ROYAL BROMPTON & HAREFIELD NHS TRUST

Minutes of a Meeting of the Trust Board held on 23 January 2008 in the Concert Hall, Harefield Hospital

Present:	Lord Newton of Braintree, Chairman Mr R Bell, Chief Executive Mr N Coleman, Non-Executive Director Mrs C Croft, Non-Executive Director Prof T Evans, Medical Director Mrs J Hill, Non-Executive Director Mr R Hunting, Non-Executive Director Mr M Lambert, Director of Finance & Performance Mr P Mitchell, Director of Operations Dr C Shuldham, Director of Nursing & Governance
By Invitation:	Ms M Cabrelli, Director of Estates & Facilities Mr R Connett, Head of Performance (Acting) Mr R Craig, Director of Planning & Strategy Mr N Hunt, Director of Service Development Ms J Thomas, Director of Communications Mr T Vickers, Director of Human Resources Ms J Walton, Director of Fundraising
In Attendance:	Ms E Mainoo, Executive Assistant Mrs R Paton (minutes)
Apologies:	Prof A Newman-Taylor, Non-Executive Director Ms J Ocloo, Chair: RB&H Patient & Public Involvement Forum

The Chairman welcomed members of the Board, three SpRs undertaking management training, and members of the public to the meeting. The Chairman also formally welcomed Mr Nicholas Coleman as a new Non-Executive Director and member of the Board, who brings with him senior executive expertise from British Petroleum.

2008/01 MINUTES OF THE PREVIOUS MEETING HELD ON 19 DECEMBER 2007

The minutes of the previous meeting were agreed as a correct record.

2008/02 REPORT FROM THE CHIEF EXECUTIVE

- Mr Robert Bell, Chief Executive, reported that on 2nd January, RBH's neighbour hospital, The Royal Marsden, encountered a very serious fire involving an urgent evacuation of the whole hospital. Patients from the Marsden were transferred to the Royal Brompton and he believed RB&H Trust staff demonstrated a textbook show of leadership in reaction to an event of such a nature. Great efforts were shown by many staff involved, and no patient suffered any adverse problem from the evacuation. The Chief Executive had been called back from annual leave and leadership of the situation was undertaken by Executive Directors including Prof Tim Evans (Medical Director), Mr Patrick Mitchell (Director of Operations) and Dr Caroline Shuldham (Director of Nursing & Governance), all of whom the Chief Executive particularly thanked. Many staff at all levels, including nursing, therapy, estates, transport, catering and volunteers had been involved.

  The Prime Minister and his wife, together with the Secretary of State for

Health, had visited the hospital to congratulate staff and comfort many of the patients the following day. The visit was followed by a letter from the Prime Minister expressing thanks to Trust staff for hosting his visit and appreciation of the dedication demonstrated by staff in response to the fire. On 4th January, HRH Prince William, in his capacity as President of the Royal Marsden NHS FT, toured RBH to speak to staff and patients. This was followed by a letter expressing the Prince's thanks to all the staff for their efforts in the aftermath of the fire and for their support in ensuring the continued care of Royal Marsden patients.

Following the Trust's involvement in the incident, an assessment was being undertaken to determine, with The Royal Marsden, what lessons might be learned for the future.

The Chairman had also received a letter from Tessa Green, Chair of the Royal Marsden NHSFT, and a very warm telephone call expressing her gratitude for the response of the Royal Brompton staff to the situation. He felt it was fortunate that the fire had happened at a time of year when there were relatively few patients in either hospital. The Chairman expressed the Board's thanks and appreciation to all the staff who were involved.

Mr Mitchell reported that through the Estates & Facilities Directorate a fire safety assessment of the Royal Brompton would be undertaken; this had already been undertaken at Harefield as part of the current estate upgrades. He agreed that there were lessons to be learned for collaboration between the two hospitals.

