ROYAL BROMPTON & HAREFIELD NHS TRUST

Minutes of a Meeting of the Trust Board held on 24 January 2007 in the Board Room, Royal Brompton Hospital

Present:	Lord Newton of Braintree: Chairman Mr C Perrin: Deputy Chairman Mr R Bell: Chief Executive Mrs C Croft: Non-Executive Director Professor T Evans: Medical Director Mrs J Hill: Non-Executive Director Mr R Hunting: Non-Executive Director Mr M Lambert: Director of Finance and Performance Professor A Newman Taylor: Non-Executive Director Mr P Mitchell: Director of Operations Dr. C Shuldham: Director of Nursing and Governance
By invitation:	Mrs M Cabrelli: Director of Estates and Facilities Mr R Craig: Director of Planning and Strategy Mr N Hunt: Director of Service Development Dr. B Keogh: Chairman Royal Brompton Hospital Medical Committee Ms J Ocloo: Chair Royal Brompton and Harefield Patient and Public Involvement Forum Ms J Thomas: Director of Communications Ms J Walton: Director of Fundraising
In Attendance:	Mr J Chapman: Head of Administration Mrs L Davies: Head of Performance Ms S Ohri: Deputy Director of Finance Mr R Sawyer: Head of Risk Mrs E Schutte: Executive Assistant

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

REF

2007/01 MINUTES OF TRUST BOARD MEETING ON 20 DECEMBER 2006

The minutes of the meeting of the Trust Board held on 20 December 2006 were confirmed.

2007/02 MR RICHARD HUNTING – NON-EXECUTIVE DIRECTOR

The Chairman welcomed Mr Richard Hunting, who was recently appointed as a Non-Executive Director of the Trust, to the meeting

2007/03 REPORT FROM THE CHIEF EXECUTIVE

The Chief Executive stated that two months ago he had reported on 6 issues that may have an impact on the Trust over the next 6-12 months. He had at that time indicated that the key strategic goal is becoming a Foundation Trust in 2007.

The Chief Executive then provided an update concerning these issues.

In December the Board received a report on the failed bid to become a sBRC and the collateral threat and opportunity of the expected gradual withdrawal of historical R&D funding by the DoH. The Board had a meaningful debate on the subject.

Several PCTs have signalled their intent to stem referrals of patients from their regions to the Trust as a means of achieving spending cuts and addressing their own financial constraints.

Earlier that week NSCAG had notified the Director of Finance and Performance that they plan to withdraw £5m of funding for Transplant services at the Trust over the next 3 years.

The Chief Executive explained that it is to be expected that in an environment where financial difficulties and constraints clearly prevail across the NHS, such recurrent uncertainties to income and revenue streams will continue to challenge the Trust.

The Chief Executive continued that he is convinced that the Trust will be able to address these issues by continuing to be focussed on key governance and management principles. These include doing what's right in the best interest of the patients served by the Trust; becoming increasingly efficient and resilient at a time of constant financial uncertainty; and adherence to the key strengths of being adaptable, practical, realistic and innovative

Mr Bell then explained that the Board would today discuss the options appraisal with respect to the declared option of re-building inpatient services and thoracic theatres at our Harefield site.

Mr Bell concluded that having such uncertainties to deal with is the new norm. The Trust should not be distracted from the confidence of addressing what are likely to be challenges by Monitor. It should be expected that whether we are an FT or not such challenges will undoubtedly continue. However, the realities of meeting patient needs remain, and must ultimately prevail.

2007/04 FUTURE OF HAREFIELD HOSPITAL AND SERVICES

Mr Patrick Mitchell, Director of Operations and Chairman of the Oversight Board, presented a report on the option appraisal by Matrix Research and Consultancy on the redevelopment and future of Harefield Hospital and its services, and the Oversight Board's response. The option appraisal was a condition of the decision of North West London Strategic Health Authority to allocate £2.3 million to the Trust for urgent building works which were identified from the SHA clinical governance review. The Oversight Board had agreed with Matrix that the appraisal would provide data and a summary to strategic outline case level and not a full outline business case, which would follow if the Trust Board agreed to support it, to refer it to NHS London as the relevant strategic authority; and NHS London agreed to provide the necessary resources to proceed accordingly.

