

ROYAL BROMPTON & HAREFIELD NHS TRUST

Minutes of a Meeting of the Trust Board held on 27 April 2005 in the Boardroom, Royal Brompton Hospital

- Present: Lord Newton of Braintree: Chairman
Mr C Perrin: Deputy Chairman
Mr R Bell: Chief Executive
Mrs I Boyer: Non-Executive Director
Professor M Green: 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 and
Medical and Research Director
Dr. C Shuldham: Director of Nursing and Quality
- By invitation: Mrs M Cabrelli: Director of Estates
Mr R Craig: Director of Governance and Quality
Professor T Evans: Associate Medical Director RBH
Mr N Hunt: Director of Commissioning and Business
Development
Dr. B Keogh: Chairman RBH Medical Committee
Ms J Thomas: Director of Communications
Mr T Vickers: Director of Human Resources
Ms J Walton: Director of Fundraising
- Observer: Ms J Ocloo: Chair RB&H Patient & Public Involvement
Forum
- In Attendance: Mr J Chapman: Head of Administration
Mrs E Schutte: Executive Assistant

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

REF

2005/42 MINUTES OF TRUST BOARD MEETING ON 6 APRIL 2005

The Board received the minutes of the meeting held on 6 April 2005. Mrs Jean Brett, Chair of Heart of Harefield, asked the Board to note she had drawn Mr John Chapman's attention to three typographical errors in Minute 2005/39 to be corrected when the minutes are placed on the Trust website.

Ms Josephine Ocloo indicated that Minute 2005/28, Page 5 should be amended to refer to a literature research commissioned in response to concerns raised by her in the Parents Liaison Group about issues of communication and inequalities in the partnership of care between

patients and doctors that appeared to be an issue affecting some families involved with the Evans Inquiry.

Ms Ocloo also said she should be referred to as Chair of Royal Brompton & Harefield Patient & Public Involvement Forum.

Professor Newman Taylor said the word "funding" in the fourth sentence of the final paragraph on page 13 in Minute 2005/39 should be changed to "support".

The Board then approved the minutes.

2005/43 REPORT FROM CHIEF EXECUTIVE

Mr Robert Bell, Chief Executive, presented a report and referred to three matters.

- (i) Financial Stability
Financial stability was the key issue the Trust faced and an operational framework and action plan to ensure it in 2005/6 was being developed. Good progress was being made to ensure the Trust ended 2004/5 on a financially sound basis which would benefit the Trust's financial position next year. The financial stability plan would be presented to the Board at the next meeting.
- (ii) Paddington Health Campus Development
Recent media reports over the Paddington Health Campus Development did not portray the true position of the Project. No higher NHS authority had said the Trust should not continue project planning in partnership with St. Mary's NHS Trust and Imperial College School of Medicine. A decision on a date for submission of the Addendum to the OBC was unlikely until after the General Election.
- (iii) Relationships with Imperial College and the National Heart and Lung Institute
Initial discussions had taken place with Mr Steve Smith, Principal of the Faculty of Medicine at Imperial College, and Professor Malcolm Green, Principal and Head of the National Heart and Lung Institute (NHLI) on how the special relationship between the Trust and the NHLI could be enhanced and strengthened through joint strategies for academic and clinical appointments, capital developments, research facilities, collaborative education and training and joint special funding and fund-raising activities.

The Board noted the Chief Executive's report.

2005/44 GOVERNANCE AND QUALITY REPORT

Mr Robert Craig, Director of Governance and Quality, presented a report on healthcare standards in the new regime from the Healthcare Commission relating to NHS assessment for 2005/6. The Commission expected a public declaration of compliance endorsed by the Board to be issued in April 2006. The Board would be expected to agree a draft declaration in October 2005. Both the draft and final declarations should include a commentary from the Patient & Public Involvement Forum, the Strategic Health Authority and Royal Borough of Kensington and Chelsea Overview & Scrutiny Committee. Assessment would include the Trust's achievement of existing national targets such as waiting times, financial balance, booked appointments and cleanliness and the opinion of the External Auditors of the Trust's use of resources.

Mr Craig drew the Board's attention to a proposed timetable for the work leading up to production of the draft declaration in October 2005, subsequent approval of the final submission to the Healthcare Commission in April 2006 and publication of the first annual health check ratings in September 2006.

