

ROYAL BROMPTON & HAREFIELD NHS TRUST

Minutes of a Meeting of the Trust Board held on 24 May 2006 in the Board Room, Royal Brompton Hospital

- Present: Lord Newton of Braintree: Chairman
Mr C Perrin: Deputy Chairman
Mr R Bell: Chief Executive
Professor M Cowie: Director of Research and Academic Affairs
Mrs C Croft: 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: Non-Executive Director
Dr. C Shuldham: Director of Nursing and Governance
- By invitation: Sir Michael Partridge: Independent Project Reviewer
Mr M Taylor: Independent Project Reviewer
Mrs M Cabrelli: Director of Estates and Facilities
Mr R Craig: Project Director Foundation Trust Status
Mr N Hunt: Director of Service Development
Ms J Thomas: Director of Communications
Mr T Vickers: Director of Human Resources
- In Attendance: Mr J Chapman: Head of Administration
Mrs F Copeland: Chair Primary Ciliary Dyskinesia Family Support Group
Mrs L Davies: Assistant Director and Head of Performance
Ms R Matthews: Senior Nurse User Involvement
Mr R Sawyer: Head of Risk
Mrs E Schutte: Executive Assistant

Apologies for absence were received from Professor Tim Evans, Medical Director and Ms Josephine Ocloo, Chair of Royal Brompton and Harefield Patient and Public Involvement Forum.

The Chairman welcomed members of the Trust staff and members of the public to the meeting. He explained that the meeting was being held at Royal Brompton Hospital as unexpected remedial works were taking place to the roof and fabric of the Concert Hall at Harefield Hospital. The Board was grateful for the understanding of Heart of Harefield and others who normally attended Board

meetings at Harefield Hospital and the Chairman confirmed that reciprocal arrangements would be made to hold meetings planned for Royal Brompton Hospital at Harefield Hospital later in the year.

The Chairman also welcomed to the meeting Professor Martin Cowie, who had recently taken up the post of Director of Research and Academic Affairs, and members of Trust staff who had assisted Ms Rachel Matthews with the preparation of the revised Trust Patient and Public Involvement Strategy.

REF

2006/62 MINUTES OF TRUST BOARD MEETING ON 26 APRIL 2006

The Board received the minutes of the previous meeting on 26 April 2006 and agreed the following amendment;

2006/52: Restructuring of the Audit and Risk Committees

The last sentence in the second paragraph was amended to read,

“It was suggested that the terms of reference should be amended to allow more than three Non-Executive members to be appointed.”

The Board then confirmed the minutes of the previous meeting.

2006/63 MEMBERSHIP OF THE AUDIT AND RISK COMMITTEE

Mr Kenneth Appell, a member of the Patient and Public Involvement Forum (PPIF), suggested that a conflict arose in the proposals that were being put to the Board in the revised Patient and Public Involvement Strategy and the Board’s decision at the previous meeting to limit PPIF representation to the Audit and Risk Committee and exclude it from the Governance and Quality Committee. Mr Appell said the Governance and Quality Committee was responsible for patient safety which was an essential interest of the PPIF.

The Chairman said the Board had carefully considered the matter at the previous meeting. The Governance and Quality Committee would be a management committee. The appropriate place for PPIF involvement in governance was in the Audit and Risk Committee which would hold Trust management accountable for patient safety and by participation in the Committee the PPIF could bring proposals to the Board. The Trust Board had agreed to review the effectiveness of the Committees and PPIF involvement after one year.

2006/64 REPORT FROM THE CHIEF EXECUTIVE

Mr Robert Bell, Chief Executive, reported on two matters;

(i) National Audit Review of the Paddington Health Campus Development

The National Audit Office published the report of the review on 19 May 2006 and copies have been sent to Board Members. The Public Accounts Committee would hold public hearings in June. Three members of the Committee had visited the site of the proposed development on 29 May. Mr Bell said he had informed them that the Trust was now focusing on the redevelopment of its sites and services, most notably the Harefield site and the services provided there.

