ROYAL BROMPTON & HAREFIELD NHS TRUST

Minutes of a Meeting of the Trust Board held on 24 October 2007 in the Concert Hall, Harefield Hospital

Present:	Lord Newton of Braintree, Chairman Mr R Bell, Chief Executive Mrs C Croft, Non-Executive Director Mr Richard Hunting, Non-Executive Director Mr M Lambert, Director of Finance & Performance Mr P Mitchell, Director of Operations Mr C Perrin, Deputy Chairman Dr C Shuldham, Director of Nursing & Governance
By Invitation:	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 Mrs J Walton, Director of Fundraising
In Attendance:	Ms E Mainoo, Executive Assistant Mrs R Paton (minute-taker)
Apologies:	Prof T Evans, Medical Director Mrs J Hill, Non-Executive Director Prof A Newman-Taylor, Non-Executive Director Ms J Ocloo, Chair: RB&H Patient & Public Involvement Forum

The Chairman welcomed members of the Board and public to the meeting, which followed the Annual General Meeting.

2007/112 MINUTES OF THE PREVIOUS MEETING HELD ON 26 SEPTEMBER 2007

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

2007/113 REPORT FROM THE CHIEF EXECUTIVE

Mr Robert Bell, Chief Executive, said he would speak later to several agenda items but wished to highlight the following issues:

- A meeting had been held with Prof Steve Smith, Principal of Imperial College Faculty of Medicine and Chief Executive of Imperial College Healthcare NHS Trust, to explore the possibilities for future joint working. The outcome was that the Trust and university should work on a number of items, e.g. the Biomedical Research Unit (BRU) application. Imperial College (IC) is currently focused on integration plans for Hammersmith and St Mary's hospitals into IC Healthcare NHS Trust, rendering discussions around possible integration with this Trust premature. The meeting had addressed the academic agenda and ideas for collaborative work, and contact would be maintained on a regular basis.
- Two successful meetings had been held with the Chief Executives of neighbouring Foundation Trusts (Royal Marsden and Chelsea & Westminster [C&W]), seeking a means to collaborate on several fronts. The meeting had been productive, and discussions included research, NHS and PP. The Chief Executive had proposed that the meetings be put on a more formal footing involving the respective Trust Chairs.

The Chairman noted that Prof Chris Edwards would take up post as Chairman at C&W on 1st November; he had previously been Head of the IC Medical School. Mr Charles Perrin, Deputy Chairman, welcomed discussions with the two neighbouring Trusts and hoped it might indicate the possibility for interesting collaboration in the future.

Dr Caroline Shuldham, Director of Nursing and Governance reported that the Royal Marsden would be providing nursing support, in an advisory and leadership capacity, for the Trust's cancer and palliative nursing team during the forthcoming secondment to the Cancer Network of the Trust's lead cancer nurse.

2007/114 HAREFIELD HOSPITAL AND SERVICES

Mr Patrick Mitchell, Director of Operations and Chair of the Redevelopment Oversight Board reported:

- The main building works were scheduled to be completed towards the end of May 2008. However, an additional £400K had been made available for infection control improvements, and this additional work had been incorporated into the building scheme. The revised project was now expected to be completed in September 2008. One of the hospital lifts was also to be replaced, due to its ongoing unreliability.
- A working group had been established to manage the Theatre development project which aimed to centralise Harefield Theatres around the Cardiac Theatre block and to decommission the Thoracic Theatres which were no longer fit for purpose.
- There had been on-going developments in the area of possible joint clinical services with Hillingdon and Watford Trusts, and Mr Mitchell would keep the Board informed of progress.
- With reference to redevelopment proposal, the Oversight Board had not met since the Matrix Consulting work had been submitted to the SHA. However, Mr Bell had recently met the SHA Performance Management team, who had stated that they did not know the decision of the Capital Investment Committee. Mr Bell reported he had subsequently received a phone call from Malcolm Stamp, Chief Executive of NHS London's Provider Agency, confirming that the conclusions of the Capital Investment Committee would soon be sent to the Trust in writing. Mr Stamp had suggested the Capital Investment Committee was not satisfied with the quality of the work conducted by the firm Matrix, which indicated that NHS London might require further discussion of any concerns. There was recognition that facilities at Harefield needed development but Mr Stamp had also raised the question of strategies in relation to cardiac services, not just locally, but in the whole of London and the South of England. Mr Mitchell confirmed that all requested documentation had been forwarded to the SHA in January 2007. The Chairman felt the situation was very frustrating. Mr Bell reminded the Board that this project had been under-taken at the request of the NW London SHA, and had therefore asked for their concerns in writing. In response to the Chairman's invitation for comments from the floor, Mr David Potter, Rebeat Club, commented that developments would be monitored with keen interest.

