

ROYAL BROMPTON & HAREFIELD NHS TRUST

Minutes of a Meeting of the Trust Board held on 26 September 2007 in the Boardroom, Royal Brompton Hospital

- Present: Lord Newton of Braintree, Chairman
Mr R Bell, Chief Executive
Mrs C Croft, Non-Executive Director
Prof T Evans, Medical Director
Mr M Lambert, Director of Finance & Performance
Mr P Mitchell, Director of Operations
Prof A Newman-Taylor, Non-Executive Director
Mr C Perrin, Deputy Chairman
Dr C Shuldham, Director of Nursing & Governance
- By Invitation: Ms M Cabrelli, Director of Estates & Facilities
Mr R Connett, Head of Performance
Mr R Craig, Director of Planning & Strategy
Mr N Hunt, Director of Service Development
Mr T Vickers, Director of Human Resources
- In Attendance: Ms E Mainoo, Executive Assistant
Mrs R Paton (minutes)
- Apologies: Prof M Cowie, Director of Research & Academic Affairs
Mrs J Hill, Non-Executive Director
Mr R Hunting, Non-Executive Director
Ms J Ocloo, Chair: RB&H Patient & Public Involvement Forum

The Chairman welcomed members of the Board, three SpRs undertaking management training and members of the public to the meeting.

2007/99 MINUTES OF THE PREVIOUS MEETING HELD ON 25 JULY 2007
The minutes were agreed as a correct record of the meeting.

2007/100 REPORT FROM THE CHIEF EXECUTIVE
Mr Robert Bell, Chief Executive, reported that the Trust is facing a number of strategic issues which would be discussed later on the agenda. He highlighted the following:

- In July, McKinsey & Co. had been working in liaison with the Management Committee to formulate an improvement agenda; their final report identified opportunities for income generation and cost reduction in the region of £25-£30m per annum over 3-4 years towards the expected loss of £28m in R&D funding. Executive Directors had taken on responsibility for specific areas and progress reports would be submitted to the Board on a regular basis.
- NHS London was concerned about the Trust's financial performance and had established a monthly monitoring regime. Trust Executives had met with them to report the reasons for the variances and to outline plans for addressing the problem. The Chief Executive emphasised that the Trust would need both to 'earn its way' out of the challenge and to maintain strict control on outgoings. To this end, controls had been put in place on staff recruitment, conference attendance and external training etc. The Trust should expect challenging financial times ahead, but would bring forward plans for different strategy for private practice and for R&D (including an

application to qualify as a Biomedical Research Unit).

- The Board would discuss progress on the Harefield redevelopment later on the agenda (2007/101). Architectural plans were proceeding for the redevelopment of the Chelsea site and options would be reported to a future Board meeting.
- Imperial College, Hammersmith Hospitals NHS Trust and St Mary's NHS Trust would merge on 1st October to create Imperial College Healthcare NHS Trust. Lord Tugendhat would Chair the Trust, and Prof Steve Smith had been confirmed as Principal of the Faculty of Medicine and Chief Executive of The NHS Trust.

2007/101 HAREFIELD HOSPITAL AND SERVICES

Mr Patrick Mitchell, Director of Operations reported:

- A further meeting had been held with Hillingdon Hospital NHS Trust to discuss non-cardiothoracic support. The service level agreement was being reviewed and no untoward incidents had arisen.
- Building works and improvements were progressing well, with only a few weeks' delay to date in the 60-week programme. The next phase was about to be entered and no major operational problems had emerged. In response to a question from the Deputy Chairman, Mr Mitchell confirmed that the works were still within budget.
- There had been correspondence between the Trust and the NHS London Provider Agency about the redevelopment proposal, which the Trust had confirmed it wished to take forward to Outline Business Case (OBC). This was to be taken to NHS London's Investment Committee in October for consideration (the September meeting having been cancelled). Mr Mitchell thought NHS Estates might be involved in investigating the proposals. Mr Charles Perrin, Deputy Chairman, asked if NHS London's Investment Committee would receive the proposal with a recommendation from SHA management, and if so, what that would be. This was unclear, and Mr Perrin and the Chairman urged that representations be made at the appropriate level to ascertain and inform any management recommendation.

2007/102 PROPOSED COLLABORATION WITH UNIVERSITY COLLEGE LONDON HOSPITALS NHS FOUNDATION TRUST (UCLH)

The Chairman prefaced discussion by reminding the Board that it was desirable to come to a definitive decision on this issue in order to avoid ongoing uncertainty and allow both Trusts to make appropriate plans.