- On 15 January, the Chief Executive, Director of Finance & Performance and Director of Planning & Strategy had attended a special meeting of the London Borough of Hillingdon External Services Scrutiny Committee. Representatives of the Royal Borough of Kensington & Chelsea (RBK&C) and Surrey County Council had also attended. Monitor had been invited but had declined to attend. The purpose of the meeting was for the Scrutiny Committee to explore the status of the FT application, the Trust's performance, and plans for the future for both sites. The Chief Executive had been surprised by the number of local council officials in attendance – 16 in total. The meeting had lasted two hours, during which a presentation was given together with a methodical explanation of the FT application and other issues. The committee had received a presentation of the facts and the Trust's frustration that, despite approval from the SHA, Dept of Health and Secretary of State, Monitor had remained unconvinced. The problem seemed to lie with the assessment standards, e.g. on R&D funding: developments since the application's deferral suggested that the Trust's initial income projections for 2007/08 were proving largely accurate, but the scenario projection of the Monitor assessors seemed to 'win the day'. The Board found this situation frustrating.

  A letter had since been received from Cllr Christopher Buckmaster, Chairman RBK&C OSC on Health expressing thanks for the presentation and the forthrightness of our answers, and regretting that they had not hitherto been up-to-date with the extent of the Trust's challenges and problems. He sympathised with the situation, expressed the gratitude of the community and residents for the services provided, and confirmed that they were happy to provide more tangible support in future. The committee had also expressed unqualified support for the re-building proposals. The

Chief Executive felt it was gratifying to receive this type of local political support but was not sure how this might be carried forward. The Chairman felt the committee had not previously focused on the Trust's situation and said this might be an indicator of work to be done to raise the Trust's profile, particularly with K&C (as support within Hillingdon had always been strong). He went on to suggest that the Scrutiny Committee could be helpful in encouraging the SHA to support the Trust's objectives.

Cllr Julie Mills (Member of the OSC on Health, RBK&C) was in the audience and invited to comment. She informed the Board that she had attended the Hillingdon meeting. She would have welcomed formal updates on the FT application through the year and was concerned to understand the reasons for the drop in R&D income. She hoped the OSC would in some way be able to help with the FT application, for which support the Chairman thanked her.

The Chief Executive noted that Cllr Mills had asked some pertinent questions at the Scrutiny Committee meeting. Cllr Mills found it strange that Monitor found fault in respect of one line of income only, and asked if the Board would be making formal response to Monitor's decision. The Chairman explained that engagement with Monitor had continued throughout the period of their assessment (Feb-Jun 2007), and Monitor had written an extensive letter setting out the reasons for their decision. The Trust had acknowledged the letter and hoped to be in a position to reactivate the application by the deadline of June 2008 – there was no other means of 'appeal'. Meanwhile, contact with Monitor assessors was being maintained –albeit at low level – about any developments.

Mr Lambert noted that Monitor's R&D income assumption for 2008/09 was based on a DH projection of £4.7m. While the final figure had not been confirmed, the Trust had recently been notified that it would actually fall in the range of £10-12m (i.e. close to the Trust's initial projections as outlined in the Trust's submission to Monitor). The DH indication remains that this income will fall to nil from 2009/10 onwards.

Mrs Jenny Hill, Non-executive Director, wished to encourage reciprocal work between the Trust and RBK&C in the future.

Mr Kenneth Appel, representing patients through his membership of the PPI Forum, said he had also attended the Hillingdon meeting. He had been impressed by the presentation but shocked that Monitor had not been represented on the day; he felt perhaps this 'boycott' should be notified to the SHA and the Health Secretary. The Chairman noted these remarks but explained that Monitor had been established as an 'independent regulator' accountable to Parliament, not to a SHA or the DH. In conclusion, the Chairman advised Mr Appel that the matter might be more suitably addressed by his own Member of Parliament

- Finally, the Chief Executive advised the Board that he had received the resignation of Mr Tony Vickers, Director of Human Resources (HR). On 1st April Mr Vickers would be taking up the position of HR Director at the Health Protection Agency. The Chairman regretted the impending loss of Mr Vickers and thanked him for his strong contribution to the Management Committee and wished him well in his new appointment. Measures are in place to seek a replacement for Mr Vickers and Mr Lambert will act as

Interim Head of HR until the new appointment is confirmed.

