Minutes of the Board of Directors meeting held on 22nd May 2013 in the Board Room, Royal Brompton Hospital, commencing at 2 pm

Present:	Sir Robert Finch, Chairman	SRF
	Mrs Jenny Hill, Senior Independent Director	JH
	Mr Robert Bell, Chief Executive	BB
	Mr Robert Craig, Chief Operating Officer	RCr
	Pr Timothy Evans, Medical Director & Deputy Chief Executive	TE
	Mr Richard Paterson, Associate Chief Executive - Finance	RP
	Dr Caroline Shuldham, Director of Nursing & Clinical Governance	CS
	Mr Richard Hunting, Non-Executive Director	RH
	Ms Kate Owen, Non-Executive Director	KO
	Mrs Lesley-Anne Alexander, Non-Executive Director	LAA
	Mr Richard Connett, Director of Performance & Trust Secretary	RCo
By Invitation:	Pr Kim Fox, Prof of Clinical Cardiology	KF
	Ms Carol Johnson, Director of Human Resources	CJ
	Ms Jo Thomas, Director of Communications & Public Affairs	JT
	Mr Piers McCleery, Director of Planning & Strategy	PM
	Mr David Shrimpton, Private Patients Managing Director	DS
	Mr Nick Hunt, Director of Service Development	NH
	Ms Pat Cattini, Matron/Lead Specialist Nurse Infection Prevention	PC
	Dr Anne Hall, Deputy Director of Infection Prevention and Control	AH
	Ms Jo Smith, Chief Information Officer	JS
	Nicola Nation, Senior Nurse - Nursing Development	
	Mandy McCurry, Clinical Nurse Specialist in Transplant (ANT)	
	Rebecca Hunter, Clinical Nurse Specialist in Cardiac Surgery (ANT)	
In Attendance:	Mr Anthony Lumley, Corporate Governance Manager (minutes)	AL
Apologies:	Dr Andrew Vallance-Owen, Non-Executive Director	AVO
	Mr Neil Lerner, Non-Executive Director	NL

2013/41 ADVANCED NURSING TEAM

CS introduced Nicola Nation, Senior Nurse - Nursing Development, Mandy McCurry, Clinical Nurse Specialist in Transplant and Rebecca Hunter, Clinical Nurse Specialist in Cardiac Surgery. Mandy McCurry gave a presentation on Review of Lung Transplant Assessment and Rebecca Hunter gave a presentation on Improving Nurse-led Heart Valve Clinic.

2013/42 MINUTES OF THE PREVIOUS MEETING HELD ON 24 APRIL 2013

The minutes of the meeting were approved.

Matters Arising

- Page 9, Foundation Trust Constitution.

SRF reported that the Council of Governors had approved the constitution. Governors had also agreed to the creation of the post of Deputy Chairman. The Board agreed to the adoption of this amendment.

RCo said the Governors had also agreed to the inclusion of a provision relating to 'unfit persons 'in relation to disqualification criteria for directors. The definition of 'unfit person' was based upon that set out in the NHS Provider Licence. The Board endorsed the adoption of this provision.

2013/43 REPORT FROM THE CHIEF EXECUTIVE

BB gave verbal updates on the following items:

Safe and Sustainable (S&S)

On the 30 April 2013 the Independent Reconfiguration Panel (IRP) submitted its report to the Secretary of State for Health who is currently considering its findings. The Trust does not know what the report contains. It is expected that the Secretary of State will make a statement in the week beginning 27 May 2013.

Academic Health Science Centre (AHSC)

BB said TE had met with Professor David Taube, Director of the Imperial College AHSC. The Trust's position had been set out as follows: Royal Brompton & Harefield NHS Foundation Trust (RB&HFT) should be full members as part of application on the same basis as it is in the Academic Health Science Partnership. Applicants are required to submit a qualification document to the Department of Health (DH) by 31 May 2013. To date TE said he had not heard back from Professor Taube.

KF said he was aware that discussions had been held between Imperial College (IC) and Imperial College Healthcare Trust (ICHT) at CEO / Chair level. It appeared that if they were to invite the Trust it would be as an affiliate rather than a full partner. In his view if the Trust is involved it should be as a full partner.

