

ROYAL BROMPTON & HAREFIELD NHS TRUST

**Minutes of a Meeting of the Trust Board
held on 23 February 2006 in the Boardroom, Royal Brompton Hospital**

Present: Lord Newton of Braintree: Chairman
Mr C Perrin: Deputy Chairman
Professor T Evans: Medical Director
Professor M Green: Non-Executive Director
Mrs J Hill: Non-Executive Director
Mrs M Leadbeater: Director of Finance
Mrs S McCarthy: Non-Executive Director
Mr P Mitchell: Director of Operations
Professor A Newman Taylor: Deputy Chief Executive
Dr. C Shuldham: Director of Governance and Quality

By invitation: Mrs M Cabrelli: Director of Estates
Mr R Craig: Project Director Foundation Trust Status
Mr N Hunt: Director of Commissioning and Business Development
Dr B Keogh: Chairman RBH Medical Committee
Ms J Ocloo: Chair Royal Brompton & Harefield Patient and Public Involvement Forum
Mr T Vickers: Director of Human Resources
Ms J Walton: Director of Fundraising

In Attendance: Mr J Chapman: Head of Administration
Ms L Hamilton: Communications Manager
Ms A Harris: Learning and Development Manager
Mrs E Schutte: Executive Assistant

An Apology for absence was received from Mr Robert Bell, Chief Executive.

The Chairman welcomed members of the Trust staff and members of the public to the meeting.

REF

2006/17 MINUTES OF TRUST BOARD MEETING ON 14 DECEMBER 2005
The Board received the minutes of the previous meeting which was held on 25 January 2006 and two amendments were made.

2006/04 Report from the Chief Executive

The first paragraph of Section (iii) on Avian Influenza was amended to record,

"Mrs Suzanne McCarthy, Chair of the Trust Risk Strategy Committee, said the Committee would meet on 27 January and would consider how the risk register could reflect possible epidemic outbreaks."

2006/08 Re-development and Future of Harefield Hospital and its Services

The second paragraph was amended to read,

"The Board agreed the terms of reference set out in the report for the proposed Oversight Board. The Chairman said Mrs Suzanne McCarthy was joining the Oversight Board as a result of Mrs Sonya Bhatt's departure."

The Board then confirmed the minutes of the meeting.

2006/18

NON-EXECUTIVE DIRECTOR

The Chairman reported that Professor Anthony Newman Taylor had been appointed as Head of the National Heart and Lung Institute from April 2006 as the successor to Professor Malcolm Green. As Head of the National Heart and Lung Institute it was hoped Professor Newman Taylor would be appointed a Non-Executive Director of the Trust Board. Professor Green would relinquish his appointment as a Non-Executive Director at the same time. The Chairman expressed the Board's appreciation for the greatly valued contribution Professor Green had given the Trust as a Non-Executive Director of the Board.

2006/19

DECLARATION OF INTEREST FROM THE CHAIRMAN

The Chairman informed the Board that he had been appointed as Chairman of the Investigation Board into the hydrocarbon explosion at Buncefield Oil Depot on Sunday 11 November 2005 and asked that it should be recorded in the Trust Register of Directors' Interests.

2006/20

REPORT FROM THE DEPUTY CHIEF EXECUTIVE

Professor Anthony Newman Taylor, Deputy Chief Executive, briefly drew attention to three matters, the Trust's financial position, the Foundation Trust application and the redevelopment of Harefield Hospital that were reported fully in papers prepared for the Board meeting.

Professor Newman Taylor also informed the Board that the National Health Service Litigation Authority Clinical Negligence Scheme for

Trusts had recently reviewed Royal Brompton and Harefield clinical governance and had awarded Category 2 accreditation for two years. The Chairman said this was a very considerable and significant achievement and asked Professor Newman Taylor to give the Board's gratitude to the Trust staff whose actions had secured it.

2006/21 RESEARCH AND DEVELOPMENT REPORT

The Board received a report from Professor Anthony Newman Taylor which explained a new NHS research strategy that was set out originally in a consultation paper published in July 2005 to which the Trust had submitted comments. The Trust response was appended to the report. Professor Newman Taylor's report also included comments from the Department of Health on the Trust annual research and development report for 2004/5.

Professor Newman Taylor explained that under the new strategy the current funding mechanism would be phased out by the end of 2008/9 and replaced with the creation of a new National Institute of Health Research, probably ten Biomedical Research Centres, a linked set of technology platforms that support clinical research in selected research-intensive hospitals and grants for specific research projects. An academic hospital environment would be created that is attractive to industry, especially as sites for clinical trials. This would support training of future clinical research staff.