Mr Usman Khan gave a presentation of the report from Matrix Research Consultancy. Seven options taken from the Independent Review by Sir Michael Partridge and Mr Mark Taylor, which they completed in 2006, were reviewed. Mr Khan briefly explained the strategic context, the underlying assumptions, the financial analysis, non-financial appraisal and financial appraisal which led to ranking of the options in terms of costs and benefits. The appraisal led to a recommendation that three options should be taken forward to evaluation in a full outline business case; these were a modular rebuild of Harefield Hospital on the current site, a traditional rebuild of Harefield Hospital on the current site and the rebuilding of Harefield Hospital on the Mount Vernon Hospital site. The options which would rebuild Harefield Hospital on the Hillingdon Hospital site and the Watford Hospital site should be discarded. The Harefield Hospital "do-minimum" option would be retained for comparative purposes. The option of relocating Harefield Hospital services to Hammersmith Hospital achieved its best scores on research links and clinical infrastructure but lowest scores over access, scheme control, strategic coherence and flexibility. During the appraisal the option changed so that Matrix was unable to verify the costs and as a consequence the Trust was recommended to identify the terms under which it might be an attractive option and assess it. The

Oversight Board however did not agree with the conclusion and its report stated that the option should remain if the Trust believed its future strengths would come through partnership with a broader university-led biomedical research centre. This was different to the specialist clinical focus of the strategy the Board was supporting.

Board Members noted the outcome of the appraisal and considered the options. It was agreed that the Watford Hospital option, on account of the lack of clinical research links, the risks from the number of partners that would be involved in the development and the cost, should be discarded. Board Members also agreed that the Hillingdon Hospital option while having an appropriate clinical infrastructure had disadvantages through the constrained site and consequential financial risks, the lack of flexibility and the absence of clinical research links. It was noted in particular that the Heart Science Centre could not be relocated there. Furthermore, the Borough Planners had indicated that increased traffic density on the site would not be favoured. It was therefore agreed that this option should also be excluded from the next stage.

Detailed attention was given to the Mount Vernon Hospital and Hammersmith Hospital options. Professor Tim Evans, Medical Director, said clinical benefits would arise with the relocation of Harefield Hospital to Mount Vernon Hospital; significant specialist services were provided there that would complement cardiothoracic services. There were also two renowned research centres at Mount Vernon Hospital which with a relocated Heart Science Centre would provide the appropriate research synergies for patient care. Furthermore, the Borough Planners had indicated they would support collaboration between the two NHS Trusts to develop a workable solution for the future of the Mount Vernon Hospital site. However, there were concerns about its future in the event that one of the research centres relocated elsewhere in the strategy period. Ms Ocloo asked about the importance of clinical separation and whether it was seen as a strategic driver, given the suggestion by Matrix, that were this to be the case the options for a Harefield modular or traditional rebuild would be less attractive. Professor Evans indicated that the issues surrounding clinical separation had been addressed in large part since the SHA review. Renal, GI, neurological and psychiatric support was now available following the implementation of new contracts and agreements. The Trust was in the final stages of concluding an arrangement for 24 hour, seven day per week cover for general surgical services. However, it was recognised that the

views of PCTs and other commissioners concerning their preferred location for Harefield services would have to be clarified.

It was noted that the Hammersmith Hospital option proposed 140 beds in refurbished accommodation in an existing building constructed in the 1970s with shared use of the hospital's theatres, imaging, outpatient and other services and that within the timeframe for relocation a joint PFI development would be pursued under the management of Hammersmith Hospital and St. Mary's Hospital. Mr Charles Perrin, Deputy Chairman, raised concern over whether in the circumstances Harefield Hospital could continue to be part of Royal Brompton & Harefield NHS Trust which was one of the governing criteria in the appraisal of options. Mr Perrin drew particular attention to the National Audit Office report on the Paddington Health Campus Development which said that in any PFI development through which services are relocated to another site a merger between the two managing Trusts should follow. Concerns were also raised about the commissioning consequences of relocating Harefield Hospital to the Hammersmith Hospital site, which could lead to many fewer beds being required and the impact this would have on the current provision of cardiothoracic services, particularly in North West London. The Board noted that the option appraisal reported the Hammersmith Hospital option achieved its best scores in clinical infrastructure and research synergy and that the Oversight Board took a different view.
At this point the Chairman invited comments from members of the public.