2008/03 HAREFIELD UPDATE

Progress with Building works

Mr Mitchell reported that it was a year since upgrading work had commenced following the SHA review, and the work remained on schedule. The programme had been extended to accommodate other works supported by further monies allocated for infection control improvements. 'C' ward had been completed and the quality of work was impressive. Mr Mitchell wished to express his thanks for all the work undertaken to facilitate the upgrading by the Estates & Facilities Directorate under the supervision of Ms Maria Cabrelli, and Mrs Janet Marsh (Snr Nurse/Modern Matron - Surgery) for her supervision at ward level. Art work had also been organised by RB&H Arts. Mr Mitchell continued that there was still a considerable amount of work being done to bring the rest of the facilities up to standard. To this end, the transplant ward and one surgical ward had relocated and one lift was being replaced. The library had been moved to new, improved accommodation allowing the original building to be demolished.

From the floor, Mrs Pauline Crawley (Harefield Tenants' & Residents' Association) requested details of the recent planning application for new building work. Mr Mitchell explained that this was part of the planned developments, and related to a major (£3m) redevelopment of thoracic theatres. Theatres were to be centralised with the addition of recovery facilities which would provide more critical care beds on the HH site. Building work was due to start in May 2008, with a completion date of March 2009.

Strategic Outline Case (SOC)

Mr Mitchell reminded the Board that a Strategic Outline Case (SOC) for the long-term redevelopment of Harefield was to be compiled and this needed to take into account emerging regional and national developments. The company 'Care Consulting' had been engaged to undertake scoping work and they had produced a report on the approach required to complete the SOC. The SHA believed it should include further assessment of facilities on both sites, and this had been discussed at the Management Committee. The Chief Executive stressed that the SOC process would not be quick, taking potentially the length of a year to achieve, since this was conditional upon correlation of the process and outcomes of the Darzi "Healthcare for London" report scheduled fro completion in mid-late 2008. The SOC would need to set out in some detail the regional and national role Harefield fulfilled.

2008/04 2008/09 ANNUAL PLAN FOR PROVIDER AGENCY

Mr Lambert introduced the 1st draft of the Trust's Annual Plan, which was required by NHS London's Provider Agency. This first draft had been submitted on 15 January and the final version was due on 29 February; a revised draft would be presented at the February Board meeting. Mr Robert Craig, Director of Planning & Strategy, explained that this first draft had been prepared and required before the Trust had been able to set a budget; and the draft contained gaps in certain sections reflecting the fact there were areas where only crude and potentially misleading assumptions were possible at this stage. The text confirmed no major changes in the trajectory for the Trust's strategy over the coming year.

Ernst & Young had been engaged by the Provider Agency as external scrutineers of the process. The Chief Executive commented he had found it

difficult to submit this draft report to the SHA before it had been seen by this Board, but had had no choice but to work to SHA timescales.

Mr Nick Coleman, Non-Executive Director, said he found it hard to see from the plan what would move us on a trajectory towards higher clinical excellence, nor did he think the numbers quoted placed us well for the FT application. Mr Craig explained that the report took the form of a template issued by the Provider Agency and the 1st draft had to be completed at relatively short notice; he felt the comment about clinical excellence was addressed in section 2.3 of the report which demonstrated the service was continuing to develop – but accepted the need to make this clearer. Mr Lambert said profitability for the next three years would be heavily affected by the loss of £28.6m p.a. of 'Culyer' funding – hopefully to be replaced at least in part – and he expected the next few years to be very tough financially. Efforts would be made to increase clinical income, and this could also be expected in PP income. Therefore, we were currently forecasting a minimal profit for the next two years (of <1% of turnover) after some extensive cost-cutting. A detailed contingency plan had been prepared, which was being incorporated into budget-setting for 2008/9 onwards. The Chairman suggested adding an introduction to the report giving a flavour of our purpose and plans.

