

**Minutes of the Trust Board held on 24 June 2009  
In the Boardroom, Royal Brompton Hospital**

Present: Sir Robert Finch (Chairman)  
Mr R Bell, Chief Executive  
Mr R Craig, Director of Operations  
Mr N Coleman, Non-Executive Director  
Mrs C Croft, Non-Executive Director  
Professor T Evans, Medical Director  
Mrs J Hill, Non-Executive Director  
Ms M Hiscock, Interim Director of Nursing  
Mr R Hunting, Non-Executive Director  
Mr M Lambert, Director of Finance & Performance  
Professor Sir Anthony Newman Taylor, Non-Executive Director

By Invitation: Mr R Connett, Head of Performance  
Mrs L Davies, Head of Modernisation  
Mr N Hunt, Director of Service Development  
Ms C Johnson, Director of Human Resources  
Mr D Shrimpton, Private Patients Managing Director  
Ms J Thomas, Director of Communications  
Ms J Walton, Director of Fundraising

Apologies: Dr C Shuldham, Director of Nursing, Governance & Informatics

In Attendance: Mrs R Paton (minutes)

The Chairman welcomed everyone to the first Board meeting as a Foundation Trust (FT). He continued that the Trust now had the opportunity to realise its ambitions and hoped all the Trust's supporters, including Heart of Harefield represented in the room, would participate in the planning process. He confirmed that the first Governors' Council meeting had taken place on 17 June 2009 and had resolved to meet every two months. The subject of whether Trust Board meetings would continue to be held in public would be considered taking all views into account. Sir Robert said the Trust was at the beginning of an exciting time.

2009/071 MINUTES OF THE PREVIOUS MEETING HELD ON 27 MAY 2009

The minutes of the meeting were approved.

2009/072 REPORT FROM THE CHIEF EXECUTIVE

Mr Robert Bell, Chief Executive, congratulated everyone on achieving FT status after almost four years of very hard work. An outstanding clinical and financial performance in 2008/9 had underpinned the successful case for FT status. He said the Trust was at a gateway and there was a palpable degree of pride within the organisation on this achievement. There would be many issues to deal with over the coming years and he knew he could count on the support of the staff and the membership. Mr Bell had received many letters of congratulation from a cross-section of people: Ruth Carnall of NHS London had written to congratulate the whole organisation and to wish us luck. Mr Bell and the Chairman had already held a positive meeting with Bill Moyes, Executive Chairman of Monitor, about forward strategies.

At this juncture, the Chairman wished to acknowledge the extraordinary efforts that the Chief Executive and the executive team had made in securing FT status and he thanked them all. He confirmed the Trust's strategy was to be a leading edge organisation, delivering excellent patient care on two sites.

2009/073 HEALTH INNOVATION AND EDUCATION CLUSTERS (HIECs)

Mr Robert Craig, Director of Operations, reminded the Board that the DoH had introduced an initiative to create HIECs and would make available £10m to support this. Mr Craig referred to the DH publication entitled "Breakthrough to real change in local healthcare – a guide for applications to create HIECs". The concept envisioned partnerships between NHS organisations, the higher education sector, industry and other public and private sector organisations. Mr Craig explained that the Trust was participating in the development of an application for a NW London HIEC, which would need to be clear about the purpose of HIECs in line with the very general principles set out by DH, and taking account of other relevant initiatives (such as BRUs). Mr Craig felt the paper was light on practical implications, but expected firmer proposals to emerge in the NW London application. Asthma, cancer and heart failure might be particular areas of focus for the Trust. A working group was being set up under the leadership of the Director of Strategy at Chelsea & Westminster NHSFT. Dr Rob Wilson, Associate Medical Director, and Mr Craig would contribute on behalf of the Trust and keep the Board apprised of developments. Applications were to be submitted by October.

Mrs Jenny Hill, Non-executive Director, felt opportunities presented themselves to produce a bid prompted by the lack of detail in the original DH guide. Mrs Hill thought the possible governance structures were interesting and could be a good way to work with commercial organisations.