<u>Comments from Members of the Public</u>
Mr John Ross, Executive Member of Heart of Harefield, said it appeared from the option appraisal report that the case for relocation to Mount Vernon Hospital was based on research synergies. However, Heart of Harefield understood the Gray Institute at Mount Vernon Hospital was to be relocated to Oxford and Mount Vernon Hospital's future would be under threat if that took place. Mr Khan said the options were generated at previous reviews, and collaborations between the research centres on the Mount Vernon Hospital site were considered to be strengths. Financial and non-financial appraisals had been conducted but Matrix had not taken into account uncertainty of the future of any of the research centres. Professor Evans commented that there was a proposal to relocate the Gray Institute but its current status was not known.

Mr Philip Dodd, a member of Heart of Harefield, said the concluding comments in the Matrix report that different models were still being considered and that the Trust should consider flexible options for delivering services without incurring substantial costs suggested the do-minimum option was favoured. Mr Khan commented that the report was suggesting flexible approaches over bed provision, care patterns and level of care.

Mr Dodd said synergy between hospital care and clinical research was of vital importance in maintaining Harefield Hospital and its services. It was essential that the Heart Science Centre was located wherever Harefield Hospital is located. Mr Khan commented that the Trust had articulated the strengths of research synergies with healthcare and Matrix had considered how it fitted in each option. They had not at this stage asked the Heart Science Centre for its preference towards any option.

Mr Dodd also said that while a PFI scheme for the redevelopment of Hillingdon Hospital at the current site had been put forward there was also a subsidiary option if the project was delayed to relocate the Hospital to the RAF Uxbridge site which is expected to be available after 2010. He asked if this option had been considered as part of the Hillingdon's ranking in relation to the Watford Hospital option.

Mr David Potter, Vice-Chairman of Heart of Harefield and Chairman of Re-Beat, a Patient's Charity, raised two matters. He sought clarification on whether any of the options to relocate Harefield Hospital elsewhere included the cost of rebuilding the Heart Science Centre on the new site and whether they took account of Harefield Hospital land sales. Mr Khan replied that none of the options included rebuilding the Heart Science Centre elsewhere. The financial appraisals used District Valuer book values of land at Harefield Hospital and not land sale values. Mr Lambert said the District Valuer's valuation of the Harefield Hospital land was £43 million.

Mr Mitchell said a number of issues emerged from the discussion. The Trust would continue to review patient referral patterns and its relationship with commissioners. Concerns had been expressed about the clinical separation of Harefield Hospital from other specialities and the action that had been taken since the SHA clinical governance review to redress this would be emphasised in the Board's report to NHS London. Planning complexities would have to

be resolved with the relevant authorities. The two Harefield Hospital options emerged as the leading options since the engagement of other parties and complexity of planning requirements greatly lengthened the timescale for relocating and rebuilding Harefield Hospital in the other options.

Mr Perrin said it was vital that the Outline Business Case, the next stage of the NHS planning process, is not delayed if the Board's plans for the future of Harefield Hospital and its services are to be achieved. The do-minimum option had to be retained as a comparator but there appeared to be no reason to proceed further with the Hillingdon Hospital and Watford Hospital options. On the other hand while uncertainties had been raised about the Mount Vernon Hospital option, especially over research synergies, there was no reason to exclude it from the option appraisal.

Professor Newman Taylor commented that the report of the Oversight Board gave very clear reasons why the Hammersmith Hospital option should not be considered for further evaluation, and the uncertainty of future commissioning of Harefield services under the option had emerged in the discussion. The Matrix report had indicated that the option had changed during the review and recommended further scrutiny to identify the terms under which it might be attractive. This could very well lead to considerable delay in proceeding with the Outline Business Case and beyond, which was not in the Trust's interests.

The Chairman concluded that there was clearly stronger support for the Harefield Hospital options than the others but at this stage the Board could not express a preference. This would emerge through the Outline Business Case. He asked the Board to agree to forward the Matrix report to NHS London in accordance with the requirement of the former SHA, to inform NHS London of the conclusions the Board had made through discussion of the report and to ask NHS London to proceed with all speed to Outline Business Case, noting that the Harefield Hospital options appeared to be the most appropriate. The Board agreed unanimously with the Chairman's recommendations.