(ii) Healthcare Commission Acute Inpatient Survey 2005

On 26 May 2006 the Healthcare Commission would publish the results of a national survey of acute inpatients that took place in October 2005. The results for the acute hospitals in North West London had been circulated in advance by the SHA and were tabled for information at the Board meeting. Royal Brompton and Harefield Hospitals were rated in the top 20% hospitals nationally in response to 43 of 57 questions. Mr Bell said it was a highly satisfactory and remarkable result and was completely consistent with other surveys and reports of patients' experience and the quality of care at the two Hospitals. The Chairman asked the Chief Executive to convey the Board's congratulations to Trust staff.

2006/65 REDEVELOPMENT OF HAREFIELD HOSPITAL AND SERVICES

Mr Patrick Mitchell, Director of Operations and Chairman of the Trust Oversight Board, presented a report on progress with the redevelopment of Harefield Hospital services. The appointment of a Consultant Psychiatrist with cover arrangements for both Royal Brompton and Harefield Hospitals had been agreed with Central and North West London Mental Health Trust and was expected to be made in September. A service-level agreement with Hillingdon Hospital NHS Trust to provide acute specialty support had been agreed with the exception of general surgery, for which two options were still under consideration. An advertisement for the post of Trust Director of Cardiothoracic Services would soon be placed and the job plan for Director of Critical Care was being finalised. Professor Gilles Dreyfus had taken over as Director of Transplantation. The business case for improvements to the

inpatient buildings had been submitted to the SHA and would be considered by the SHA Capital Investment Group early in June. The programme plan of works and decant solutions to enable continued operation of the hospital while the improvements take place was progressing well. Fire evacuation training for staff had commenced.

Mr Mitchell also briefly explained a paper which reported the outcome of a visit by representatives of the Trust Patient and Public Involvement Forum at Harefield Hospital on 18 April to review progress on implementing recommendations of the SHA clinical governance review. The paper was noted. Mr David Potter, Trust PPI Core Group Member and Chairman of Re-beat, a Patients' Charity, commented that he was encouraged by the attention that had been given to the fabric of the building and accommodation for patients. Mr Potter also said there were a lot of other improvements that were being funded by the Trust Charity for which patient groups and the public were very grateful.

The Board noted Mr Mitchell's report. The Chairman asked if fire evacuation training was given to staff at Royal Brompton Hospital. Mrs Cabrelli said the priority had been to commence training at Harefield Hospital in accordance with the implementation of the recommendations of the SHA review. Fire evacuation training for Royal Brompton staff would be provided in due course. Mr Perrin said Mr Mitchell had given a very helpful report and asked if there was any matter in the SHA review that remained to be addressed. Mr Mitchell said there was none.

Mr Mitchell said he would give a further report to the next Board meeting on funding the physical works and recommendations on the long-term improvements to the Hospital and its services. Mr Bell informed the Board that a panel had been created to examine medical staff deployment between Royal Brompton and Harefield Hospitals which would be chaired by an external Professor of Surgery. The Board would receive more details at the next meeting.

The Board received a draft report from Sir Michael Partridge and Mr Mark Taylor, members of the Independent Project Review Panel, on the future of Harefield Hospital and services and Sir Michael Partridge reported the conclusions that were emerging. There was very considerable support for the Trust's proposals and many were impressed with the plans for the remedial works and proposals to advance clinical leadership.

It was however of the highest importance that a decision is taken no later than the end of 2006 on the long-term future of the services provided by the Trust, particularly those at Harefield. The independent reviewers had examined four options and had consulted extensively. The first, to rebuild Harefield Hospital had strong support and the Trust should pursue the option vigorously. The capital cost had been estimated at £20 million and the capital work was likely to take two years to complete. Secondly, Hillingdon Hospital NHS Trust had indicated it could accommodate Harefield services in the proposed £400 million redevelopment and the reviewers believed this option would be supported by those who were supportive of a rebuild at Harefield. The third would be to relocate Harefield and its services to Mount Vernon Hospital but the redevelopment of that site was less advanced and the Trust would have to assess whether or not it was worth pursuing. There was considerable uncertainty over the redevelopment of Watford Hospital and it was unlikely that this would be resolved within the reviewers' timetable for a decision. As a consequence they were unable to recommend it. For reasons given at the previous meeting the fourth option, to rebuild Harefield at Northwick Park Hospital could not be pursued.