Mr Robert Craig, Director of Planning & Strategy, presented a paper which set out the background and key issues on the proposal. He drew the Board's attention to the following points:

- further work had been undertaken on the clinical arguments, on which the Medical Director might comment;
- no detailed financial appraisal had been undertaken, but concerns had emerged about building costs and capital charges;
- the proposal would mean formal separation from Imperial College (IC);
- the proposal constituted the only current option for much-needed redevelopment of RBH facilities.

Prof Tim Evans, Medical Director, reported on two recent meetings, held with the consultant bodies at HH and RBH respectively, to assess future options and inform the Board's decision. There had been an overwhelming view that

the UCL-UCLH collaboration did not offer the best future. Dr Caroline Shuldham, Director of Nursing & Governance, reported that similar discussions with senior nurses had also resulted in a consensus against the UCLH proposal.

Prof Tony Newman-Taylor, Non-Executive Director, felt a withdrawal from current associations with IC would be deeply damaging and emphasised the track record and potential of maintaining and strengthening the relationship with IC.

Mr Mark Lambert, Finance Director, reported that the proposed development would cost approximately £400m, and understood that the funds were expected to come largely from disposal of the Trust's current assets in Chelsea. Mr Lambert did not think the proposal was economic, as the Trust would face capital charges and depreciation leading to increased revenue costs estimated at more than £20M per annum. Mr Lambert was also concerned that the land discussed is not currently owned by UCL or UCLH. Mr Mitchell felt that this had unwelcome echoes of the Trust's experience of the proposed Paddington scheme.

The Chairman felt another important issue to consider was the likely split of the Trust's cardiac and respiratory services under the proposal. Mrs Christina Croft, Non-Executive Director, felt that only an improvement in clinical care could justify a move, and that UCLH would not provide an improvement to the Trust's current situation; she was also concerned about the lack of financial analysis. Mrs Jenny Hill, Non-executive Director (who had sent apologies) had previously let the Chairman know she also felt the risks and the unknowns outweighed the advantages at this time.

The Chief Executive felt the proposal initially seemed to provide certain clinical advantages. However, he felt that the fundamental challenge and difficulty was the proposal for two Trusts to come together from two separate universities. He could not cite a previous successful model involving two separate universities and felt this would be a stumbling block. Ultimately, he thought it would be too difficult and damaging for the Trust to withdraw from the current association with IC. However, this should not preclude other ways in which the two hospital organisation could collaborate and find other models for the future.

The Chairman felt the Board was unanimously agreed that, having considered the balance of arguments set out in its papers, it did not feel it right to proceed with the proposal, and he would convey this decision to the Chairman of UCLH. In previous discussions, he had already indicated that, whatever the outcome of these deliberations, the Trust would still be open to fruitful collaboration with UCLH on other issues and in other ways.

Prof Evans confirmed that the Trust was already collaborating with IC on a new research initiative (2007/103) which would be of significant importance. Discussions were also taking place with Hammersmith and St Mary's hospitals on how the new Trust and RB&H could be involved in complementary activity. The Chairman stressed that partnership in the pursuit of good patient care was paramount and the Chief Executive confirmed that other institutions were involved in discussions in this regard, e.g. Royal Marsden, Hillingdon, Watford (West Herts) and Chelsea & Westminster. He also informed the Board that the collaboration with IC would develop further.

In response to an invitation from the Chairman for comment from the floor, Mr John Ross, Heart of Harefield, said he was delighted to hear the reaction of the Board to the UCLH proposal. He reminded the Board that the National Audit Office report on the Paddington scheme stated that if a future joint development was contemplated, it should involve a formal merger, and he felt that the staff of the Trust at both sites would resist this.

2007/103 RESEARCH & DEVELOPMENT

Prof Cowie's report was presented in his absence.