The Chief Executive further explained that the Annual plan template was not a business planning document *per se*. The Trust already had an integrated business plan which would be revised annually and it was this document which better reflected the Trust's aspirations

2008/05 PERFORMANCE REPORT FOR MONTH 9: DECEMBER 2007

Mr M Lambert, Director of Finance & Performance, reported that the Trust for Month 9 had made a surplus of £495k, giving a year-to-date cumulative surplus of £3,452k. The year-to-date EBITDA position is £11,752k. He noted that activity in January had made a slow start, February is a short month and that March encompasses another Easter this year.

The Trust is forecasting to deliver a surplus of £2.4m. Mr Lambert believed that many hospitals in SE London are performing so badly that the Provider Agency would be seeking to identify profits to offset expected losses. We had recently been asked to raise our forecast outturn and given only three hours to make this decision. The Trust management had therefore increased its forecast to a £3m surplus which it felt was achievable. The Chairman reminded the Board that the SHA had previously agreed our profit at £1.8m and that we have this agreement in writing. Mrs J Hill, Non-Executive Director, felt we had been discomfited by having to take this decision before it had been submitted to the Board and that more time should have been allowed for consideration. The Chief Executive reassured Mrs Hill saying that although we have to respond to the requests from NHS London, as long as we are not asked to compromise on our mission for patient care, we will deliver what is requested. We had made an in year £5.5m positive turnaround and aimed to meet our targets. Mr Lambert confirmed the SHA's tone was one of a request rather than a demand and felt it was fortunate the Trust had been in a satisfactory position financially to be able to agree to the request, however he also felt the three hours allowed for the decision making was not acceptable.

The Chief Executive warned that next year would be a financial challenge but that the Trust would not ease up on the control measures already in place. Mrs Hill requested details of the savings in respect of the uplift and Mr Lambert

explained the situation had been turned around with the help of increased PP performance over the past few months, additional NHS activity and cost-cutting measures. The Chief Executive referred the Board to the table at the bottom of page 3 of the report which showed that thoracic surgery was £1m ahead of budget; however cardiac surgery had not done so well but there had been several consultant appointments made last year in this area and activity was increasing. He continued that thoracic theatres are being rebuilt because the Trust believed this service needed to continue, and developments were also expected in electrophysiology. Mrs Hill asked for further details on the breakdown of the £5.5m turnaround referred to by the Chief Executive. In order to better demonstrate the trends, Mr Lambert agreed to provide a bridge table for Board members.

Mr P Mitchell, Director of Operations, added that the turnaround in the last few months had been as a result of very hard work from staff coinciding with a very high patient occupancy on both sites. However, this high occupancy is now an issue of sustainability and is causing operational difficulties and loss of flexibility in the system which causes tensions. The Board discussed the probability of sustaining this level of activity. Prof T Evans, Medical Director, said turnover at the present time is very high, that high input had happened for a short time but the capital development and forecast of work next year would be subject to a great deal of strategic scrutiny and cannot be contained long-term.

In response to an inquiry from Mr R Hunting, Non-Executive Director, about possible costs incurred as a result of intervention in The Royal Marsden fire episode, Mr Lambert confirmed that the Marsden had agreed to reimburse all costs involved.

The Board discussed the Flagship Projects and Mr Lambert explained that the table on page 10 of the report showed the amount spent as well as that committed. Where equipment has been ordered but will not be invoiced until the capital items are operational, the amounts do not show as “spent”.