Detailed discussion between Trust Directors and Hammersmith Hospitals NHS Trust had established that the option of partial relocation of Harefield services to Hammersmith Hospital was not realistic and could not be delivered within the cost and timetable envisaged. The Hammersmith proposals had underestimated what would be required, had many omissions and three particular disadvantages; it would not deliver a quality and coherent service to patients in North West London and surrounding areas, it would fragment existing teams and thirdly would seriously damage the continued viability of the Trust and its finances. Sir Michael Partridge said that while the Trust may wish to continue to explore the option, the reviewers could not recommend it as providing a certain and secure future for the Trust's services. Sir Michael Partridge indicated that the reviewers would welcome comments from Board Members and others who were present and anticipated finalising the report for issue within two weeks.

On the long-term strategy Sir Michael Partridge said the Board and others recognised the SHA would cease to exist at the end of June when the Pan-London SHA took over. It had immediate priorities relating to NHS finances to resolve but the Trust should engage with the new authority to obtain an indication of the long-term future for

the Trust services. If this was not forthcoming the Trust should proceed with an interim development at Harefield Hospital. Mr Bell said the Executive Directors were aware of the position and recognised the Trust should take the lead on the question as to what should be the future of Royal Brompton and Harefield Hospitals and services and how that could be delivered.

Professor Anthony Newman Taylor, Vice-Principal of Imperial College School of Medicine, Head of the National Heart and Lung Institute and Non-Executive Director, said Imperial College had yet to come to a decision on any of the options the Independent Reviewers were presenting but it was aware of the impressive research results of the Heart Science Centre that had continued following the appointment of Dr. Nadia Rosenthal, the successor to Professor Sir Magdi Yacoub, and recognised that certain options might damage research and development and education and training considerably.

Comments from Members of the Public

Mrs Jean Brett, Chair of Heart of Harefield, expressed the satisfaction of her organisation with the conduct and direction of the review, as carried out by Sir Michael Partridge and Mr Mark Taylor. It was in stark contrast to the review carried out by Kensington, Chelsea & Westminster Health Authority in 2000.

The independent reviewers had produced a comprehensive draft report. On the options within it Mrs Brett commented that relocating Harefield to be part of a new build at Watford was now even less viable; as the deficit of the SW Herts Trust was presently reported as having advanced from £28.3 million to £40 million. Heart of Harefield also considered that no policy should be adopted which weakened the links between the Brompton and Harefield, which would have been strengthened over the last six years, had Paddington not intervened.

Heart of Harefield was concerned about the Hillingdon option, because Harefield Hospital was inextricably associated for socio-economic reasons with Harefield village. Complete relocation of Harefield's services to a new build of Hillingdon Hospital could lead to a merger with it, so losing the strong specialty links with the Brompton.

Mrs Brett said that Heart of Harefield was a caring organisation. There was sadness for St. Mary's Hospital, where buildings were in a

worse state than those at Harefield and the Brompton. They wished that the Chief Executive of St. Mary's had taken their advice in 2000, which was that the priority for St. Mary's should be improving its own facilities.

On behalf of Heart of Harefield Mrs Brett complimented the Board on the direction it was pursuing, expressing the hope that the strengths within the organisation would lead to greater achievements. The recent Health Commission survey results of the in-patient opinion of the services they had received for the Royal Brompton and Harefield were magnificent. They justified the adage, "If it isn't broken don't fix it."

The Chairman thanked Mrs Brett for her kind and encouraging comments. He said he had not interpreted what the independent reviewers had written on the Hillingdon Hospital option as leading to a merger, it was relocation of Harefield Hospital to the Hillingdon site while continuing to be managed by Royal Brompton & Harefield NHS Trust. Sir Michael Partridge confirmed the Chairman's interpretation.