- Prof Newman-Taylor reported that the Biomedical Research Unit (BRU) applications were a crucial part of redefining the Trust's research mission and relationship with IC. National Institute for Health Research (NIHR) investment was being offered over the next four years to enable translational research and innovation in both cardiovascular and respiratory disease. Strong hospital-university partnerships were being sought for funding of up to £1m p.a. A project group had been set up to develop the bid, chaired by Prof Newman-Taylor, and good progress was being made, with an initial submission deadline of 15th October.
- Only one of the Trust's five recent programme grant outlines had been short-listed for full application in the latest round of NIHR funding, amounting to £1.9m. Prof Evans' perception was that the Trust's research was not thought to be relevant by NIHR. Both the Chairman and Deputy Chairman thought it unsatisfactory and confusing that projects were rejected without adequate explanatory feedback or clear indication of what was being sought. Prof Newman-Taylor referred the Board back to the earlier feedback that was available, albeit the latest bids had sought to take this into account. The Chairman advised that the Trust needed to gather further information to improve future applications.
- Prof Newman Taylor also reported the creation of an Office of Strategic Coordination of Health Research (OSCAR), as recommended by the Cooksey report, charged with coordinating bodies such as NIHR, MRC, Wellcome, BHF etc.
- With reference to the local Comprehensive Research Network, the Board congratulated Prof Cowie on being appointed Chair of the Network Board.

2007/104 RACE EQUALITY SCHEME

Mr Mitchell reminded the Board that the revised Race Equality Scheme 2005/08 had proposed an annual review of the scheme. Mr Mitchell presented the review and updated the Board on the progress and outcomes of the Race Equality Scheme Impact Assessments. Mr Yohannes Fassil, Equality & Diversity Manager, had also been instrumental in bringing this report to fruition.

The Trust already had an Equality & Diversity Steering Group and also a new Equality and Diversity Board chaired by the Director of Operations, with membership including senior Trust Executives and the Chair of RBHT PPI Forum. Clear guidelines had been set out on how to undertake equality impact assessments, and training undertaken on using the relevant e-tool. There had been regular contact with various BME networks, ethnic monitoring systems were in place and the process had been made transparent and inclusive. There was liaison with Hillingdon Hospital NHS Trust and the PCTs for Hillingdon, Brent, Kensington & Chelsea, Hammersmith & Fulham and Ealing. Equality & Diversity forums had been set up in the Trust, with RBH having a more active membership than HH. 149 policies had been assessed to date,

and work would continue. A café-style consultation was proposed for early 2008 to include BME groups and other users of Trust services. Finally, Mr Mitchell reported that the Trust had been commended by the Healthcare Commission for its work in this field and been told by the Department of Health that the Trust was ahead of other Trusts on the Single Equality Scheme.

The Chairman acknowledged the huge amount of work undertaken by Messrs Mitchell and Fassil and Ms Susie Stewart and registered the thanks of the Board.

From the floor, Mr Kenneth Appel, Rebeat Club, said he had been impressed by the amount of work undertaken in this project and hoped there would be scope to assess the impact of cardiothoracic disease on specific racial groups. Mr Mitchell agreed it might be possible to examine the London profile as opposed to the national profile and that any significant information would be relayed to PCTs.

2007/105 GENDER EQUALITY SCHEME

Mr Mitchell sought the approval of the Board for this Scheme to allow its publication ahead of the statutory October deadline.

The focus of the Gender Equality Scheme was to promote equality of opportunity; better understanding of the health needs of all; improvements in gender-specific health and workforce information; and elimination of unlawful discrimination. Successful external consultation had been undertaken and training given on use of the e-tool. Trust policies would be assessed. Mr Fassil said the scheme was transitional and would merge into the new Single Equality Scheme in due course. Data had not yet been analysed and Mr Tony Vickers, Human Resources Director, confirmed that the HR Department would collaborate on this. Work was also to be undertaken with PCTs to identify issues. Mr Mitchell drew attention to the "Comments and Feedback Received" section of the scheme, which proved its value.

On behalf of the Board, the Chairman agreed to approve the Scheme.

Prof Newman Taylor informed the meeting that the Trust was involved in a project on heart disease in women which had been short-listed for further funding. Mr Nick Hunt, Director of Service Development, requested that information relating to paediatrics should be separated out.

2007/106 PERFORMANCE REPORT FOR MONTH 5: AUGUST 2007 REVISED 2007/08 FINANCIAL FORECAST

Mr M Lambert, Director of Finance & Performance stated that there had not been an August 2007 Board meeting to discuss M4 financial performance and he would therefore cover both Months 4 and 5 in his report this month.

Mr Lambert reported that the Trust had incurred a loss of £250k in July (M4). There had actually been a small underlying profit in the month although this had been masked by an adverse movement in unbilled critical care bed days and the costs of work undertaken by McKinsey's.

August (Month 05) recorded a surplus of £555k against a planned surplus of £1,220k in the original budget. Mr Lambert reported that this result was most welcome and reduced the Trust's cumulative deficit to under £1m. There were still underlying problems facing the Trust which include removal of £4m from

R&D funding, underperformance in both NHS and Private Patient activity (with some high value cardiology work being repatriated to local hospitals). NHS spell activity has been approximately in line with budget although the mix of elective and non-elective spells had moved against the Trust.