2007/115 RESEARCH & DEVELOPMENT REPORT: BIOMEDICAL RESEARCH UNITS (BRU)

Mr Robert Craig, Director of Planning & Strategy, presented a paper which outlined the Trust's collaboration with Imperial College (IC) on an important new biomedical research initiative, including background and information on the application. He confirmed that both Prof Evans, Medical Director, and Prof Newman-Taylor (who had chaired the Joint Project Group) had already endorsed the applications. He continued that BRU status should enhance the Trust's R&D reputation, affording leverage possibilities rather than immediate financial benefit, and could eventually assist progress towards Biomedical Research Centre status. The Board noted the applications.

Financial implications

Mr Mark Lambert, Director of Finance & Performance, confirmed that funding for a successful BRU is set at a maximum of £1million per unit per annum, with only 75% receivable in 2008/9. Mr Lambert continued that transitional research funding to the Trust was still assumed to be £4.7 million for 2008/09 (confirmation was expected in January 2008), and that the Trust could therefore be facing an additional £20 million income reduction for 2008/09 compared to the current year. The Chief Executive sought to emphasise that the Trust faced significant challenges in bridging the shortfall and foresaw difficult and stormy times ahead.

Although actions were being taken to deal with operational performance issues, Mr Bell reiterated that it was not possible to effect a reversal of the expected £24m income shortfall in short order or via operational management measures alone. He felt the Trust would need a minimum of 12-18 months to rectify the position. Mr Bell stressed that the situation was of grave concern – 15% of Trust income was under threat. He felt the only means of short-term relief would be if the DH relaxed its transitional funding proposals. He also reported that other Trusts in the area were similarly affected, and these have now formed a project group ('project diamond') with Great Ormond Street Hospital taking the lead. The group would meet in November to ascertain a pan-London view on the situation. The Chairman welcomed this information and felt progress would be more effective if based on a consensus of view in conjunction with concerted action by all Trusts involved.

Mr Lambert reminded the Board that the absence of confirmation of research income would make budget-setting for 2008/09 even more difficult. Mr Perrin recommended that, at a high level at least, different scenarios should be developed based on best- and worst-case assessments.

Mr Perrin went on to stress the importance of having the right staff available to address research issues and in a timely manner, noting the imminent resignation of Prof Cowie as Director of Research. The Chief Executive reported that discussions were progressing to develop a joint post of research director together with Imperial College for the next five years. In the interim, Mr Bell had discussed with Prof Newman-Taylor and Prof Smith the possibility that Prof Michael Schneider (recently arrived Head of Cardiovascular Science at IC) might act as interim R&D director. Discussions were continuing, but Mr Bell was optimistic of being able to confirm this arrangement to the next meeting of the Board.

Mrs Christina Croft, Non-Executive Director, had noted the significant amounts of additional health research funding announced in the recent pre-budget statement, and wondered what impact this might have on the current situation. The Chief Executive reported that further work was being done by the DH and others to determine the nature of the sums announced, their relationship to funding already assumed in DH projections, and how much was new funding.

2007/116 RECOMMENDATION OF ADVISORY APPOINTMENTS COMMITTEE

The Board received the recommendation for the appointment of Mr Oliver Ghez as Consultant in Paediatric and Congenital Cardiac Surgery. With the correction to the documentation noted below, the appointment was approved.

Consultant Ratification Form, page 2, Section 3.0: Membership of the Advisory Appointments Committee: 'Royal College of Physicians', should read 'Royal College of Surgeons'.

2007/117 PERFORMANCE REPORT FOR MONTH 6: SEPTEMBER 2007

Financial performance

Mr Lambert reported that the Trust had made a surplus of £695K in September (Month 06), and the cumulative position for the first six months was therefore a deficit of £259K. The position showed a marked improvement and Mr Lambert hoped the Trust would return to profitability in October, but stressed that caution must be observed in order to prevent complacency. The cash level was good, standing at £10.6 million against a revised plan of £4.2 million.