Mrs Brett reminded the Board that relocation of Harefield Hospital to another site, as with Paddington, could lead to similar problems. The overwhelming factor now governing NHS policy was finance. Hillingdon Hospital would be very fortunate if it gained approval for its rebuild. The Royal Brompton and Harefield Trust had gone through enough uncertainty in the past six years, so that they need to go forward. A new era of co-operation had begun. It was essential to go forward and capitalise on the Trust's strengths which at Harefield included the strengths of the Heart Science Centre.

Mr Bell said it was important to understand the Trust had a duty to justify the preferred option in the context of all the others. He understood what Mrs Brett had said about the Hillingdon Hospital option and commented that the recently published NAO report said any future capital scheme entailing collaboration between two Trusts and their services on a single site would be subject to consideration of a corporate merger. This was an issue the Board would need to address in determining the preferred option.

Mr Kenneth Appell supported all Mrs Brett had said which represented the views of the patients and the public towards the actions the Board was taking.

Mr David Potter, Vice-Chairman of Heart of Harefield and Chairman of Re-Beat endorsed and reiterated what Mrs Brett said and congratulated the independent reviewers and the Board on the achievements to-date. Mr Potter quoted from the draft review of Sir Michael Partridge and Mark Taylor, the independent reviewers, that, "the best can be the enemy of the good."

2006/66 FOUNDATION TRUST STATUS

Mr Robert Craig, Foundation Trust Project Director, presented a progress report on the application for Foundation Trust status and briefly explained the current position. Consultation had ended on 19 May and comments were being analysed. Just under 8,000 people had been recruited as members of the proposed Foundation Trust. The next milestone was submission of the formal application to the Department of Health by 9 June. The application would include the integrated business plan, governance arrangements, draft constitution, membership strategy and a commentary on the consultation process. A draft had been circulated to Board Members on 22 May with the remaining sections following on 26 May including a chapter on finance. Mr Craig distributed two tables from the chapter at the meeting giving projected income and expenditure and risk rating annually up to 2011/2012.

Mr Bell explained that the application would have to be finalised by 6 June in order to meet the Department of Health deadline. Considerable work was still required on the application and a seminar for Board Members would be held in the near future in order that they could scrutinise the full draft. There were concerns about the current state of readiness of the application and submission of an application based on decisions being taken quickly which might be regretted later. However, Mr Bell said that final decisions on Foundation Trust status following submission by 9 June would not be made until December 2006. It was recognised that there were inevitable uncertainties at this stage of the process and there would be opportunities to address them. The Board agreed therefore that the application would be submitted by 9 June.

Professor Newman Taylor commented that the Trust might consider applying for Academic Foundation Trust status. Mr Bell said it was recognised that while Royal Brompton & Harefield NHS Trust should be distinguished from most NHS Trusts there were uncertainties about the definition and status of an academic NHS Trust and it would be inappropriate to consider it until they were resolved.

On the financial information that was tabled, Mrs Mary Leadbeater, Director of Finance, said the Board could be assured that there was no indication the Foundation Trust would need long-term borrowing of funds or that it would have to re-pay short-term inherited borrowing. The tables indicated that a workable financial framework for the Foundation Trust existed.

Mrs Leadbeater presented a report on the Foundation Trust model liquidity rating which briefed the Board on a financial issue that would be referred to the Board again in the summer as part of the FT process. The Foundation Trust would require working capital and the paper gave details of the funds banks could consider granting. These proposed a two year arrangement for working capital. The paper advised on the required level of working capital facility to give an acceptable liquidity risk rating. The Trust had invited tenders for banking services to the Foundation Trust and shortlisting for interviews was taking place very soon. It was therefore necessary to agree the appropriate level of working capital facility and duration and liquidity risk rating position for discussion with the banks. The paper recommended provision of sufficient working capital for the first two years of operation as a Foundation Trust. Mrs Leadbeater confirmed that the Finance Committee had considered the issues at its meeting in April 2006. Mr Bell said the Management Committee had since considered the matter and believed a liquidity risk rating of 4 would be appropriate which would incur a higher arrangement fee from the successful tenderer. Mrs Leadbeater explained that the Trust was expected to make a significant loan in 2006/7 to the SHA to help restore the NHS to financial balance. A Foundation Trust would have power to recall the loan and if this was achieved working capital would increase. As a precaution however it was proposed that the facility arrangement to be established with the bank should provide a higher liquidity rating than 3 and that the Trust press for a longer arrangement period. The Chairman recommended acceptance of the proposition and this was agreed.