Applications for recognition as biomedical research centres were likely to be invited in March with decisions being announced later in the year. Professor Newman Taylor said the Trust's continued reputation as a leading centre of clinical, research and teaching excellence in treatment and care of people with heart and lung diseases would depend, to a very large measure, on a successful application in collaboration with Imperial College to become a specialist biomedical research centre. At the same time consultants and senior academic staff actively engaged in research and development would qualify to become faculty members of the National Institute and would be partly or wholly funded from central sources. Professor Newman Taylor further indicated that initially the technology platforms would focus on funding research into the development and application of diagnostic imaging, which was a particular strength of current research in the Trust.

However, the Board was asked to appreciate that there were risks that the current level of research and development funding for the Trust that had prevailed since 1997 and amounted in 2005/6 to

£27.2 million would not be sustained. There was a prevailing opinion that NHS research and development funding was excessively allocated to London. There were also several potential competitors for the establishment of biomedical research centres in London and there was a view, which the Trust had shown did not apply in Royal Brompton and Harefield Hospitals, that research and development funding subsidised patient care when it should finance the support costs incurred in undertaking research and development.

Mr Perrin said the Board would be concerned if Imperial College chose a closer alliance with Hammersmith Hospitals as a recognised biomedical research centre which would have profound consequences for the Trust.

In relation to the setting up of a new biomedical research centre Ms Ocloo asked whether the Trust carried out any research into health inequalities as this area had been mentioned at a recent NWL SHA meeting as being a priority. She therefore wondered if this area had any relevance in the work of the proposed new research centre. Professor Newman Taylor said research into health inequalities was undertaken within health services research which was led by Professor Martin Cowie.

Professor Malcolm Green said securing the creation of a biomedical research centre in heart and lung medicine was the most important challenge for the Board in 2006 and should be the Trust's top priority for the year. With heart and lung diseases accounting for 70% of morbidity and death the establishment of a biomedical research centre in Royal Brompton and Harefield Hospitals in partnership with Imperial College would give a reputational status incomparable with other heart and lung centres. Almost certainly it would guarantee the successful creation of a Foundation Trust. It was essential therefore that the Board allocated appropriate resources to ensure a successful application. Professor Newman Taylor agreed to give the Board an assessment of the required resources at a future meeting.

Mr Patrick Mitchell asked how a broader West London or pan-London clinical trials structure which Professor Newman Taylor's report had indicated could make the academic environment more attractive to industry, might be pursued. Professor Newman Taylor said he would give a report to the Board at the meeting in April 2006 on the infrastructure for a broader clinical trials centre in London.

The Board also welcomed the Department of Health response to the research and development annual report for 2004/5. It noted with considerable pleasure that all eleven research programmes had been given the highest possible rating and the Trust had been commended for the quality of the financial return.

2006/22 RE-DEVELOPMENT OF HAREFIELD HOSPITAL AND ITS SERVICES

Mr Patrick Mitchell presented a report on work that was in progress on the re-development and future of Harefield Hospital and briefly explained changes that were taking place in provision of non-cardiothoracic services at the Hospital, strengthening clinical leadership and solutions that were being pursued to remedy deficiencies in the estate and fabric of the buildings. A report on fire safety and the electricity supply would be available shortly and the estates strategy and development control plan would then be completed. Work was being undertaken to assess various options for rebuilding in-patient facilities and the thoracic theatres and a preferred solution would be chosen when the results of all the surveys had been reviewed. Sir Michael Partridge and Mr Mark Taylor were still meeting with stakeholders about the re-development of the Hospital. A business case would be developed and discussed with the SHA and Commissioners when the preferred solution was chosen. It was understood Mr John Ross had chosen not to attend the photo shoot for the Harefield Gazette and he had attempted to get the article about the meeting 'suppressed' in order not to convey undue optimism about the outcome of the review. Lord Newton thanked Mr Ross for his actions and comments.

Mr Mitchell said it was unlikely that the business case would be ready for consideration by the Board at the next meeting on 29 March and the SHA had been informed. The Trust Project Oversight Board would consider its position at its next meeting. The Trust had also informed Mr John Bacon, Transitional Director for the pan-London Strategic Health Authority which would replace the five current SHAs in July. The Transitional Director had a crucial role in NHS investment decisions that were being taken up to July when the new Authority came into operation.

