient and Public Involvement Forum, said he understood that 10% of Harefield patients would be treated at Paddington but the remaining 90% could be treated at Harefield in its excellent and exceptional manner when compared to other hospitals. There were huge waiting lists of patients wanting to come to Harefield who could be treated there.

Mrs E Hill, said she was representing Community Voice, consisting of 40 local organisations, in the absence of its Chair and Vice-Chair. Mrs Hill said she was very concerned about the high costs of the PHC and the time involved for the new OBC. It amounted to gross incompetence. As Professor Newman Taylor was aware, one did not get a second chance in the treatment of patients. It had to be right the first time. Mrs Hill thought there should be resignations at a senior level. The funds were not available for the PHC Development. The SHA should not proceed with it.

Mr Don Chapman, Vice Chair of Harefield Hospital League of Friends, said he was confused by the changes. He asked whether the site was too small and if so would a different site be chosen. He could not proceed until he had got an answer to that question.

Mr Hodson confirmed that to get everything on the St. Mary's site was problematic. The Project Team had therefore been looking for months for a larger site.

Mr Don Chapman said Mr Hodson's answer gave the opportunity to scrap the whole scheme. Instead the Development should be at Harefield, which was the ideal site outside London. People who had been complaining about travelling back to London that evening would be travelling at the easiest time. Whereas, if the Paddington Project went ahead people who had early morning appointments would find

it impossible to get there. By having hospitals on the fringe of London patients and staff would be able to get there. Mr Chapman urged the Trust to think again; it was not too late to change direction.

Mrs Pauline Crowley, Chair of the Harefield Residents Association, said the organisation wished the Hospital to be retained at its present site. Mrs Crowley observed that the SHA and local PCTs in North West London were participating in the PHC Steering Group and asked why Hillingdon PCT was not involved when it would pick up some of Harefield's workload if the Hospital relocates. Mrs Crowley also commented that Mr Hodson's report gave no indication of how many Harefield patients would be treated at Paddington and that it said nothing about staffing issues.

The Chairman commented that many of the issues raised up to this point had been made at previous meetings. There was no solution to the problem of strategic development of services in London that did not involve substantial capital. To relocate the local district general hospitals would itself inconvenience many people.

Mr Chapman said he was sorry to interrupt but the Chairman was missing the point completely as they were not suggesting that St. Mary's should be moved. It was a perfectly viable general hospital. They were speaking of specialist heart services. Mr Chapman said it would be better to close the Brompton and sell the site and have everything at Harefield.

The Chairman replied that Royal Brompton would be relocated to Paddington. It is the adjacency of DGH specialities that matters. The Chairman also said he understood the view Mrs Crowley had expressed about PCT involvement. The three Inner North West London PCTs were involved in the PHC development as they significantly funded patient care costs for those who would be treated at Paddington. Hillingdon PCT funded very few patients in Royal Brompton and Harefield.

Professor Newman Taylor referred to cystic fibrosis as a tertiary care service that required adjacency to DGH specialities. Children and adults with cystic fibrosis are treated at Royal Brompton and Harefield but many adult patients also developed gastroenterological problems and diabetes for which they have to be treated in Chelsea and Westminster Hospital and sometimes other DGHs outside London. This was not a satisfactory position. Many cardiology patients had complex disorders including metabolic diseases and diabetes. There were also increasingly older patients. These trends could not be ignored; if they are it was likely that in ten to fifteen years patients will not be referred to Royal Brompton and Harefield because it did not have the appropriate services immediately available for them.



Miss Marguerite Greatorex, Chair of the Royal Brompton and Harefield Patient and Public Involvement Forum, asked what alternative schemes to the PHC were under consideration. Professor Newman Taylor explained that the OBC would contain three other comparative options. These were a do-nothing option and a do-minimum option involving redevelopment of RBH at Chelsea with Paediatrics remaining at RBH. A third option would be redevelopment of the RBH site in Chelsea but with Paediatrics transferring to Chelsea and Westminster Hospital. Professor Newman Taylor said several more options were examined before the previous OBC was submitted.