Mrs Leadbeater also asked the Board to note a paper distributed to Board Members for information on the 'Going Concern Concept'. The paper outlined the principles of an assessment of the status of the Foundation Trust as a going concern. The Finance Directorate was undertaking the assessment of the specific commercial risks the Foundation Trust would face and the outcome would be reported to the Audit and Risk Committee at its meeting in June and then to the Board.

Comments from Members of the Public

Mrs Jean Brett, Chair Heart of Harefield, asked what the arrangement fee would be for provision of working capital to the Foundation Trust. Mrs Leadbeater said tenders would specify the fee and the sum would be agreed with the successful tenderer.

2006/67

EQUALITY AND DIVERSITY

Mr Patrick Mitchell presented a position statement which outlined progress on management of the Trust Equality and Diversity Agenda in 2006 and a second draft of the Race Equality Scheme. The position statement gave details of the Education Programme that had taken place and future plans, internal and external partnerships that had been created, staff forums that had been set up and had met, publications, the results of impact assessments of anaesthetics and critical care policies, monitoring data relating to staff and service users and training on equality and diversity. The second draft of the Race Equality Scheme was noted. The Scheme would be finalised and presented to the Board for approval at the meeting on 27 July. It would include a commitment to equality and diversity that embraces human rights widely which would be consistent with emerging Government policy.

Mr Mitchell informed the Board that Ms Josephine Ocloo, Chair of Royal Brompton and Harefield Patient and Public Involvement Forum, had sent comments to him on the draft Race Equality Scheme and he reported them to the Board. Ms Ocloo had commented that the current draft was a mission statement rather than a statement of legal compliance with the Race Relations (Amendment) Act 2000 (RRAA 2000), insufficient attention had so far been given to comments made in the Trinity Report and the previous review of compliance with legislation and the absence of a comprehensive plan to act on the results of impact assessments and to relate them back to RRAA 2000. Mr Mitchell said the final Scheme would take account of Ms Ocloo's comments.

The Board noted the report.

2006/68

PATIENT AND PUBLIC INVOLVEMENT STRATEGY

Ms Rachel Matthews, Senior Nurse User Involvement and Chair of the Trust Patient and Public Involvement (PPI) Core Group, presented a final draft of the revision of the Trust Patient and Public Involvement Strategy which set out the aims and objectives for involving patients and the public, engaging users of the Trust

services, a review of PPI in the Trust over the past two years and an action plan for the current year.

Mrs Fiona Copeland, Chair of the Primary Ciliary Dyskinesia Family Support Group, said the strategy was an example to others of the success of involving patients, their representatives, carers and members of the public in healthcare. Mrs Copeland said she had received an invitation to meet representatives from the National Specialist Commissioning Advisory Group (NSCAG) on transplantation services for children and young people when they visited the Trust and was able to give them frank and positive views as a parent and a carer. The Chairman thanked Mrs Copeland for her encouraging comments.

Mr Bell said it was important the Board recognised and supported the flexible approach the Strategy was pursuing. The Trust had to adapt to a changing profile and a changing patient clientele which rendered a service-specific strategy inappropriate. For this reason annual review of the Strategy was essential. Professor Cowie said involving patients, carers and members of the public in the changing research agenda would be vital to the Trust.

The Board thanked Ms Matthews for the leadership she had given to patient and public involvement at the Trust and agreed to adopt the Strategy.