Ms Josephine Ocloo, Chair of Royal Brompton and Harefield Patient & Public Involvement Forum, said the Forum wished to be involved in the process and to comment on the draft and final declarations and Mr Craig agreed to discuss with her how this could be achieved.

Mr Craig confirmed that the current process would be used for the 2004/5 star ratings. Achieving financial balance was critical to maintaining three-star status; all other performance targets for 2004/5 had been achieved.

The Board noted the report.

2005/45 PERFORMANCE REPORT FOR MARCH 2005

The Board received a report on Trust performance in March 2005. Mr Patrick Mitchell, Director of Operations, reported that there was 1.5% under-performance in NHS activity and nearly 13% under-performance in Private Patient activity. Overall activity however had improved and a huge effort had been made throughout the month to ensure there were no breaches of performance targets that were critical to maintaining three-star status.

Mr Tony Vickers, Director of Human Resources, gave an oral report on human resources indicators. Overall performance was consistent with reports given to the Board in recent months but there was a need to ensure controls over agency and other temporary staff employment are maintained. The Human Resources Directorate was developing benchmarks for comparisons of performance with other NHS Trusts and Hospitals in North America. Mrs Suzanne McCarthy said comparisons with other London NHS Trusts would be most helpful.

Mrs Mary Leadbeater, Director of Finance, informed the Board that it was not possible yet to report that the Trust had achieved break-even position at 31 March 2005. The capital resource limit and external financing limit were achieved and the financial deficit had fallen from £1.4mn reported at the previous meeting to provisionally £850,000. Further investigations had to be completed in stocks, depreciation, the costs relating to Agenda for Change and the achievement of action in the recovery plan for 2003/4 before the preliminary outturn could be reported to the Board.

Mr Robert Bell said the Board could be relieved to know that the intense effort that had taken place in scrutinising the Trust's finances over the past month had led to a financial position being reported that was far better than could have been expected three weeks ago. However, there was still an urgent need to put procedures in place that would achieve long-term financial stability. Mr Charles Perrin, Deputy Chairman, said the organisation had to understand that the results that were leading to an improved financial position at the end of the year came from non-recurrent adjustments. If the Trust achieved break-even it would have to explain to staff how it was achieved and what action would still have to be taken next year to bring about financial stability in the longer term.

Ms Josephine Ocloo asked how the Trust's position compared with other specialist Trusts. Mrs Leadbeater said Royal Brompton & Harefield was the only specialist Trust in North West London sector. Unless information became available from other sources the financial position of comparable Trusts would not be known until NHS accounts are published. The most appropriate comparators were Papworth Hospital and Liverpool Cardiothoracic Centre. Professor Tim Evans, Associate Medical Director RBH, informed the Board that The Royal Marsden Hospital and Chelsea and Westminster Healthcare NHS Trusts were both anticipating a break-even position for the end of 2004/5.

The Board thanked Mrs Leadbeater and all members of her staff for the immense effort that had been made in rigorously reviewing the Trust's financial position for the end of the year and the better than expected results that had so far been reported.

2005/46 FINANCIAL STABILITY PLAN

The Board received details of the financial stability plan for 2005/6 that was being developed and finalised. Mrs Mary Leadbeater explained that the plan comprised eight workstreams each led by an Executive Director which were addressing issues that were essential to achieving financial stability in 2005/6 and beyond. The plan would be completed and presented to the Board at the next meeting.

Mr Bell said it would be important that all Trust staff understand the totality of the process, the issues that the plan would address and comply with it. He had informed the SHA of the plan. It had expressed considerable interest and intended to commend it to NHS Trusts throughout the sector.

Professor Evans commented that collaboration with neighbouring Trusts in Chelsea, Hillingdon and the surrounding areas over provision of shared services were being pursued with renewed vigour within one of the workstreams.

The Board welcomed the plan and looked forward to receiving the final version for adoption.