The Chairman thought the underlying intention was the building of relationships in the NW London sector and although it was difficult to explain what the HIEC was about politically, this would emerge in the future. Mr Bell felt interest would be generated by the funding being offered and that the Trust might find a partnership in NW London to enable a collaboration. Although the £10m on offer seems a very small amount, more funding might be available in the future. Mr Bell reminded the Board that collaboration with others in London should lead to better services for patients.

The Chairman recommended a relevant session with the Board on this topic as details emerged.

2009/074 FINANCIAL PERFORMANCE REPORT FOR MONTH 2: JUNE 2009 (INCLUDING FINANCIAL STABILITY PLAN PROGRESS REPORT)

Mr Mark Lambert, Director of Finance & Performance, reported that the Trust had had an excellent year in 2008/09, delivering a £3.2m surplus. Month 2 (May 2009) was the last month as an NHS Trust, and financial accounts had to be prepared for the two-month 'stub' period to be submitted to the DH. The FT had come into being on 1<sup>st</sup> June and accounts would then be prepared for the 10 months June 2009 to March 2010 to be submitted to Monitor. For May, there was a reported surplus of £307k, giving a YTD surplus of £1,025k. Month 2 had delivered a smaller reported surplus than April as a number of "period-end" accounting adjustments needed to be made.

The Financial Stability Plan (FSP) had delivered £1,073k savings in month 2 which was an improvement on Month 1. Mr Craig explained that the improved performance in Month 2 was brought about by acquiring a better understanding of how schemes were to be delivered through the year and this was encouraging. There was concern that at year-end the figures might be £1m away from the target of £15m. There were some unresolved risks present in the plan and thought was being given to replacements for those initiatives which might deliver

less than planned. Mr Nick Coleman, Non-executive Director, said this was a vitally important area especially as “lean times” were expected ahead. He asked if it would be possible to bring to the next Board meeting a more detailed re-forecast for the outturn for the year to assess any weaknesses. Mr Craig confirmed that the FSP team was working on this as part of reviewing the status of the Plan at the end of the first quarter.

Mr Lambert reported that both NHS and PP activity (by spells) were running ahead of target. Cardiology at HH and Thoracic Surgery at RB were performing extremely well. Cardiac Surgery at both sites was under plan. Mr Craig confirmed that HH activity was largely in line with expectations, but the original plan had not been profiled for the availability of recovery capacity from Quarter 2 (mid-July) onwards.

At RBH less cardiac surgery was being done on this year compared to last. A number of factors were at work, and analysis was being done within the RBH Heart Division to understand and address any problems.

Mr Lambert reported that unbundled diagnostics under HRG4 were performing very strongly and had contributed £540k to the overall income position.

Mr Lambert confirmed that a full-year surplus of £3.8m had been agreed with Monitor, and that we would be monitored against that figure. Net cash was approx £4m against a plan of £8.6m (the adverse variance was attributed to reduced SLA receipts and non-receipt of the non-PbR non-recurrent allocation (Project Diamond money) – however K&C PCT had now received this). Mr Coleman asked what would happen to cash surplus for the ‘stub’ period and Mr Lambert confirmed it would be retained.

The capital programme spend was £1.7m for the two months ended May and Mr Lambert confirmed the Trust now had more freedom to manage capital investment.

Mrs Christina Croft, Non-executive Director, highlighted the overspend on nursing pay in PICU. Mr Lambert said that there was a national shortage of specialist paediatric nurses and PICU continued to rely heavily on bank and agency staff. Ms Michelle Hiscock, Interim Director of Nursing, confirmed that overseas recruitment drives (in Portugal and Australia) were helping to alleviate the problem, but that the situation remained difficult.