2006/69 PERFORMANCE REPORT FOR APRIL 2006

The Board received and noted a report on performance in April 2006. Mrs Lucy Davies, Head of Performance, drew the Board's attention to breaches of the 62-day pathway target between general practitioner referral and treatment of three cancer patients in the final quarter of 2005/6 and advised the Board that it could result in a lower performance rating in the 2005/6 annual health check than the Trust might otherwise receive. In the case of one patient a breach of the target had occurred elsewhere before the patient was referred to the Trust. Mr Mitchell said the Trust would write to referrers where breaches have occurred and remind them of their obligations under the target.

The Board noted the report.

2006/70 CAPITAL PROGRAMME 2006/7

The Board received a report which requested approval of the Capital Programme for 2006/7 providing additional fixed assets of £21.1

million. Of the total asset value only £6.4 million was secure. The report identified a further £14.7 million, of which £2 million was anticipated from the SHA to fund renovation of inpatient services at Harefield Hospital. It is assumed that another £8.1 million would be provided from non-exchequer sources for the Epicentre and £4.6 million through operating leases for Estates, IT and medical equipment. Mrs Leadbeater said financing equipment by leases would enable the Trust to transfer funds to the Estates Department to reduce backlog maintenance. There would be a revenue impact of £1.2 to £1.4 million which had been factored into the Foundation Trust funding model.

Concerns were raised about the certainty of the additional funds and the proposed funding of equipment through lease arrangements. Mr Mitchell indicated that if the SHA declined to allocate funds for renovation of inpatient services at Harefield Hospital schemes to be funded from the £6.4 million would be reviewed. The Epicentre development would not proceed unless the sponsors supported the business case. Mrs Maria Cabrelli, Director of Estates, said the Estates Department would need to know soon which capital schemes would be funded in order to deliver the Capital Programme by 31 March 2007. In the circumstances the Board authorised an initial commitment of £500,000. Mr Mitchell agreed to report to the next Board meeting when the SHA decision would be known and more information would be available on the plans to fund equipment investment through leasing.

Mr Bell said the concerns the Board had raised indicated that a Capital Investment Committee consisting of Executive and Non-Executive Directors should be established to consider capital investment issues. He agreed to pursue the matter further.

2006/71 APPOINTMENT OF CONSULTANT RESPIRATORY PHYSICIAN WITH AN INTEREST IN INTERSTITIAL LUNG DISEASE

The Board confirmed the recommendation of an Advisory Appointment Committee to appoint Dr. Elizabetta Renzoni as a Consultant Respiratory Physician with an interest in interstitial lung disease. Professor Newman Taylor said a vacancy for a consultant had arisen following the Imperial College appointment of Professor Ron Du Bois to an academic and research post which released NHS funds to replace him with a consultant respiratory physician.

2006/72 RESEARCH AND DEVELOPMENT UPDATE

Professor Martin Cowie gave an oral report on progress with bids to the Department of Health under the new Research and Development Strategy. The critical bid was for approval to become a biomedical research centre. The Trust had received very favourable comments on the pre-qualifying questionnaire and the bibliometric supporting evidence and anticipated approval to proceed to submission of a final bid. Professor Cowie confirmed what had been said during discussion on the redevelopment of Harefield Hospital on leadership of the Heart Science Centre. The recruitment of Dr. Nadia Rosenthal was a key appointment in continuing the inspirational work of the Heart Science Centre and was fully consistent with the Imperial College strategy for research and development.

Professor Cowie also drew the Board's attention to two further matters. Commercial funding of research and development was below average for a research organisation of the size of Royal Brompton & Harefield NHS Trust and this would be addressed. The issue of research governance was a concern. Research governance should be ingrained within Trust governance and Professor Cowie indicated he would ask the Board to consider proposals later in the year. Professor Newman Taylor supported what Professor Cowie had said.

2006/73 ANNUAL HEALTH CHECK 2005/2006 – FINAL DECLARATION

The Board received and noted the final declaration for the 2005/6 annual health check which had been submitted to the Healthcare Commission.

2006/74 NEXT MEETING

The next meeting of the Trust Board would take place on Thursday 29 June 2006 in the Board Room at Royal Brompton Hospital commencing at 11.30am.

**Lord Newton of Braintree
Chairman**