2007/05 RESEARCH AND DEVELOPMENT REPORT

The Board received a report from Professor Martin Cowie. The Trust had received a letter which confirmed that the bid to be designated as a Specialist Biomedical Research Centre was unsuccessful and that more detail on the reasons for the decision would be given in due

course. The Department of Health had however indicated separately that additional financial support might be forthcoming for Trusts whose bids were unsuccessful but no detail had been provided. As a result of the unsuccessful bid urgent consideration was being given to the development of a new research strategy. Business plans for each strategic business unit would be formulated by June 2007.

Ms Ocloo asked for clarification on the new research model proposed by the Trust in the light of the failed bid to become a specialist Biomedical Research Centre. This was unclear given references about the pursuit of a different model with a specialist clinical focus as opposed to a broader university led biomedical research model.

Professor Newman Taylor replied that the proposed emphasis of clinical and population based research was compatible with and should be integrated within the Trust with "translational" studies of "proof of principle" in man.

The Board noted the report.

2007/06 FOUNDATION TRUST APPLICATION

The Board received a report from Robert Craig, Foundation Trust Project Director. The Trust had been assigned the target authorisation date of 1 May 2007 as a Foundation Trust and formal scrutiny by Monitor would begin in February. KPMG would undertake a due diligence review on behalf of Monitor during March. Monitor had indicated that an updated integrated business plan had to be submitted by 12 February. The Board noted also that it was now proposed that no artificial site-based split be imposed on staff governors. The deadline for issue of the formal notice of elections for governors of the Trust was 25 January and the closing date for nominations was 9 February. The closing date for elections was 21 March.

The Board noted the report.

2007/07 LONDON PROVIDER MANAGEMENT REGIME 2007/8

Mr Mark Lambert, Director of Finance and Performance, briefly explained a report Ms Sheila Ohri, Deputy Director of Finance, had written on the 2007/8 London Provider Management Regime. NHS London had delegated responsibility to the Agency to manage and develop all aspects of NHS provider performance and reform which would be consistent with the compliance regime developed by Monitor and operated by Foundation Trusts. Royal Brompton &

Harefield NHS Trust was required to submit an annual plan in March 2007 with the first draft due by 29 January. The paper summarised the requirements of the Regime.

The Board noted the report.

2007/08 APPOINTMENT OF CONSULTANTS IN THORACIC SURGERY

The Board confirmed the decision of an Advisory Appointment Committee to recommend the appointment of Mr Vladimir Anakin and the appointment of Ms Emma Beadow as Consultants in Thoracic Surgery.

2007/09 APPOINTMENT OF CONSULTANT IN RESPIRATORY MEDICINE WITH A SPECIAL INTEREST IN SLEEP AND VENTILATION

The Board confirmed the decision of an Advisory Appointment Committee to recommend the appointment of Dr. Matthew Hind as a Consultant in Respiratory Medicine with a special interest in sleep and ventilation.

2007/10 PERFORMANCE REPORT FOR DECEMBER 2006

Mr Mark Lambert, Director of Finance and Performance, presented a report for the nine months that ended on 31 December 2006. The Trust had reported an accumulated surplus of income over expenditure of £3.63 million against a planned surplus of £3.72 million, an adverse variance of £94,000. This represented an adverse movement from the 30 November position with the Trust making a loss of £1.1 million against a planned loss of £267,000. The Trust's financial position deteriorated by £852,000 against plan. While this was a concern the Trust's cash position remained comfortably ahead of plan and the financial stability plan remained satisfactory. Net capital expenditure was also satisfactory. Mr Lambert informed the Board that the Trust had recently been allocated a further £300,000 capital for expenditure on hospital hygiene and sanitation.

Mr Lambert also gave the Board more detailed information of the NSCAG proposal to withdraw £5.0 million funding from transplantation services over three years from July 2007. NSCAG had indicated that the reduction of the allocation reflected a decision to apply allocations to all centres on the basis of average costs incurred. It had also noted that the Trust invoiced NSCAG for services others invoiced PCTs for. Mr Lambert said the result of the decision would be that the allocation would reduce by £1.3 million in

2007/8. However, the Trust intended to challenge the decision and would respond to NSCAG when it had evaluated the reasons NSCAG had given. Mr Bell said NSCAG had a duty as a commissioner of NHS services to comply with NHS commissioning rules which gave providers rights in the event of disputes. The Board would be kept fully informed of developments.