Mr Lambert wished to correct a typographical error on page 1 of the report, Finance Stability Plan Performance, wording in line 3 should read: "and £2.4m has been delivered", instead of £1.4m.

Following the revision of the forecast surplus from £5 million to £1.8 million agreed by NHS London's Provider Agency, Mr Lambert had recently attended the latest of the monthly meetings with them. The meeting had been challenging, resulting in the Agency suggesting that the Trust should still achieve a full-year surplus of £3 - £4 million. The Chief Executive felt the Agency had not listened to the Trust's arguments, but stated that the Trust would do what was requested and continue to forecast a surplus of what it could best achieve. The Board felt that in the current climate, other Trusts would be in worse positions and therefore the SHA would be seeking to identify profits to offset expected losses.

Mr Richard Hunting, Non-Executive Director, felt that the Trust's problems related in part to a reduction in PP income. Mr Lambert confirmed that historically PP business had thrived on cardiology work, and there was now a growing trend for this to be repatriated to other cardiology units, e.g. Wexham Park. Nonetheless, much of this had been anticipated and PP work-levels overall were holding up well. Mr Mitchell confirmed that cardiac surgery at RBH had increased but that cardiology and nuclear medicine remained problematic. He went on to report that cardiology work would probably not recover to previous levels and efforts would have to be made to pursue new avenues, including identifying emerging markets. It was noted that the current year contained 2 Easter breaks (April 2007 and March 2008) as well as other festivals which traditionally reduced demand and throughput.

Mrs Croft noted that the Trust's finances were also being affected by a change in case-mix and recommended that if the trend continued, a sensitivity analysis

should be undertaken under different case-mix scenarios.

With reference to pay expenditure, budgets were £791k overspent at Month 06. There was concern over continuing overpayments to medical staff. Junior doctors who had rotated in August had continued to be paid and were now being pursued for recovery of overpayments: a sum of £297k was involved. The Directors of Operations and Finance & Performance were working on solutions to the problem. It was noted that payment had also continued to certain other senior doctors who had retired. The Board agreed to keep the situation, which had previously been raised at a recent meeting, under review.

Mr Perrin believed there were significant risks with the predicted volume of 18-week work being anticipated in the last 3-4 months of the year. The Trust might face the challenge of PCTs reclaiming 'unspent' monies in March 2008. Mr P Mitchell, Director of Operations, reported that the paper on the 18-week wait target was still being prepared and should be ready for submission to the December Board meeting.

Operational performance

Mr Lambert went on to the operational report for month 6. With reference to the Healthcare Commission ratings, the Trust had retained the 'Good' rating overall for Quality of Services and scored "Good" for Use of Resources. The Trust had met the core standards in full, and had been rated as 'Almost Met' in relation to existing national targets. An 'Excellent' rate was achieved on new national targets. The Trust had fallen just short of an "excellent" overall rating.

With reference to Performance Indicators, the Trust is at risk of failing to improve the trajectory for MRSA bacteraemia on the previous year. The Board debated the situation: there had been 4 cases of MRSA in 2006/07 and 5 cases in the first six months of 2007/08, rendering the Trust at risk of breaching the SHA's year-on-year improvement target, despite achieving the second best rate in London, and despite being well below the overall Healthcare Commission annual threshold of 12 cases; this situation has been brought to the attention of the SHA.

Mr Perrin asked whether it was realistic to think the Trust could score 'Excellent' for quality of services next time or did more work need to be undertaken. Mr Richard Connett, Acting Head of Performance, agreed to compile a report on this, specifically the areas of Cancelled Operations, Cancer Waits and the Choose & Book initiative. Mr Mitchell confirmed working groups to address these areas had either been, or were being, set up.

Mr Connett reported that in relation to Existing National Targets – the Trust needed to achieve on Choose & Book and Cancer Waits, because Cancelled Operations continued to be a risk. The Trust could only afford to lose 2 points in the Existing National Target category, implying no 'failure' on any indicator (loss of 3 points for any fail). If the Trust kept Cancelled Operations in the 'Underachieved' (as opposed to 'Failed') category, it would lose 1 point which will leave 1 point as a contingency against thresholds moving on other targets.

