

ROYAL BROMPTON & HAREFIELD NHS TRUST

**Minutes of a Meeting of the Trust Board
held on 25 January 2006 in the Concert Hall, Harefield Hospital**

Present: Lord Newton of Braintree: Chairman
Mr R Bell: Chief Executive
Professor M Green: 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: Deputy Chief Executive
Dr. C Shuldham: Director of Governance and Quality

By invitation: Mrs M Cabrelli: Director of Estates
Mr R Craig: Project Director Foundation Trust Status
Mr W Fountain: Associate Medical Director HH
Mr N Hunt: Director of Commissioning and Business Development
Ms J Ocloo: Chair Royal Brompton & Harefield Patient and Public Involvement Forum
Ms J Thomas: Director of Communications
Mr T Vickers: Director of Human Resources

In Attendance: Mr J Chapman: Head of Administration
Mrs L Davies: Head of Performance
Mrs E Schutte: Executive Assistant

Apologies for absence were received from Mrs Sonya Bhatt, Professor Tim Evans and Mr Charles Perrin.

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

REF

2006/01 MRS SONYA BHATT, NON-EXECUTIVE DIRECTOR

The Chairman informed the Board with much regret that he had received the resignation, for personal and family reasons, of Mrs Sonya Bhatt, Non-Executive Director, which would be effective from 31 January 2006. Mrs Bhatt had asked him to inform the Board how much she had enjoyed working with members and Trust staff even though her tenure of office had been short-lived. The Chairman said

he had been in contact with the NHS Appointments Commission about a successor.

2006/02 MINUTES OF TRUST BOARD MEETING ON 14 DECEMBER 2005
The minutes of the previous meeting of the Trust Board which was held on 14 December 2005 were confirmed.

2006/03 CONDUCT, CAPABILITY, ILL HEALTH AND APPEALS: POLICY AND PROCEDURES FOR MEDICAL STAFF

Ms Josephine Ocloo, Chair of Royal Brompton and Harefield Patient and Public Involvement Forum, referred to the policy and procedures relating to conduct, capability and ill health appeals for medical staff which the Board approved at the previous meeting and asked if any details arising from the operation of the policy would become available to the public. Ms Ocloo asked in particular if anonymised reports and statistics on issues such as referrals to another authority and decisions to exclude from practice could be given to the public.

Mr Robert Bell, Chief Executive, said the policy provided a framework on how the Trust would respond to concerns about individual medical staff and the Trust would act in accordance with the policy through recognised procedures. Personal details of individuals would remain confidential but the Board would be provided with anonymised information including statistics about the operation of the policy, which would be available to the public.

2006/04 REPORT FROM THE CHIEF EXECUTIVE

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

(i) The financial position

Mr Bell reminded the Board that a £10million year end forecast deficit was projected in a report to the meeting on 25 May 2005 and in response the Board approved implementation of the financial stability plan. This had been led, ably, by Patrick Mitchell, Director of Operations, and had been supported widely throughout the Trust. As a consequence the Trust was in a remarkably good position with a financial surplus now being projected for the end of the current year. This was in contrast to many other NHS organisations in North West London which were in financial difficulties.

Mr Bell said possibly the main reason for the successful financial position of the Trust was the harmony that existed between clinicians and managers, among Board Members and between the Trust and the public and a commitment throughout the organisation to achieving the objectives of the Trust.

(ii) Future challenges

Mr Bell said even with a secure financial position the Trust faced a number of challenges, the most pressing of which were proposals for the redevelopment of Harefield Hospital following the SHA and NSCAG reviews. Mr Mitchell would report progress later in the meeting.

(iii) Avian influenza

The Trust and the NHS faced a serious threat of an avian influenza epidemic for which appropriate contingency plans were being made. Mr Patrick Mitchell would report on them later in the meeting.

Mrs Suzanne McCarthy, Chairman of the Trust Risk Strategy Committee, said the Committee would meet on 27 January and would consider how the risk register could reflect epidemic outbreaks. Advice from Board Members of the Committee would be welcomed.

2006/05 AVIAN INFLUENZA CONTINGENCY PLAN

Mr Patrick Mitchell, Director of Operations, briefed the Board on action that had been taken on creation of a contingency plan in the event of an avian influenza epidemic which could have serious consequences in the provision of the Trust's services. The Trust was participating in a pan-SHA preparation Board and within the Trust a contingency plan was being coordinated by Dr. Anne Hall, Consultant in Infection Control, and Mrs Claire Champion, Associate Director of Operations. Several planning sub-groups had been set up and these were considering clinical issues, planning matters, infection control, critical care, pharmacy management, facilities management, staffing and business continuity. Planning would be completed in February when an action plan would be formulated. The contingency plans would be tested in March so that the Board could be assured that the Trust is prepared for the consequences of an epidemic.