Mr John Ross, referred to Mr Hodson's "facile" answer to Mr Potter's question about the information he had undertaken to provide for this meeting. It had been agreed that Mr Hodson would provide this information and his alluding instead to Mrs Champion's comments was not an answer. Mr Ross said he was concerned that despite much having been made of St. Mary's supporting role a huge area of it could be removed to accommodate the Paddington Development. It was important to have information on which areas would be taken out as it was possible the advocated adjacencies would not be in place.

Mr Hodson responded agreeing to answer Mr Potter's questions in his next report.

Professor Newman Taylor commented that on the question of relocating St. Mary's services, healthcare did not remain static. Some tertiary care services today are becoming secondary care services and some secondary care services are becoming primary care services resulting in fewer hospital admissions and thus fewer hospital beds.

Mr Potter commented that after having asked Mr Hodson questions and having been told it would be in his next report he had instead been brushed off with information given by Mrs Champion at the last meeting. That amounted to only two details, that the Brompton and Harefield would lose two operating theatres and ten beds. Mr Potter asked for a categorical assurance that in pursuit of the Paddington Project these were the only reductions being contemplated for the Royal Brompton and Harefield.

Mrs Champion said a large range of areas were being examined to accommodate current services on the PHC but the reductions were small. The Project Team was examining new working methods some of which were being driven by Agenda for Change. This work was still in progress. Mr Potter commented Mr Hodson had said he would give him information which was additional to what Mrs Champion provided at the meeting.

The Chairman said the meeting will have heard that Mr Hodson had agreed to provide more information in his next report and was tacitly apologising for its absence.

Mrs Crowley referred to two of her points which had not been answered, the implications for staff and how many Harefield patients would be treated in London.

Professor Newman Taylor said it was not possible to quantify the exact number of Harefield patients who would in future be treated at Paddington. On the staff question the Chairman said this had been raised and answered on several previous occasions. The Trust would take account of criticisms over the conduct of previous staff surveys in preparing the 2004/5 questionnaire.

The Chairman expressed regret to others who wanted to make points to the Board and asked Mrs Brett to conclude for Heart of Harefield, Mrs Brett responded. Stressing that she believed in democracy Mrs Brett said that people should be allowed to comment on matters close to their hearts. Mrs Brett recalled the public consultation on the Paddington Project in 2000 when the outcry against the closure of Harefield was intense. It was backed by three Community Health Councils and supported by another yet Ministers had chosen to ignore the wishes of the public. The consultation was a fraud.

Mrs Brett said that a number of people present owed their lives to Harefield in that they carried another person's heart. They would fight to save Harefield. This motivation could not be mirrored by anyone including the Board. She remarked that while she had respect for Non-Executive Directors there was pressure to follow the herd.

The reality was that it had taken nearly four years for those managing the Paddington Health Campus to admit that the site was too small. Mrs Brett said she knew by January 2003 that the Development could not go ahead on the St. Mary's site and had informed the Chairman in February of that year. Her note for the 26 February meeting with Lord Newton stated that a new planning application was necessary. That note was tabled for the Board in May 2003. It pointed out that the resolution to grant outline planning permission was now worthless due to the realisation that the plan submitted was 17.5% short of space. This was not a shortfall that could be covered on a constrained Inner London site.

The Scheme was idiotic, yet Heart of Harefield had to fight for years to get that knowledge out in the open.

Mrs Brett regretted having to remark that the Chairman was not impartial. Lord Newton had chaired the West London Partnership Forum from 1998 which had decided to close Harefield and promote Paddington. Mrs Brett did not think it was wise however good or

straight a person was for the chair of that forum to have become the chairman of the Trust which was aiming to force Paddington through. The people had a right to speak. They loved their hospital and this was a great compliment to the Harefield Clinicians. It was unacceptable to preach bed and bench in London and the opposite at Harefield. Saying it was time to stop playing games, Mrs Brett commented that telemedicine could assist on services for patients with complex problems.

In response, the Chairman said that he would confine himself to making three points very firmly. The first was that he was committed to the PHC on behalf of the Trust Board. He had not chaired West London Partnership Forum on this basis. He had been a facilitating Chairman with a remit to see if agreement could be found on the best way forward for all NHS organisations concerned over the future of specialist services in West London.