Mr Connett continued that New National Targets now include MRSA and (for the first time in 2007/08) Clostridium Difficile. Again the Trust could only afford to lose 2 points so no indicator could be 'failed'. New targets were met in full during 2006/07 but it should be anticipated that the HCC might move to the same interpretation on MRSA as the Provider Agency (above) which would put

the Trust at risk of underachieving. It was therefore imperative that the Trust continue to achieve on other targets.

The Trust needed to be able to declare 'Fully Met' for Core Standards in order to score 'Excellent' next year and this would mean careful consideration by the Board of the Trust's position in relation to e.g. decontamination.

The Chairman pointed out that the handling of C. Difficile was a highly political area. The Board debated the topic, and it was noted that the rate in the Trust for C. Difficile in the over 65s was well within the benchmark rate; however, the rate would in future be assessed for all patients over the age of two years. Dr Shuldham pointed out the difference between 'colonisation' and 'infection' by the bacterium and that children under two may carry C.Difficile without harm. The Chief Executive explained that it was not possible to eradicate this bacterium: the question was one of means of containment.

Mr Nick Hunt, Director of Service Development, reported that in relation to the outpatient performance measurement for new to follow-up appointment ratios, the Trust had agreed an outpatient profile with host PCT, Kensington & Chelsea, which excludes certain clinics dealing with long-term chronic care of a highly specialised nature, in order to arrive at a more realistic and comparable measurement.

Workforce

With reference to reported sickness absence, there was a rising trend, possibly accounted for by better reporting. The Board was concerned about this trend, and Mr Lambert agreed to bring a more detailed report to the next Board meeting.

2007/118 NHS PROVIDER AGENCY Q2 RETURN

The Self-Certification submission was approved by the Board, and would be signed by the Chairman and Chief Executive.

2007/119 REPORT FROM FINANCE COMMITTEE MEETING ON 24 OCTOBER 2007

The committee had met immediately before the Board meeting. Mr Perrin had already drawn attention to the key issues arising from the deliberations under previous items (2007/115 and 2007/117), and had nothing further to report.

2007/120 ASSURANCE FRAMEWORK SUMMARY REPORT

Dr Shuldham presented the report, explaining that the Framework was the prescribed means by which the Trust itemises key risks to the organisation (derived from those listed on the Risk Register) which should be used to guide the Board's agenda. At this stage the report was for the Board to note. Dr Shuldham updated as follows:

- More was now known about the level of risk relating to research, including the loss of R&D funding.
- The Health & Safety Executive were currently undertaking a routine inspection, the main focus areas being: management of asbestos and legionella, patient moving & handling, and stress.
- Provision of decontamination facilities continued to be an issue. A preferred bidder had been selected for the NW London scheme but the Trust was not fully compliant with the EU directive which came into force earlier in 2007.
- The Patient and Public involvement strategy was being reviewed and the

action plan updated.

- Internal Audit had identified areas for improvement in relation to stores.
- From the earlier item it was agreed that the Board needed assurance that the risks associated with the18-week wait had been identified and mitigated.

Mr Lambert said that the soon-to-be vacant post of Research Director was a newly identified risk.

Mr Hunt reported from the Finance Committee that there was an emerging risk around pensions relating to early retirement due to ill health. Previously, the NHS Pensions Agency had borne such costs, but these appeared now to have been devolved to Trusts (a recent case had highlighted this). Mr Lambert reported that discussions were being held on the subject with Deloitte and recommended that a review be undertaken of any similar issues. The Board agreed the item should appear in the Risk Register. Mr Lambert agreed to explore the issue, prepare a management recommendation for the Chief Executive and bring the outcome to the Board. Mr Hunting recommended seeking other Trusts' experience in this area.

2007/121 QUESTIONS FROM MEMBERS OF THE PUBLIC

Mr Don Chapman, League of Friends, raised the issue of recycling within the Trust and asked if staff were encouraged to recycle material. Mr Mitchell confirmed that recycling came within the remit of the General Services Manager. Material was incinerated where possible in order to reduce the amount being sent to landfill sites; cardboard was sent for recycling and confidential matter was shredded and recycled. A provider for glass disposal had not been found, due to health and safety concerns over potential bio-contamination. Mr Mitchell said the last issue had not been assessed for two years and agreed to liaise with the Director of Estates & Facilities.

2007/122 DATE OF NEXT MEETING

28th November 2007 at 2.00 p.m in the Board Room, Royal Brompton Hospital.