In response to a question from Mr N Coleman, Non-Executive Director, about the Trust’s expectations for using the whole capital budget for the year of £23m, Mr Lambert explained the Trust has a Capital Working Group which monitors this; he had been reassured by the Chairman of the Capital Working Group that the Trust would meet its capital resource limit and not have to return monies to the SHA.

Mr Mitchell explained that if there are any problems with introducing a major capital programme in the Estates area, the allocation can be switched to provision of medical equipment which had been planned for next year.

Operational Performance

Mr Lambert then moved on to the operational report for Month 9. He went through the “traffic light” report and commented on those that were not green.

The Private Patients cumulative spell activity was not within 3% of the internal target and this has been explained further in the financial performance papers.

The reportable cancellations target is showing ‘underachieved’ and is running at the rate of 1.26%; it will not be possible to improve on this target in the

balance of the year due to the number of cancellations to date.
In response to a question from the Chairman on any possible impact caused by the intake of Marsden patients, Mr Mitchell replied that this had caused only two deferrals which were undertaken a few days later with the patients' consent. Mr Lambert informed the Board that the Marsden had also agreed they would support the Trust in the event of any breaches caused.
The Chairman felt disturbed there had been 19 cancelled operations mainly at HH. Mr Mitchell explained that ITU at HH had been full with patients not being able to be discharged quickly. The Board discussed the possible need to make investment in key areas. Mr Mitchell emphasised the need to retain flexibility. He informed the Board that an increase in level 2 beds in surgery was being assessed to allow more step-down and this could be in place in the next 2-3 months, following recruitment of specialist nursing staff. Additional level 3 beds would be opened next year. He explained that transplant and VAD patients utilise a larger number of level 3 beds. Dr C Shuldham, Director of Nursing & Governance, said it had been a great achievement that patient throughput had been maintained while ward refurbishment and relocations had been taking place.

With reference to Infection, there were no MRSA cases reported in December and January to date.

In response to an inquiry from Mrs J Hill, Non-Executive Director, on the status of the 18-week-waits, Mr Mitchell reported that an audit had been undertaken last week of results to date against targets and said he would bring a full report to the Board in February. He reported that pilot hospitals in this area are known to be struggling to produce data and felt it would take a huge system change to make this available. The Chief Executive said this area was being intensely scrutinised by the SHA at present.

2008/06 <u>PROVIDER AGENCY Q3 MONITORING RETURN</u>
Mr Lambert went on to present the quarterly report to the Board for approval and to be signed by Chairman and Chief Executive for submission to NHS London Provider Agency.

He highlighted the fact that the Healthcare Commission (HC) had notified the Trust that it would be publicised as being among the 10 'worst Trusts' for the proportion of complaints returned by the HC for further action. He continued that the Trust had an extremely low number of complaints overall (<90 per annum), but out of 10 complaints referred to the HC in their review period, 5 had been returned to the Trust for further action, resulting in a 50% 'failure' rate. Dr Shuldham reported that the Trust had written to the HC to put the 5 cases in context, but had heard nothing more. She added that other Trusts have questioned the HC review period, as the HC had based their analysis on their receipt of referrals, not a set, comparable period over which complaints had emerged.

The Chairman said that whether or not the absolute numbers were high or statistically valid, the fact remained that half of the 'review' complaints had been returned. Dr Shuldham acknowledged this and confirmed that the complaints process was being reviewed. She also noted that the HC made comments on returned complaints, not only in relation to the content of the complaint itself, but also in relation to actions for the future that might not arise from the complaint itself.

From the floor, Mrs Crawley reminded the Board that the Healthcare Commission was to lose its role in overseeing NHS complaints, and that legislation was due to come forward in 2008 to replace the HC with a different body.

Also from the floor, Cllr Mills sought information on the incidence of MRSA and other infections, as the crude numbers could be a cause for concern. Board members explained that the Trust monitors a very wide range of possible infections including MRSA, C difficile and GRE (which were reported externally) and has some of the best results both in London and across the country. Prof Evans said that while the Trust was far from complacent, the number of confirmed C.difficile cases in the Trust (30 for the year to date) was approximately five times lower than many other trusts; MRSA rates were good partly because swab tests were being undertaken for all admissions.