2006/06 BUNCEFIELD OIL DEPOT FIRE

Mr Patrick Mitchell updated the Board on action that had been taken since the previous meeting when he reported the consequences for the Trust from the fire at Buncefield Oil Depot on 11 December which had severely damaged the offices of Northgate Systems where computer platforms for Trust information systems were located. Northgate had a disaster recovery programme which came into operation on 11 December and the Trust was operational again on 19 December. The Trust also put its disaster recovery plan into

operation and the Patient Administration System for both hospitals and the radiology module at Royal Brompton Hospital became fully operational again on 9 January within a month of the fire. A risk assessment audit of the incident and its consequences for the Trust was now taking place. This would consider whether a number of sites including other NHS Trust sites might provide back-up support for Trust systems in the future.

The Chairman asked the Board to thank Trust staff for averting a potential disaster for information systems and for all that was done to make the Trust systems operation again so quickly. This was agreed.

2006/07 RESPONSE TO THE REPORT OF THE INDEPENDENT PANEL REVIEW OF THE PADDINGTON HEALTH CAMPUS DEVELOPMENT

The Board received and noted the response from North West London Strategic Health Authority (SHA) to the report of the independent panel review of the Paddington Health Campus Development and plans for strengthening support to the capital programme in North West London. The Chairman indicated that the SHA was undertaking consultation, the deadline for comments being 17 February 2006. Mr Bell said the Trust would comment on the capital investment plans.

The Chairman invited comments from members of the public.

Comments from members of the public

Mrs Jean Brett, Chair Heart of Harefield, commented that the Trust documents were helpful and informative.

2006/08 REDEVELOPMENT AND FUTURE OF HAREFIELD HOSPITAL AND ITS SERVICES

The Board received a report from Patrick Mitchell, Director of Operations, on action that had been taken following approval at the meeting on 23 November 2005 to establish a Harefield Services Redevelopment Oversight Board to provide information to enable a long term decision about the future of Harefield Hospital while short term site improvements are implemented. Sir Michael Partridge, formerly Permanent Secretary to the Department of Health, supported by Mark Taylor, formerly Trust Chief Executive were currently leading a Trust sponsored process to engage the local health economy in assisting with determining the appropriate approaches and options for the redevelopment of Harefield services.

The Board agreed the terms of reference set out in the report for the proposed Oversight Board. The Chairman appointed Mrs Jennifer Hill as the Non-Executive Director member of the Oversight Board following the resignation of Mrs Sonya Bhatt. Mrs Suzanne McCarthy offered to join the Oversight Board as an additional Non-Executive Director, which was agreed.

Mr Mitchell said considerable work had already been undertaken. Sir Michael Partridge and Mr Taylor had spoken with many people within the Trust and beyond, as stakeholders, to obtain views and proposals and were now compiling plans on which they would seek further comments. Discussion was taking place with the Sir Magdi Yacoub Institute on the sale of land for the Heart Science Centre and a constructive meeting had taken place with Hillingdon Borough Council Planners on the redevelopment of the site at which Mr John Ross, Executive Member of Heart of Harefield, had made a valuable contribution, for which the Trust was grateful. A site masterplan would be completed in February with options for the future of the Mansion. In due course an outline business case for the site redevelopment, including an option appraisal, would be compiled and presented to the Board for approval and to the SHA.

The Board noted and welcomed the report.

2006/09 POSITION STATEMENT ON PROGRESS WITH EQUALITY AND DIVERSITY

Mr Patrick Mitchell presented the Position Statement which set out progress since the Board Meeting on 22 June 2005 over the past nine months on managing equality and diversity in the Trust. Mr Mitchell drew attention to the statutory obligation of the Race Relations (Amendment) Act 2000 and referred to concerns that were raised by Ms Josephine Ocloo, Chair of Royal Brompton & Harefield Patient and Public Involvement Forum, following a report the PPIF had commissioned from Trinity which identified shortcomings in the way the Trust was promoting race equality and diversity. Mr Mitchell also thanked Ms Ocloo for the support she had given.

The Trust had re-formed the Equality and Diversity Steering Group and Mr Mitchell asked the Board to note the membership. Reviews by external organisations had expressed concerns about the robustness of the Race Equality Scheme, shortcomings in addressing diverse patient needs and lack of clarity in the role of the Trust Board. These indicated it would be difficult to demonstrate compliance across standards covered by the RR(A)A and under the

SHA Performance Framework. Seven areas required specific development and action.