#### 2009/075 OPERATIONAL PERFORMANCE REPORT FOR MONTH 2: JUNE 2009

Mr Lambert introduced the report and highlighted the following:

- The Trust's HSMR ratio was showing a 3-year average of 53.9 (national index = 100). This placed us amongst the best hospitals in the UK for this indicator.
- Incidents: During Month 2 there were no outbreaks of infection, safety SUIs, 'Never' Events, or IRMER incidents.
- Health Care Acquired Infections (HCAI): in the first 2 months of the year there were no cases of MRSA, C.Diff or VRE/GRE.
- Surgical Site Infection Surveillance Service (SSISS): The Trust position was 5.78% against a national average of 4.3%. The report included data on both deep and superficial wound infection. The last deep wound infection was in February.
- Cancelled operations: The metric was now showing green with the rates down below 0.8%. Mr Lambert and Mr Coleman congratulated Mr Craig and

his team on this achievement. Mr Craig agreed that it was good news and credited the Divisions' efforts, but warned there was more work to embed the improvements.

- 18 weeks: 98% achieved for admitted patients against a target of 90% and 100% for non-admitted against a target of 95%. Congratulations were offered to Mr Craig and Mrs Lucy Davies, Head of Modernisation, and their teams on these achievements. Mr Craig pointed out Mrs Davies' report that there was an emerging problem in sustaining performance for Electrophysiology. Investment made in this service had delivered real benefits in referrals but we had to make sure we could continue to support this.

Professor Tim Evans, Medical Director, said that whilst the SSISS figures looked encouraging, we could not afford to be sanguine. He confirmed that:

- All surgeons were now routinely sent a list of patients who had become infected under their care;
- Information on root cause analysis performed on infection cases was advertised in theatre foyers to highlight this to staff;
- There was currently a focus on skin preparation and increasing involvement of theatre staff;
- A cross-site infection group was looking specifically at wound infection rates.

Professor Evans said he would like to see re-operation rates coming down and recommended this information should also come to the Board. He stressed that these issues were highly relevant to our FSP, and Anaesthesia and Perfusion were being asked to visit other centres to make sure our processes were up to date. A target had been set for routine cardiac surgery that no blood transfusion should be necessary (currently undertaken in approx 50% of cases). Professor Evans confirmed there was a constant drive to move the boundaries forward – this was not always welcomed by all staff but there were signs that greater openness to change was emerging. He hoped that as we moved into FT status, this would become better established.

Mr Coleman endorsed Professor Evans' sentiments and said that continuous improvement would move the organisation to an outstanding position and that improved efficiency would turn the Trust into a unique organisation. Sir Anthony Newman Taylor, Non-executive Director, observed that there had been a lot of discussion about patient safety risks inherent in the FSP. He felt that the converse was true: improving patient safety was going to help deliver the FSP. Mr Coleman commented that when high performing organisations worked extremely well, quality and financial performance followed. Mr Richard Hunting, Non-executive Director, felt that other measures needed to be taken as well and that not all work-streams in the FSP related to patient safety.

The Chairman then commented on the recent Dr Foster alert. The Care Quality Commission had asked to be kept informed of our evaluation of the validity of the grouping. Professor Evans was finalising the report (which would come to the Board). The Chairman informed the Board of the ongoing debate between Monitor and the CQC on care quality and Dr Foster.

2009/076 REPORT FROM MEETING OF GOVERNORS' COUNCIL, 17<sup>TH</sup> JUNE 2009

The Chairman reported that the Governors' Council had held a very useful first meeting, when it had been decided to meet every two months. Consideration had been given to the best format for these meetings, how to interact with the Board of Directors and where the meetings should be held. 'Orientation' sessions

were soon to be held and it was planned to assess the interests and expertise of the Governors to make the most of their contributions and role.

The Council had discussed the Monitor recommendation that an additional NED should be appointed. Monitor had made one recommendation, but there were also other candidates and the appointment process would be activated. Mr Bell felt the members had been encouraging and supportive of the Trust.

The Chairman reported that, in line with the requirements of the National Health Service Act 2006 and the Trust's Constitution, the Governors' Council had also fulfilled its obligation to appoint as the initial chairman and non-executive directors of the Trust all those of the existing chairman and NEDs who wished to be appointed. The Governors' Council had therefore made the following appointments:

Chairman: Sir Robert Finch

NEDs: Professor Sir Anthony Newman Taylor, Mrs Jenny Hill, Mrs Christina Croft, Mr Richard Hunting, Mr Nicholas Coleman.