Cllr Mills stated that much publicity was attracted when patients contract an infection whilst in hospital. Dr Shuldham said the issue was, in part, one of understanding: the approach to infection was one of zero tolerance, but it was unrealistic to expect there would be no infection. When dealing with patients who were critically ill, many with compromised immune systems, often on high doses of antibiotic therapy, some cases of infection were inevitable – and always had been. Cleanliness and rigorous infection control standards/ precautions were essential, but would never completely eradicate the problem.

Mr Appel (a patient representative on the Infection Control Committee) wished to assure those present that all care was taken to minimise infection, all admissions were 'swabbed' but there remained a risk of infection being brought in by visitors. He felt the rate of infection had become a political issue.

Mr Barry Holmes, a member of the public, asked how the Trust's figures compared with the rest of Europe. The Chief Executive did not have figures for Europe to hand but could assure Mr Holmes that the Trust had one of the best rates for hospital-acquired infection that he (in wide international experience) had ever encountered.

It was noted that Dr Shuldham was leading a further project on infection control which included visitor access and dress code issues.

2008/07 UPDATE ON BUDGET SETTING PROCESS

Mr Lambert informed the Board that budget setting for 2008/09 was under way, with assessment of how much was recurrent or non-recurrent. Mr Nick Hunt, Director of Service Development, reported the new mandatory, three-year NHS contract was currently being negotiated with the PCTs, and that talks to date had been successful.

Particular attention was being paid to relating budget setting to proposed activity levels. There would be further reports at the next Board meeting.

2008/08 TRANSFER OF WORKS OF ART

A list of works of art housed in the Trust had been compiled in order to determine their ownership. The list included older items which were bequests from the 19th century and newly acquired items via the RB&HArts programme. The Chief Executive said he was proud of this programme which helped in patients' recovery. The Corporate Trustee was happy for the works of art to be transferred to the RB&H Charitable Fund provided that the Board was willing to

transfer the works of art to the Charity (the Charity would then be able to take out appropriate insurance for the items which the Trust, as an NHS body, could not). The Chairman noted the list contained a number of items in a strong-room assigned to two members of staff who had now left and Mr Lambert agreed to look into this and report back.

The Board discussed the security of items now that the list was in the public domain and this would need to be addressed.

2008/09 COMMENTS FROM MEMBERS OF THE PUBLIC

Mr Appel congratulated the Trust on the actions it took on 2nd January in the aftermath of the Royal Marsden fire. He said it was fortunate there had been spare capacity in the hospital to take on the extra patients and wondered if the Trust might approach the SHA for funding to set up an emergency facility against any similar occurrence. Dr Shuldham felt it was not realistic to ask for spare capacity to be held in readiness for an emergency, however she confirmed the Trust participated in London-wide emergency planning activity which, for example, was activated after the July 2005 bombings, and now included actions to be taken in the event of a pandemic flu outbreak. In normal events, the Trust would not take patients directly from an emergency (as there is no A&E service), but lessons from the 2nd January would be learned.

Mr Appel wished to comment on the Trust's bad debts. He had noticed nearly £1m of debts for private practice of over six months' age and asked if we might introduce safeguards to reduce this to a minimum. Mr Lambert explained that the debts were being handled by debt collectors, were often old debts and were kept on the books until, in extreme cases, they had to be written off. There were examples of self-funding private/overseas patients whose treatment took longer than expected, exhausted any deposit taken and over-extended them financially. Mr Lambert confirmed that the Trust always sought to recover debts and to minimise the risk of bad-debts, but felt there would always be some level of bad debt in any organisation.

2008/10 DATE OF NEXT MEETING

Wednesday 27 February 2008 at 2.00 p.m. in the Boardroom, Royal Brompton Hospital.