2005/47 MEETING OF THE FINANCE COMMITTEE ON 27 APRIL 2005

Mrs Mary Leadbeater gave an oral report on matters discussed at the Finance Committee meeting earlier in the afternoon. The key issue the Committee considered was the risk that by not quickly addressing the underlying recurrent problems contributing to the Trust's financial situation in 2004/5 and next year they would grow in magnitude within a very short time. The Committee Fund also reviewed progress towards achieving break-even at the end of March 2005 and the work that remained to be completed. It also discussed the Capital Programme for 2005/6 and the allocation that had been made at the start of the year.

2005/48 IMPROVED WORKING LIVES

Mr Tony Vickers, Director of Human Resources, presented a report on preparation for assessment of improved working lives practice plus status, which would take place in May and June 2005. Every NHS Trust was required to achieve practice plus status by 31 March 2006, which would contribute towards the Healthcare Commission annual health check. The Trust had achieved practice status in 2003/4 but the assessment process had been strengthened for practice plus status with the emphasise on HR strategy and management, education and development, staff involvement, flexible working, healthy workplace, training and development and staff benefits and childcare.

Mr Vickers said detailed self-assessment was being undertaken which included how far the Trust could show it complied with criterions for practice plus status. The Validation Team would visit the Trust on 26 May and detailed validation would take place from 20 to 24 June. The Validation Team would meet staff groups in interviews with staff, make site observations and undertake reviews of good practice and risk evidence submitted to them.

Ms Josephine Ocloo asked what gaps were identified in promoting equality and diversity in 2003 and what progress had been achieved subsequently. Ms Ocloo also said she was still waiting for

information she had requested twice on the number of Trust Senior Managers who came from black and minority ethnic communities.

Mr Vickers explained that the 2003 assessment revealed gaps in carrying out impact analysis of employment and service policies and access to education and training programmes. The Trust also had limited records of staff ethnicity. An assessment commissioned by the Patient and Public Involvement Forum had since been undertaken through Trinity, an agency specialising in advice on diversity issues, on the Trust's compliance with the Race Relations (Amendment) Act 2000 and will be produced shortly. Mr Vickers said the Trust's position is probably consistent with all other NHS Organisations across North West London. The gaps in recording staff ethnic status were now very small but there is insufficient evidence of their impact on BME staff and on patients of employment and service policies and access to education and training programmes.

Mr Bell said the Board and the Trust should view improved working lives practice plus status as a continuing programme for staff development rather than a finite assessment and it would be appropriate for the Organisation and Development Sub-Committee to oversee the achievements and challenges for the future. Mrs McCarthy said the terms of reference for the Sub-Committee remained to be approved by the Board.

The Board noted the report.

2005/49 AGENDA FOR CHANGE IMPLEMENTATION

Mr Tony Vickers presented a progress report on implementation of Agenda for Change (AfC), a new pay system for NHS staff based on the principle of equal pay for work of equal value. Since the report to the Board Meeting on 26 January 2005 NHS organisations across North West London had agreed the previous timetable for implementation was not realistic and a new target date of December 2005 had been set. It was hoped to complete implementation earlier although this was dependant on payroll performance and the appeals procedure. The Trust AfC Team had matched 1200 members of staff against national profiles; only 20 were identified to require external evaluation. The Terms & Conditions Sub-Group was reviewing new terms and conditions and all existing supplementary payments to staff, including discretionary points, loyalty schemes, top-ups from other sources and unsociable hours payments.

Mechanisms were being put in place to adjust staff contracted hours to a single standard of 37 hours weekly. Subject to resolution of a national dispute with the Society of Radiographers the new national standard would be applicable immediately for new employees. On-call arrangements would be reviewed when new terms and conditions are issued.

Mr Vickers drew attention to proposals for the future use of recruitment and retention premiums which AfC regarded as appropriate only in exceptional circumstances although they may be replaced with other incentives related to childcare and housing. Guidance was awaited from the London HR Framework. Trusts proposing to adopt recruitment and retention premiums would have to inform other Trusts within their sector and others outside employing similar specialised staff.

Mr Vickers commended to the Board the personal contribution of Mr Robert Parker, Chairman of the Terms and Conditions Sub-Group to implementation of Agenda for Change. The Board thanked Mr Vickers for his report and asked him to convey its gratitude to Mr Parker.

2005/50 REGISTER OF THE SEAL OF THE TRUST

The Chairman countersigned two entries in the register of the application of the seal of the Trust.