Secondly, on the suggestion that the public were not allowed adequate opportunity to speak at Board meetings, he very much doubted if many Chairs would allow such an extensive opportunity as he did. The Board was a meeting in public, not a public meeting. He could not reasonably be told that he did not allow the public to have their say.

The third point was that he completely rejected the implied suggestion that Board members and others supporting Paddington were less concerned for patients than Heart of Harefield.

2004/86 GOVERNANCE AND QUALITY REPORT

The Board received a governance and quality report for the final quarter of 2003/4. The report included a directorate-specific focus on adult and paediatric cardiac surgery, clinical risk management, complaints, infection control, mortality, clinical indicators, audit and patient satisfaction. Mrs Jill Pettit presented the report and drew attention to the work of the medication safety initiative, adult cardiac surgery and paediatrics audit and complaints, which the Board noted.

The Board thanked Mr Craig and Mrs Pettit for an informative report.

2004/87 TIMING AND LOCATION OF MEETINGS

Miss Marguerite Greatorex advocated an earlier start to Board meetings. She said that whether Board meetings take place at Harefield or Royal Brompton Hospitals it was important they commence at a time that did not inconvenience members of staff or the public over travel to and from the meeting. She asked if the Board had considered holding its meetings at other times. Miss Greatorex also said there were problems at Harefield over access to the Concert Hall for disabled people. Access to the Board Room at Royal Brompton Hospital was also difficult for disabled people. The Chairman said the Trust would look at ways of improving access for

disabled people. On the question of the commencement time for Board meetings the Chairman said it was appropriate to obtain a balance which took account of differing views.

Mrs Jean Brett, Chair Heart of Harefield, said Miss Greatorex was right to raise the issue of access by disabled people to Board meetings but doubted that it could be resolved immediately. Board meetings could take place at various times but this could not suit everyone. It required discussion in a smaller group. The Chairman said a "mix and match" approach was probably necessary and he asked Mrs Brett for views of behalf of Heart of Harefield. Mrs Brett indicated that Heart of Harefield would be pleased to help.

2004/88 SYSMED LABORATORY MANAGEMENT SYSTEM

Mr Patrick Mitchell, Director of Operations, presented a proposal to upgrade the Sysmed Laboratory Management System at Royal Brompton Hospital and extend it to Harefield Hospital. This would give a single Trust-wide system compatible with the Trust and the national ICT Strategy. The current computer hardware was leased four years ago with phased implementation resulting in six leases. The paper was presented to the Board as Standing Financial Instructions require Board approval for leases of assets with a value of more than £100,000.

The cost of implementing the proposal was £705,730 of which servers and associated software would be leased at a cost of £301,192. The balance would be funded from the Trust Capital Programme including £300,000 from set-up funds for PC replacement. The remainder would be found through reordering priorities. Mr Mitchell said the Finance Committee had agreed to defer certain capital expenditure on estates, equipment and IT to finance the proposal.

Mr Charles Perrin, Chairman of the Finance Committee, said the Committee had considered the proposal very carefully. The Trust would probably receive additional capital funding later in the year as a result of being awarded three star status and in view of this the Committee had agreed to implement the proposal.

The Board approved the proposal and gave the Chairman of the Finance Committee authority to reorder the Trust capital programme in the event that additional capital funds are allocated later in the year.

2004/89 SUPPLIES PERFORMANCE FOR QUARTER ENDING 30 JUNE 2004

The Board received and noted a report from Mr Mansel Chamberlain, Head of Procurement, on supplies performance in the final quarter of 2003/4.

The Chairman observed that over 12,000 items with a value of £3mn were held in stock on 31 March 2004. Mr Chamberlain said the Trust was examining ways of reducing the value of stock by at least half. Mr Perrin said the Trust should offer stock items that are surplus to requirements to developing countries. Dr. Rosemary Radley-Smith said some surplus stock is donated to Chain of Hope.