Mr Lambert reported that a meeting had been held with the London SHA Provider Agency at their request to explain the Trust's financial position. The SHA was concerned about the situation and requested that the Trust now report its situation to them monthly as opposed to quarterly previously. The Trust had originally budgeted for a surplus of £5m although this now appears unrealistic. Work has been undertaken to prepare a revised forecast which is included in the Board papers and shows a full year surplus of £1.8m. This reforecast had been discussed and provisionally agreed with NHS London and Mr Lambert asked that the Board formally agree and adopt this revised budget. The Board then discussed and agreed the revised budget.

The Chairman felt there were now some upsides as the Trust had moved from a target of £5m to £1.8m, but felt there would still be challenging times ahead. The Chief Executive said the Trust had recently had a few years of steady activity and surpluses but was now faced with reduction in R&D income and difficulties with levels of PP income. In response to a question from Mrs C Croft, Non-Executive, on whether the PP budget was too aggressive, the Chief Executive felt it should be aggressive. Prof Evans, Medical Director, said some of the consultants had substantial Private Patients contracts, also undertaking NHS work and this can be a major area of conflict for some of them.

The Chief Executive stressed the Trust needed to think of itself as a holistic unit encompassing three divisions being Private Patients, NHS Patients and Research & Development work. The Trust needed to apply new models, and required different approaches to management and cost and allocation of resources. This would be a strategy shift and plans need to come to the Board on how management arrive at this. Mr Bell also stated that NHS London would have to be patient with us - a lot of funding had been removed from us quickly, so it would take a while to find solutions.

Mr Lambert, Director of Finance & Performance, then presented the Month 5 Operational Performance report.

With reference to the Annual Health Check, page 9, 3.2, Quality of Services: core standards were fully met and the Trust had declared compliance.

Mr Lambert predicted that for existing targets the Trust would probably be rated "excellent". He reported:

- Cancelled operations: HCC had confirmed in writing an 'underachieved' rating, but not failed. The extenuating circumstances claim submitted against cancelled operations due to a power line being cut through has been rejected.
- Choose and book; Extenuating circumstances claim against being penalised for the project being ahead of schedule has been upheld and our score was adjusted resulting in a potential 'underachieved'.

With cancer waiting times also being "underachieved" the Trust could still rate as "excellent" as three such breaches are permitted for existing targets.

For new targets two “underachievers” are allowed and a Trust will still be rated as excellent.

- Data quality on ethnic background. Probably underachieved
- Emergency bed days- extenuating circumstances claim to exclude emergency bed days relating to primary angioplasty activity has been rejected although the HCC has admitted to having data quality problems which is consistent with the Trust not being able to agree figures with them. It is hoped that this target will be underachieved.

Data relating to Auditors Local Evaluation (ALE) resulted in a score of 3 for each indicator which results in a rating of ‘Good’. The chairman congratulated the management on this improvement from last year.

2007/107 AUDIT & RISK COMMITTEE

(i) Minutes of Meeting of 12 June 2007

(ii) Report from Meeting of 12 September 2007

Both documents were noted by the Board, with formal minutes of the meeting held on 12 September to be submitted in due course.

2007/108 REGISTER OF DIRECTORS’ INTERESTS

The updated Register was noted by the Board.

2007/109 QUESTIONS FROM MEMBERS OF THE PUBLIC

Mr Kenneth Appel, Rebeat Club, made a suggestion in relation to Harefield Hospital’s primary angioplasty service. He felt that the Trust could capitalise on this service by lobbying for all cardiac patients to be sent to the facility at Harefield instead of local hospitals. Prof Evans replied that the service was already extending its catchment area from NW London and Hertfordshire. Mr Mitchell added that much depended on ambulance services: London and Hertfordshire ambulance crews had already been trained to work with the service, covering patients from Harrow, Hillingdon, Ealing and Watford. Discussions were already underway with ambulance services operating further north and in East Berkshire and South Buckinghamshire. The Chairman thanked Mr Appel for his suggestion.

2007/110 ANY OTHER BUSINESS

The Chairman reported that a valuable inaugural meeting of prospective Foundation Trust governors had been held on Friday, 21st September.

2007/111 DATE OF NEXT MEETING

Wednesday 24 October 2007 at 3.30 p.m. in the Concert Hall, Harefield Hospital.