SRF asked what the implications would be if the Trust refused an invitation from IC / ICHT to participate? TE said there would be reputational implications but it was now unlikely they would ask. As a Trust with a small number of consultants RB&HFT punches above its weight in terms of publications. Professors in the Trust hold their chairs through IC. KF said while an IC / ICHT application would be strong on research it would not be so good on patient experience. Centre Assessment would be by an international panel who will make recommendations to the DH. Sally Davies, head of the National Institute for Health Research and Chief Medical Officer, has stated that the designation process will be carried out independently.

KO asked if the Trust would not be disadvantaged if it does not become involved? BB said that was correct. AHSNs are funded by the DH.

JH asked, as it had been mooted at the last Board meeting that the Trust could have other partners, could IC still be a contender? BB said the Trust

had looked at partnering with the Institute of Cancer Research which is a college of the University of London as well as a partner of The Royal Marsden NHS Foundation Trust (RM) but had decided it was better to remain with IC. TE said he had met with the RM and they are unlikely to apply separately.

SRF asked if the IRP recommended that the S&S process is halted then what might the government decide to do about NHS England's appeal against the ruling for the Leeds Charity. BB said the government's position is that it's up to NHS England on whether they proceed to appeal against the Leeds decision.

Paper A - US Study Tour
BB said following his US study tour he had identified 2 examples of healthcare systems and provision that the Trust could benefit from studying in some depth:
- Design of a new and modern hospital facility by the North Shore Long Island Jewish Health System
- The implementation of a multi-site hospital system for eICU at University of Massachusetts Memorial and Geisinger.

2013/44 CLINICAL QUALITY REPORT FOR MONTH 1: APRIL 2013
Presenting the report RCo highlighted the following from Month 1.
Monitor's Compliance Framework:

- 1 attributable case of *Clostridium difficile* in April 2013 and no cases to date for May. It appears that the commissioners are moving towards agreeing a threshold of 12. CS confirmed that the Trust had said 'yes' to 12 but had left the door open for representation to NHS England.
- The 62 Day Cancer target had not been met in M1 and there is a risk the target will not be met for Q1. Whether the target can be met will depend on performance in May and June 2013. There were 2 breaches in M1 as a result of referrals on day 53 and 42 from Buckinghamshire Hospitals NHS Trust. The Governance and Quality Committee had discussed the steps that might be taken to encourage earlier referral. TE said the view of the committee is that the Trust should take responsibility for the whole pathway. SRF said it is nonsensical that someone could be referred to the Trust so close to day 62 and then the Trust breaches after this is passed. TE said the proposition is that the Trust will work with referrers to improve the pathway. JH said new models of care were required and the Trust needs to be creative to keep its presence in other hospitals. RCo said Monitor has been kept up to date with the position through the regular quarterly meetings the Trust has with them. TE concluded that the Trust should go further and investigate managing the entire patient pathway. KF said the Trust would be better able to treat patients if they were referred in a timely fashion. BB said the Trust wants to see change and will continue to keep championing the cause.

Incidents

- Safety SI's (Serious Incidents) and Never Events: 2 SIs. TE explained that although the Trust had reported a SI involving a retained needle, the operating team was aware that the needle was missing and opted to undertake an x-ray to locate it. As the x-ray was not undertaken in the operating theatre the incident had to be registered as a SI. Noting that this was the second Never Event reported since she had become a Board member LAA asked about the frequency of such events? TE said it was 1 out of 2000 .CS said it is unusual to have 2 Never Events.

NHS Standard Contract:

- 18 Weeks Admitted National Speciality: failure to meet the patient target at speciality level.
- Complaints: commissioners monitor performance against a standard requiring that replies are sent within 25 working days. The Trust finished 2012/13 strongly with all 8 complaints in M12 responded to within time. However the final figure for the 12/13 year was 87.13% which meant that the target had not been met.

RCo also focused on the National Friends and Family Test for which the net promoter score (87%) was again a creditable performance. The Trust response rate for April had gone up to 30%, well above the minimum required by the DH (15%).

The Board noted the report.