Ms Ocloo asked what were the external restraints impacting upon proposals for the redevelopment and future of Harefield Hospital given the review of services the NWLSHA had said was being conducted in the North West London area. Mr Mitchell said these would be clearer as consultation on the SHA proposals unfold and the pan-London authority comes into operation.

The Board noted the report.

Comments from Members of the Public

Mr John Ross, an Executive Member of Heart of Harefield, said Sir Michael Partridge and Mr Taylor had recently attended a meeting of the Harefield Tenants and Residents Association who were delighted with what they said about their review and where it was probably leading.

Mr David Potter, Vice-Chairman of Heart of Harefield and Chairman of Re-Beat, a Patients' Charity, spoke of the appreciation of both organisations of the action the Trust was pursuing and the extensive consultation that was taking place. This contrasted with SHA consultation over future provision of services in West London which had barely commenced and the SHA currently has no strategy. The consultation about the future of SHAs in London has barely started but once again decisions about the final conclusions have already been taken. Mr Potter also thanked members of the Trust Board who attended a recent meeting of the Overview and Scrutiny Committee of London Borough of Hillingdon. The presentation emphasised the number of patients and staff that live in Hillingdon. Support for Harefield Hospital remains unabated. The information given was well received and developments were being watched with great interest.

2006/23 PERFORMANCE REPORT FOR FEBRUARY 2006

Mrs Mary Leadbeater presented the performance report for February 2006. The actual surplus of income over expenditure was £4.3m and a year end forecast surplus of £2.6m was reported, an increase of £200,000 over the previous month. However an adverse variance of £543,000 from the planned surplus was reported. This was largely the consequence of a budget shortfall in funding Agenda for Change and increase of employment of temporary staff which was principally nursing staff and a shortfall in achieving savings from the financial stability plan. Mrs Leadbeater said under-recovery of over-performance income from PCT Commissioners continued to be a risk to achieving the planned year-end surplus and at present was also contributing to a cash shortfall in the Trust. Overall, the financial position was satisfactory.

Mrs Jennifer Hill expressed concern about a reported 40% increase in temporary administrative and clerical staff costs which appeared

not to be related to activity data. Mr Mitchell said additional staff had been engaged for contract work in the Information Systems Department and to support the Foundation Trust application. Overall, the ratio of temporary to bank-employed staff had remained constant. Mr Mitchell also drew the Board's attention to the 30% vacancy rate for paediatric nurses and said a recruitment campaign would take place next month. The Chairman informed the Board that the SHA and its successor wished to reduce temporary staff costs substantially and the Board would monitor the position carefully.

2006/24 YEAR-END CASH MANAGEMENT PLAN

Mrs Mary Leadbeater presented a report that the Board had requested at the previous meeting on options available in response to a request from the SHA on cash management in 2005/6. Three options were presented; to defer PAYE due on 19 March until 19 April, to increase trade creditors to generate equivalent cash, or to exceed the External Financing Limit by £2.55m.

The report recommended deferring PAYE and further discussion had taken place with HM Inland Revenue which had indicated that as long as PAYE was paid in full by 19 April there would be few consequences. Penalties might be incurred but none had been mentioned. An opinion had also been sought from the Trust's external auditors who considered PAYE deferral amounted to a breach of regulations; it was not an illegality. The external auditors said however that deferred payment would require an increase PAYE liability to be reported in the accounts at 31 March 2006. Mr Charles Perrin, Chairman of the Finance Committee, said the Committee had reviewed the position at its recent meeting and had discussed the options; nothing had yet changed since then and he therefore recommended acceptance by the Board of the recommendation in the report, namely that payment might be deferred provided prior written agreement was received from HM Inland Revenue.

Mr Nick Hunt, Director of Commissioning and Business Development, referred to recent publicity about a letter from the NHS Director of Finance to Strategic Health Authorities which reportedly said deferring PAYE contributions could not be undertaken. The Chairman therefore asked Mrs Leadbeater to contact the SHA for a written assurance that it would support a decision of the Board to comply with the SHA's request. In the event that SHA and Inland Revenue support would be given the Board on that basis approved the decision to defer PAYE payable on 19 March until 19 April 2006.