Thus a new Race Equality Scheme had to be produced and this would be undertaken by the three Trust Equality and Diversity Coordinators with assistance from Trinity Development, overseen by the Equality and Diversity Steering Group. In-depth impact assessments across Trust policies and functions would be completed by March 2006 and reviewed by the Steering Group. Promoting equality and diversity within the Trust was vital and training was being arranged through Chelsea and Westminster Healthcare NHS Trust for Board Members, Senior Managers and senior professional staff over the next two months. All other staff would have training during the remainder of 2006. Mr Mitchell asked the Board to note proposals for action over the next two months. A new Race Equality Scheme would be presented to the Board for the meeting on 26 April.

Ms Josephine Ocloo said that she was very pleased to see the Position Statement and wanted to express her appreciation of the work done by Patrick Mitchell in producing it. She also particularly wanted to thank the three E & D coordinators for their hard work and commitment. Ms Ocloo pointed out that there was a long history connected to moving the work forward in this area. This went back to her involvement in the Evans Inquiry as a mother who had lost her child whilst under the care of the Trust. She had then chosen to join the Parents Liaison Group set up to implement the 120 recommendations from the Inquiry and in this respect had frequently raised issues about the way that the Trust was promoting race equality and diversity. This had led to the commissioning of the Trinity Report by the Patient's Forum, which confirmed shortcomings in this area and to comments made by the Forum in the HCC Annual Health Check. Given this background, Ms Ocloo was now pleased to be able to say that she felt considerable progress had now been made in the Trust recognising that there were issues to be addressed and expressing a strong commitment to take them forward through a clear timetable of action. She hoped that this would allow the Trust to produce a new Race Equality Scheme by March or April as set out in the Statement. Ms Ocloo said that the Forum were keen to continue working with the Trust to take this agenda forward.

The Trust Board accepted the Position Statement and at the invitation of the Chairman the Board recorded its gratitude to Ms Ocloo for her contribution to promoting equality and diversity

throughout the Trust. Mr Mitchell also thanked Ms Ocloo for the support she had given

2006/10 FINANCE COMMITTEE MEETING ON 24 JANUARY 2006

Mrs Mary Leadbeater, Director of Finance, gave a brief report on matters the Finance Committee considered at its meeting on 24 January 2006. They included the financial position at the end of December 2005 and the projected financial surplus for the end of the financial year, the basis of the forecasts and the risks and the timing of NHS debtors in the context of the Trust's cash position. The Committee also considered papers on a number of accounting issues including the outcome of the Payment by Results rebasing exercise and financial matters relating to Foundation Trust status. It also noted with concern a request from the SHA, which due to its financial problems, was requesting that the Trust defer a payment of income tax and national insurance contributions beyond the end of the year.

The Board noted the report.

2006/11 PERFORMANCE REPORT FOR DECEMBER 2005

Mrs Mary Leadbeater presented the performance report for December 2005. Activity was 6.8% ahead of plan which had resulted in an actual income surplus of £3.8million and an adverse variance against plan of £1.125million. This was a slight reduction on the provisional position for November 2005 that was reported to the Board on 14 December. The provisional operational year end forecast reported at the previous meeting was a small surplus of £600,000. Activity in December was higher than planned and case mix was more complex. A year end surplus of £2.45million was now forecast. This was subject to certain assumptions, most of which were likely if past performance continued, to be favourable to the Trust. Against this the cash position in respect of NHS activity was cause for concern with a considerable proportion of PCT debt being overdue by three months or longer. The cash position at the year end was therefore tight.

The Chairman asked about the position relating to the £3.2million overspend which had been carried forward from 2004/5. Mrs Leadbeater said NHS accounting regulations used to prevent retention of a year end surplus but the Trust had a reasonably reliable assurance from the SHA that a surplus from 2005/6 could be carried forward beyond the year end and therefore be used to offset the £3.2million liability. In fact the SHA had offered a financial dividend to those Trusts who met or exceeded their surplus control

target. The Trust was reasonably confident that the SHA would contribute £1million of the £3.2million liability. Using a £2.45million surplus from 2005/6 would clear the Trust's liability without an impact on financial planning in 2006/7.