2013/45 FINANCIAL PERFORMANCE REPORT FOR MONTH 1: APRIL 2013

Introducing his report RP highlighted the following performance in M1:

- I&E account: deficit of £0.4m compared to £1.4m last year. The monthly phasing of the budget for Monitor is now available. For April 2013 the phased plan is a deficit of £0.2m.
- Pay costs had risen as result of the 1% Agenda for Change and medical pay rise. Some of the Financial Savings Plan measures had not had the full effect in the first month.
- Balance sheet: good on liquidity and cash partly as the Trust had received the last Project Diamond donation in March 2013.

The Board noted the report.

2013/46 INFECTION CONTROL ANNUAL REPORT

CS said this is her first report as Director of Infection Prevention and Control as required by the DH and it included a report on Clostridium difficile requested by the Board. This was focused on the actions to reduce the number of cases and to meet the target for this year. For hand hygiene audits the Trust had not met the 90% target the Board had wanted but there had been year on year improvement. With antimicrobial prescribing under the stewardship of Dr Khalid Alshafi, and now more is understood about the

incidence of bacteraemias, actions to reduce these infections are priorities for this year.

SRF asked if there were any material concerns? CS said there weren't any but there were areas to watch. SRF asked if nurses were empowered to enforce hand hygiene? CS said nurses do have the ability to caution staff but may be deterred from doing so as they can get a negative response.

KO asked if training in Infection Control, currently at 52%, was mandatory? CS said it was and acknowledged that it should be higher and attendance improved.

RH asked what the process was if the Trust became aware that a doctor had given an unacceptable response to a nurse? TE said this would be a breach of the doctor's terms of employment. However, no such instances had been reported to him. CS said responsibility for hand hygiene does not rest solely with nurses, but is for all staff.

The Board noted the report.

2013/47 FINAL 2013/14 I&E AND CAPITAL BUDGETS

Introducing the I&E Budget for 2013/14 RP said there was one correction necessary: the net Surplus (Deficit) per Appendix B should be £2.288m and not £2.228m. He highlighted the following:

- Service developments will contribute £3.9m after attributable costs
- FSP (Financial Stability Plan) contingency of £1.5m. The most challenging of savings targets is against pay. There had been £1m contingencies against each of pay and non-pay budgets. Given the scale of the pay challenge it seemed prudent to increase this contingency by £1.5m to £2.5m
- This will provide an FRR (Financial Risk Rating) of 3 overall for 2013/14. Now that the Trust has a phased budget for the year he was also reasonably confident that the Trust will maintain an FRR3 for each quarter of 2013/14.
- Monitor proposes to introduce a change from FRR to a new Continuity of Service (CoS) monitoring mechanism w.e.f. 1 October 2013. FRR was a complex and theoretical tool and in his view CoS will be a more relevant measure of financial performance as it focuses on whether or not the organisation is a going concern and is capable of providing commissioner requested services in future. The Trust had decided to monitor financial performance on both FRR and CoS bases until the switch to CoS is made. On a CoS basis the Trust would score a '4' throughout 2013/14 which is the best available rating.

RP said that within the Corporate Governance Statement section of the Annual Plan (on the agenda later) the Directors must confirm (or not, as the case may be) that the Trust is a going concern. The Audit Committee had noted that the results of the base case cash forecasts for the two years to 31 March 2015 demonstrated that net cash was well above Monitor's 10

days Opex warning level throughout that period assuming Plan was achieved. Even under a more pessimistic ‘sensitised case’ it would not be until some months into the second year, 2014/15, that the Trust’s cash would fall below this benchmark but even then the Trust would remain cash positive. He was therefore able to recommend that the Board confirms that the Trust will remain a going concern.

SRF congratulated RP and NH for the work on the budgets. RP said he would was pass this message on to the Trust’s finance team but stressed that RCg and his team should be credited as well.

JH asked what the estimate of the Trust’s rating of 4 for CoS was based on. RP said there were four elements to the FRR assessment but only two for CoS – liquidity and debt service capacity. This was advantageous as the Trust has almost no debt at all. BB pointed out that the five FRR ratings are not synonymous with the four possible ratings for CoS. A CoS rating of 3 it would not be strong (unlike FFR3 which is acceptable).