Comments from Members of the Public

Mr Kenneth Appell, a member of the Patient and Public Involvement Forum, expressed concern over the NSCAG decision and said it was inappropriate that the Trust should be expected to look to PCTs for funding part of the costs of transplantation services when they were encountering financial difficulties. The Trust had better transplantation survival rates than the other nationally funded centres and NSCAG should be made fully aware that the Trust's outcomes warranted current funding levels.

The Chairman thanked Mr Appell for his comments which related to evidence the Trust would present to support continuation of the current funding.

Mr Lambert drew the Board's attention to key performance indicators for 2006/7 and asked the Board to note those for private patient activity, waiting time for cancer treatment, cancellation of operations, follow-up outpatient attendances and the number of serious untoward incidents which were cause for concern. The Board referred to action that was addressing them.

Ms Josephine Ocloo, Chair of Royal Brompton and Harefield Patient and Public Involvement Forum, referred to the policy of 'Being Open' and asked what action the Trust was taking to implement it and monitor performance. Ms Ocloo said the Down's Syndrome Association had recently contacted her about a family of a child who were affected by a serious untoward incident in December and had great difficulty in obtaining answers to their concerns. She said that because the family had not been given full information they had decided to make a complaint to the Trust. Ms Ocloo believed that if the Trust was fully operating the policy situations which led to complaints would be less likely to occur. It was important the Trust responded effectively to serious incidents and monitored compliance with the policy.

The Chairman said the Board would regret the position had been reached that Ms Ocloo had to raise the matter and the family had

decided that they had no alternative but to resort to the Trust complaints procedure. Dr. Caroline Shuldham, Director of Nursing and Governance, said that by knowing of incidents the Trust was able to monitor effectiveness of the policy and how it responded to them. She agreed to pursue enquiries urgently.

The Board noted Mr Lambert's report.

2007/11 MEETING OF THE FINANCE COMMITTEE ON 24 JANUARY 2007

Mr Charles Perrin, Deputy Chairman, said the Finance Committee met in the morning of 24 January 2007. Mr Lambert's financial report covered all the issues the Committee had considered in greater detail.

2007/12 THE EIGHTEEN WEEK WAIT

The Board received a report from Patrick Mitchell, Director of Operations, on the eighteen week wait. The report explained that in accordance with the NHS improvement plan, first published in June 2004, it was Government policy that by 2008 no-one will wait longer than eighteen weeks from GP referral to hospital treatment. The report referred to targets to be achieved by March 2007 and March 2008 and reporting requirements. Mr Mitchell said a more detailed report would be given to a future meeting of the Board.

2007/13 REGISTER OF THE SEAL OF THE TRUST

The Chairman counter-signed an entry in the Register of the Seal of the Trust relating to a tenancy agreement for a property.

2007/14 NEXT MEETING

The next meeting of the Trust Board would take place on Wednesday 28 February 2007 in the Concert Hall at Harefield Hospital commencing at 10.30am.

2007/15 MR JOHN CHAPMAN – HEAD OF ADMINISTRATION

The Chairman said Mr John Chapman was attending a meeting of the Trust Board for the last time and would shortly be retiring after nearly forty years employment in the NHS and approaching twenty years with the Trust and its predecessors. On behalf of the Board the Chairman thanked Mr Chapman for the support he had given him, the Board and the Trust. He would be very much missed and he wished him a long and happy retirement.

Mr. John Ross said that Mrs. Brett had asked him to say that she would very much have liked to be there that day as it is John

Chapman's last Board meeting. However, she was attending a coroner's inquest in Hatfield in support of parents who lost their child in tragic circumstances.

All of Heart of Harefield echoed Mrs. Brett's appreciation and admiration of Mr. Chapman's courtesy, professional expertise and his vast fund of knowledge. Jean has found it a pleasure to work with John over the years, particularly on Heart of Harefield's contributions to the Trust's minutes. By doing so harmony in Board meetings has been encouraged.

Much is owed to John's wisdom and fairness and our warmest wishes therefore go to him for a most enjoyable retirement.

Mr Potter and Mr Dennis Gulliford, Secretary of Re-Beat, a Patient's Charity, also thanked Mr Chapman for the support he had given and wished him well for the future.

Lord Newton of Braintree
Chairman