The Chairman had then sought the Governors' support for his proposal to appoint Mrs Jenny Hill as the Senior Independent Director (SID), and the meeting confirmed its support. Mrs Hill indicated that she would be contacting Governors individually in this role.

2009/077 APPOINTMENT OF CHIEF EXECUTIVE

At this juncture, the Chief Executive and Executive Directors left the room.

The Constitution now required the formal appointment of the Chief Executive of the NHS Foundation Trust by the Chairman and Non-Executive Directors. Mr Robert J Bell had confirmed his wish to be appointed as the initial Chief Executive of the Trust and his appointment was unanimously agreed by the Chairman and Non-Executive directors.

2009/078 WORKING CAPITAL FACILITY

Mr Lambert reported that, as an FT, we had to put in place a working capital facility. After a formal procurement process, the Trust had been offered an £18M working capital facility from Barclays Bank plc. The facility was expensive, but slightly better value than benchmark costs obtained from other FTs. The Trust had also obtained legal advice and there were no concerns about the documentation the bank had requested the Trust to enact.

The Board therefore approved the facility and the relevant Executive Directors signed the document.

2009/079 AUDIT AND RISK COMMITTEE (ARC)

**a) minutes of Meeting of 28 April 2009**

Mr Nick Coleman, ARC Chairman, said the minutes had been approved at the meeting held on 2<sup>nd</sup> June and were now presented to the Board for information.

**(b) Report from Meeting of 2 June 2009**

Mr Coleman reported that the meeting had looked specifically at end-of-year items e.g. annual accounts and had approved them for consideration at the Board meeting held on 10<sup>th</sup> June. In addition, four general risk issues had been addressed, as follows:

- The review of the Dr Foster alert had been agreed as satisfactory
- The top 20 risks for the Trust had been reviewed and were referred back to

the executive team for further consideration.

- There had been a good discussion of patient safety risks associated with the FSP, and the executive team was considering how best to identify, assess and report any unintended consequences of implementation. The FSP needed to be delivered but not at the risk of patient safety
- A good discussion had been undertaken on hand-washing and the 'bare-below-the-elbow' policy. Professor Evans would be considering the Trust mechanisms and the Trust's approach to the whole area of clinical cleanliness and would bring an assessment back to the ARC.

2009/080 QUESTIONS FROM MEMBERS OF THE PUBLIC

Mrs Jean Brett, Chair of Heart of Harefield, congratulated the Trust on achieving Foundation Trust status. To start the journey had been easy but it had taken true grit to reach a successful conclusion. Mrs Brett believed that much was owed to Mr Robert Bell, the Trust's Chief Executive, for providing the outstanding leadership of the team involved. It was also with pleasure that she noted the strong partnership developing between Mr Bell and Trust's new Chairman, Sir Robert Finch. Their combined expertise augured well for the future.

Mrs Brett explained that Heart of Harefield had been working discreetly in support of the Trust's FT application. It was realised that the value of the Chelsea site had attracted predators. However, the merging of the Harefield and the Brompton hospitals had made the combined organisation far more difficult for a predator to swallow. As to the future, it was helpful to understand that she was not of Harefield, but had been brought in as Heart of Harefield's Chair due to her knowledge of the NHS. Once the threat of Paddington had ended, her task appeared complete. Instead, Mrs Brett had remained because she judged that until the Trust gained FT status, a risk remained.

Mrs Brett welcomed and would support the proposed developments to improve Harefield Hospital. The assistance and advice of Mr John Ross, her Vice Chair (who is also the Chairman of the Harefield Village Conservation Area Advisory Panel) would be beneficial for the Trust.

Mr Ross concluded by saying he endorsed Mrs Brett's comments entirely. He also passed on to the Board the congratulations and good wishes of Mr David Potter, Chair of Re-Beat.

The Chairman thanked Mrs Brett for her comments and confirmed a working party had been set up to look at proposals for Harefield, to provide a sensible, careful debate on what facilities should be rebuilt and to look at e.g. 'massing' within an important conservation area.

2009/081 DATE OF NEXT MEETING

Wednesday 29 July at 10.30 a.m. in the Concert Hall, Harefield Hospital