Capital Budgets

RCg introduced this part of the report and said it was almost identical to the report presented to the Board on 24 April 2013 with one exception: from 2013/14 Monitor expects FTs to maintain their capital investment programmes within a target range of 85%-115% of their approved capex plans, quarter by quarter. Given the uncertainties in the proposed programme, contingency sums had been identified against potential slippage and other changes emerging between project development and initiation and project completion. As an example, a sum had been allocated for developing critical care at HH, but plans were not far advanced. Further work to develop the scheme might delay delivery and would mean that money would not necessarily be spent in line with current assumptions. Overall, £6m had been set as the contingency, and planned net expenditure for 2013/4 was therefore £19m (i.e. the Trust would need to spend between £16m and £21m to meet the regulator’s target range). RCg believed this was a realistic plan.

RH said he was able to pass on NL’s comments from the Finance Committee which had noted that the budget overall was challenging but a reasonable level of contingency had been provided. The Committee recommended that the Board approved the I&E and Capital Budgets.

The Board approved the final 2013/14 Income and Expenditure Budget and the capital investment programmed for 2013/14.

2013/48 APPROVAL OF ANNUAL REPORT & ACCOUNTS INCLUDING QUALITY REPORT 2012/13

Introducing the report RCo said it had been reviewed by the Audit Committee on 21 May 2013 and some adjustments had been made.

As of 20 May 2013 Deloitte had asked for some further information.

BB asked RP to comment on his conversation with Monitor on the Trust's decision not to relocate the Chelsea Campus to White City. RP said this was a conference call made at the Trust's request to update Monitor on important developments for the Trust in advance of submitting the Trust's Three Year Plan. Based on that call he had a clear sense that Monitor had been relieved that the Trust was going down a lower risk route because it was less likely to have an adverse impact on the Continuity of Services (CoS) rating.

The Board approved the Annual Report and Accounts.

2013/49 APPROVAL OF THE ANNUAL PLAN 2013/14 AND CORPORATE GOVERNACE STATEMENTS

SRF said he had supplied RP with a number of non-mandatory queries. RP and SRF would be meeting at 5 pm to discuss.

The Board approved the Annual Plan.

Corporate Governance Statement

RCo said Foundation Trusts are now required to meet the provisions as set out in the Compliance Framework in order to maintain their NHS Provider Licence. As part of this the Board is required to respond 'Confirmed' or 'Not confirmed' to the 19 statements contained in the Corporate Governance Statement.

The Board debated the statement on there being plans in place to ensure on-going compliance with all existing targets. RCo said that, based on performance in 2012/3, the targets potentially at risk were *Clostridium difficile*, 62-day cancer waits (from GP referral), and the 18-week maximum wait for admission. This would lead to a forecast governance rating of amber / red for 2013/14. RCg said he did not think there was a material risk of breaching the 18-week target after the work undertaken during 2012/3. RH recommended that the Trust declare 'Not confirmed' but in the explanation add that the Trust risked breaching 2 targets but not a third. This was agreed. CS said that the Trust's aim is to ensure compliance with all targets and this remains true despite a potential breach of 2 targets being forecast.

The Board confirmed all the other 18 statements.

2013/50 AUDIT COMMITTEE (AC)

(i) REPORT FROM THE MEETING HELD ON 21 MAY 2013

RH presented the report on NL's behalf. The committee had reviewed the following: all elements of the Annual Report and Quality Accounts; Performance, Directors' Report and Governance Statement, Accounts and Quality Accounts (including papers supporting preparation of Accounts on a Going Concern basis). A few suggestions for improvement were made and it was noted that the recently generated phased budget may enable the

Trust to confirm a projected FRR3 in each quarter. He added that the committee had received reports from the auditors who had confirmed that there were no significant issues The AC had been particularly pleased with the Quality Accounts and the committee recommended to the Board that the Accounts and Quality Accounts be approved.

(ii) MINUTES FROM THE MEETING HELD ON 23 APRIL 2013
Noted.

JH asked if the Trust were to sell a freehold to a third party how would this be discussed by the Board? BB said authority comes from Governors though it would come to the Board for discussion before it goes to the Governors. Moreover under the new constitution a decision on development of the scale anticipated would be considered a significant transaction and therefore the approval of the Governors would be needed.

2013/51 QUESTIONS FROM MEMBERS OF THE PUBLIC
None.

DATE OF NEXT MEETING
Wednesday 24th July 2013 at 2 pm in the Board Room, Royal Brompton Hospital.