- 2006/25 APPOINTMENT OF CONSULTANT HAEMATOLOGIST
The Board approved a recommendation of an Advisory Appointment Committee to appoint Dr. Louise Tillyer as Consultant Haematologist at Royal Brompton Hospital.
- 2006/26 MEMBERSHIP OF THE AUDIT COMMITTEE
The Chairman reported that Mrs Jennifer Hill would become a member of the Audit Committee from March 2006. Mrs Suzanne McCarthy, currently a member of the Audit Committee, would become Chairman of the Committee from June 2006 and Mr Perrin would then resort to being a Member of the Committee. This was approved by the Board.
- 2006/27 FOUNDATION TRUST STATUS
The Board received a report from Mr Robert Craig, Project Director, on progress with the application for Foundation Trust status. The consultation paper was tabled at the meeting and Mr Craig informed the Board that several meetings would take place with members of staff, patient groups, members of the public and interested parties over the coming months. Consultation would end on 19 May. Some departmental briefings had already taken place with staff at both Hospitals and presentations had been given to the PPI core group, the Joint Staff Committee and the Oversight and Scrutiny Committee of London Borough of Hillingdon. A draft integrated business plan had been submitted to the Department of Health and feedback was expected early in March.

Ms Josephine Ocloo, Chair of Royal Brompton and Harefield Patient and Public Involvement Forum, enquired of the strategy for ensuring there would be appropriate black and ethnic minority representation among Directors, Governors and Members of the new Foundation Trust. The Chairman said the Board had no influence on the appointment of the Board of Governors of the Foundation Trust who would be elected by members of the three proposed constituencies. The Foundation Trust would have a Board of Directors who would be responsible for the running of the Trust and the Non-Executive Directors would be appointed by the Board of Governors. There was an expectation that membership of the Foundation Trust and the Board of Governors will be representative of the diverse population that it serves and the staff that it employs in terms of disability, gender, race and sex. The Trust had engaged the services of a company which had experience in recruiting members of Foundation Trusts and ensuring membership was representative.

The Chairman emphasised to Board Members the importance of attending meetings that were scheduled over the next three months on the Foundation Trust application. They would give Board Members the opportunity to keep in touch with developments, judge public and staff reactions to the proposals and formulate views.

- 2006/28 PATIENT REFERRALS AND ACTIVITY
The Board received and noted a report from Mr Nick Hunt on assurance of patient referrals and activity.
- 2006/29 SINGLE TENDER ACTION WAIVERS AND CONTRACTS
The Board received and noted a report from Mr Kevin Hudson, Commercial Manager, on single tender action waivers and contracts placed with a value in excess of £250,000 between April 2005 and January 2006.
- 2006/30 ANNUAL HEALTH CHECK: CORE STANDARDS IN FINAL DECLARATION
The Board received a report from Mrs Lucy Davies, Performance Manager, on progress with completing the final declaration for the Annual Health Check in March 2006. The Board noted the proposed timetable for completion of the declaration in March.
- 2006/31 PENSIONS A DAY
Mr Charles Perrin, Deputy Chairman, asked about preparation within the Trust for the consequences of Pensions A Day on 1 April 2006. Mr Tony Vickers, Director of Human Resources, said all Trust staff were given a leaflet from the NHS Pensions Agency with their salary slips in October 2005. Concerns had been raised by consultant staff about the implications of Pensions A Day and seminars had been arranged with an external pensions consultant. Mr Vickers assured the Board that all appropriate steps that had to be taken by 1 April had been completed satisfactorily.
- 2006/32 REGISTER OF THE TRUST SEAL
The Chairman countersigned five entries in the Register of the Seal of the Trust between September 2005 and February 2006.
- 2006/33 COMMENTS FROM MEMBERS OF THE PUBLIC
Mr David Potter commented that Re-Beat had invited Mr Robert Craig to address the Charity on the proposal to become a Foundation Trust. Mr Potter also said that the SHA made no reference at its Board meeting on 21 February to the letter from the NHS Director of

Finance and was still exercising influence on Trusts to defer PAYE due on 19 March. However this matter was not referred to in their Board papers or discussions but it was raised by Heart of Harefield. It appeared some Trusts in North West London had been refused consent by HM Inland Revenue to defer payments while others were being informed it was acceptable. Mr Potter also asked the Chairman to convey to Mr Robert Bell, Heart of Harefield's and Re-Beat's condolences on the death of his father.

Mr Kenneth Appell, a member of the Patient and Public Involvement Forum, asked if a list of the 79 published articles referred to in feedback from the Department of Health on the Trust annual research report for 2004/5 could be provided for the public. Professor Newman Taylor said abstracts of the articles were available on the Trust website. Details were also available in the Trust's research and development annual report, copies of which can be given to the public.

2006/34

NEXT MEETING

The next meeting of the Trust Board would take place on Wednesday 29 March 2006 in the Concert Hall at Harefield Hospital commencing at 10.30am.

**Lord Newton of Braintree
Chairman**