Professor Malcolm Green, Non-Executive Director, said the Finance Committee was reassured at its meeting on 24 January that the Trust would benefit from a surplus at the end of 2005/6. It was important therefore to ensure the benefit was attained. The Committee was however greatly concerned about the SHA request to defer payment of income tax and national insurance contributions beyond the end of the financial year in order to manage the cash position. This was unprecedented and the Committee had asked for the legality to be checked. Mrs Leadbeater indicated that all NHS Trusts in North West London had been asked to contact their local Inland Revenue offices and it was understood most offices had agreed to the request. The local office for Royal Brompton and Harefield recognised the Trust had an exemplary record on payments and indicated it would consider the request again in March when their own cash position was clearer. Mrs Leadbeater said it was essential to appreciate that the request related solely to cash support. Mr Bell said he would not, as accountable officer, agree to withholding the payments without a prior written consent from the Inland Revenue Office. Mrs McCarthy said the Board should have an opinion from the external auditors on the implications of what was proposed, including the consequences for the end of year accounts.

The Chairman said Board Members were clearly concerned and requested a report with options for consideration at the next Board meeting.

The Board noted the matter with considerable concern.

2006/12 APPOINTMENT OF CONSULTANT IN INTERVENTIONAL CARDIOLOGY
The Board approved a recommendation of an Advisory Appointment Committee to appoint Dr. Rajesh Kharbanda as Consultant in Interventional Cardiology at Harefield Hospital.

2006/13 FOUNDATION TRUST STATUS: PROGRESS REPORT
The Board received a progress report from Robert Craig, Project Director, on preparation for Foundation Trust status which gave details of significant forthcoming events and steps that were being taken in the development of an integrated business plan, a communications plan and on governance arrangements. The second

draft of the business plan would be submitted to the Department of Health in late February and consultation on the Trust application for Foundation Trust status would take place over three months from the end of February. The Chairman said Board Members would have an opportunity to comment on the integrated business plan and on the proposed consultation document at a members seminar that would take place shortly.

The Chairman also said there was concern among Trusts applying for Foundation Trust status on the number of members of the governing body. Mr Craig indicated that the project was contemplating possibly up to 37 attending members or alternatively around 25 members. Mrs Jennifer Hill, Non-Executive Director, said the overriding issue was to ensure appropriate governors were appointed to the governing body. This would lead to decisions about the constitution and governance. The experience in other sectors especially the charity sector suggested that if there were more than 25 governors the governing body should be a council rather than a Board of Governors.

The Board noted the report.

2006/14 COMMENTS FROM MEMBERS OF THE PUBLIC

Mrs Jean Brett welcomed the harmony between the Trust Board, public and patients in planning Harefield's future. She stressed that in his recent press comments Nick Hurd, the local MP, named the Strategic Health Authority as wanting to close Harefield and Mount Vernon, not the Royal Brompton & Harefield NHS Trust. To avoid confusion it was important that this distinction was understood. Heart of Harefield was satisfied with the actions of the Trust Board, the Strategic Health Authority was a totally different matter.

Heart of Harefield congratulated the Trust on its encouraging financial position and end of year forecast. However it echoed the concerns of Board Members on the SHA request to defer PAYE obligations. That request was considered inappropriate particularly from one public body to another. Mrs Brett therefore suggested that the SHA be asked to put its request in writing to which the Trust should respond in a similar manner. The Statutory Instrument by which the Royal Brompton & Harefield NHS Trust had been established did not include doing what the SHA deemed expedient.

On the SHA response to the Lessons Learned Review on the Paddington Project criticisms received were that what was lacking on

Paddington was any ability on programme and project management. This was why Heart of Harefield had been perplexed by the December 2005 SHA statement that it was an accredited centre of excellence for these skills. As it was the Board of the Royal Brompton & Harefield NHS Trust rather than the SHA which took the decision which led to the abandonment of the Paddington Project it was amusing that the SHA felt it could give directions to the Trust on such matters.

The Chairman noted what Mrs Brett said and thanked her for her kind remarks.

Mr David Potter, Vice-Chairman of Heart of Harefield and Chairman of Re-Beat, a Patients' Charity, supported Mrs Brett's comments on the SHA response and on the statement on the accreditation as a centre of excellence and recommended the Trust Board not to place much emphasis on any advice the SHA gave. On the Project Steering Group for the Foundation Trust application Mr Potter asked which Non-Executive Director was a member.

The Chairman said he had asked Mrs Jennifer Hill to be the Non-Executive Director member of the Project Steering Group.

Mr Denis Gulliford, Secretary of Rebeat, said the request from the SHA to defer income tax and national insurance payments amounted to creative accounting. If payments were not made promptly in the private sector the Inland Revenue would act very quickly.

2006/15

NEXT MEETING

The next meeting of the Trust Board would take place on Thursday 23 February 2006 in the Boardroom at Royal Brompton Hospital commencing at 2.00pm.

**Lord Newton of Braintree
Chairman**