2004/90 ICT STRATEGY UPDATE

The Board received a report from Mr Graham Everson, Head of Information, on progress in the second half of 2003/4 and the first quarter of 2004/5 with implementation of the Trust ICT Strategy. Mr Everson drew the Board's attention to implementation of a common PAS and other ICT systems across the Trust. Good progress was being made with the implementation of the electronic patient record, integration with St. Mary's as part of the PHC project and the principal ICT initiatives in 2004/5. The Board recognised and noted substantial progress and the Chairman thanked Mr Everson for an impressive report.

2004/91 AUDIT COMMITTEE MEETING – 18 MARCH 2004

The Board received and noted the minutes of the meeting of the Audit Committee on 18 March 2004.

2004/92 AUDIT COMMITTEE MEETING – 6 JULY 2004

The Board received and noted a report of issues considered at the meeting of the Audit Committee on 6 July 2004.

2004/93 APPROVAL OF ANNUAL ACCOUNTS AND REPORT AND LETTER OF REPRESENTATION

The Board received the annual accounts for 2003/4, a report from the Director of Finance, the proposed Letter of Representation to the Trust's Auditors and the audit summary and systems report from the final audit visit. Mr Charles Perrin, Chairman of the Finance Committee, informed the Board that the Audit Committee and the Finance Committee had considered and approved the annual accounts and recommended adoption to the Board.

Mrs Mary Leadbeater indicated that the draft Letter of Representation confirmed the Trust had met all its financial targets in 2003/4. The Letter of Representation contained a detailed statement of Directors' responsibilities in respect of internal control which she asked the Board to note. There were no changes in accounting policies or post-balance sheets events to report. Mr Perrin commended all the staff involved in the preparation of the annual accounts and report and the final audit for a very professional approach.

The Board agreed to approve the annual accounts and report and the Letter of Representation, which the Chief Executive would sign.

2004/94 PERFORMANCE REPORT

The Board received the performance report for the month that ended on 30 June 2004. An adverse variance from plan of £1.5mn was reported. Mrs Mary Leadbeater, Director of Finance, explained that NHS and private patient activity, and income, were below target but the problem was compounded by the absence in the first quarter of an agreed budget for the year. The Executive Directors were very concerned over the financial position and clinical directors and corporate managers were preparing savings plans for implementation. The Board noted the position with concern.

Mr Tony Vickers, Director of Human Resources, drew attention to the Trust's position with implementation of the New Deal for junior doctors. Although the Trust was 80% compliant at 31 March compliance was one of the least satisfactory scores in the Trust's three star rating. The Trust had appointed eleven more junior doctors to meet the 1 August 2004 target. However, more radical approaches were necessary in 2004/5. The Trust also intended to increase uptake of statutory training in 2004/5, notably fire training.

2004/95 ORGANISATIONAL DEVELOPMENT REPORT

The Board received and noted a report from Mr Tony Vickers.

2004/96 REPORT FROM FINANCE COMMITTEE

Mr Charles Perrin, Chairman of the Finance Committee, gave the Board an oral report of matters considered by the Finance Committee at meetings on 6 July and 21 July 2004. The Committee had considered the draft accounts for 2003/4, budget setting for 2004/5, the Trust capital programme for 2004/5 and Paddington Health Campus reference costs.

2004/97 BUSINESS PLAN FOR 2004/5

The Board received and approved the business plan for 2004/5.

2004/98 BUDGET FOR 2004/5

The Board received a report on progress with preparation of a budget for 2004/5. Mr Charles Perrin said the Board would be disappointed to learn that it was not possible to offer the final budget for approval at the meeting. The performance report indicated that there was an adverse variance from plan at 30 June 2004 of £1.5mn. However, the variance was falling as the income position for the year became clearer and it was anticipated that the budget for the year could be presented for approval at the next meeting.

The Board noted the position.

2004/99 RESOLUTION TO EXCLUDE MEMBERS OF THE PUBLIC

The Chairman proposed the following resolution which was adopted; "that members of the public be excluded from the remainder of the meeting, having regard to the confidential nature of business to be

transacted, publicity on which would be prejudicial to the public interest."

(Section 1 (2) Public Bodies (Admission to Meetings) Act 1960)

**Lord Newton of Braintree  
Chairman**