2005/51 PADDINGTON HEALTH CAMPUS DEVELOPMENT

The Board received and noted a written progress report on the Paddington Health Campus Development from Mr Nigel Hodson, Project Director. Mr Hodson was unable to attend the meeting owing to a family commitment that evening.

Ms Josephine Ocloo said that trenchant criticisms of the Paddington Health Campus Development (PHCD) recorded in the minutes of Board meetings over past months made grim reading and Royal Brompton and Harefield Patient & Public Involvement Forum had registered its concern.

Mr Bell said criticisms were understandable and it would be reasonable to recognise the view Ms Ocloo had given and the concerns she had registered on behalf of the Patient & Public Involvement Forum.

The Chairman took note of what Ms Ocloo had reported. He said it should be recognised that the PHCD was the project of Royal Brompton & Harefield and St. Mary's NHS Trusts and Imperial College with the close involvement of local PCTs. It was a complex partnership which understandably added to the difficulties. Many questions that had been put to the Board tended to assume that one party alone was responsible for resolving the problem which was not the case.

2005/52 COMMENTS FROM MEMBERS OF THE PUBLIC

Mrs Jean Brett, Chair Heart of Harefield, thanked Ms Ocloo for her comments on behalf of the Patient & Public Involvement Forum. For the benefit of those who might be unfamiliar with events Mrs Brett explained that Heart of Harefield was formed to retain Harefield Hospital on its present site and prevent its closure.

Having noted that the reports of the Paddington Health Campus Project Director became briefer and briefer, Mrs Brett said that describing them as an "update" suggested progress whereas there was none. The report's second paragraph stated that, "Discussions continue to take place with relevant parties including Westminster City Council and the Department of Health to agree acceptable terms for the acquisition of the sites necessary for the Campus. Whilst PDCL is not formally engaged in negotiations with the NHS, having terminated the collaboration agreement on 2 March, its representatives are involved in discussions with Westminster City Council. Should the basis of an agreement emerge, then a formal approach will be made to re-engage PDCL in negotiations."

The Chair of Heart of Harefield stressed that there was only one relevant party, Paddington Development Corporation Limited (PDCL), which owned land necessary for the Campus. Having checked with its spokesman the previous day PDCL had restated that it was not in talks with any party on the Paddington Health Campus after having terminated its collaboration agreement in March.

Mrs Brett therefore queried the second paragraph of Mr Hodson's report which read,

"Once an agreement has been reached, appropriate measures will be taken for the completion of an Addendum to the Outline Business Case prior to submission to the Trust Board for approval. This Addendum is already in an advanced stage of drafting but will need to be updated to reflect the terms of the land acquisition agreement."

Heart of Harefield felt this was near to fiction because without the land it required there was no project. Mr Hodson's 27 February 2005 report to the Board had assured that the acquisition of the land was being pursued urgently and that an Addendum to the Business Case would be submitted to the Department of Health speedily. However the extraordinary Board meeting planned for March did not take place due to the lack of the Addendum. Neither was an Addendum presented at the 6 April Board meeting. Instead an admission was made that there was no agreement in place for the acquisition of the land.

Mrs Brett then appraised the Board of the Project's position as defined in Appendix 14 of the Outline Business Case, which had been withheld from Heart of Harefield. By the terms of that Appendix commercial close on the land deal should have been legally agreed with Paddington Development Corporation by March 2005. When approval for this land deal was not agreed by the Department of Health PDCL withdrew from the collaboration agreement on 2 March. Before the end of March PDCL was also requesting payment for £260,000 of its costs.

Mrs Brett explained that the withdrawal of PDCL from the Paddington Project was also the theme of the 21 April article in the "Evening Standard" headlined, "Shelved: plan for £1bn London superhospital." The PDCL spokesman said, "We have no ongoing discussions with the Paddington Health Campus Team or the Strategic Health Authority to build a hospital on our land. We are pursuing other plans for the 3.2 acres." Following a Department of Health spokesman alleging differently a second stronger statement from the landowners included that they had no intention of re-entering negotiations and had put in a claim for their costs. This meant that the Paddington Health Campus was dead.

Mrs Brett therefore requested an explanation of the contradiction between the statement in the Board papers that negotiations were taking place on a land deal with PDCL and that company's public denials. Details of the several meetings referred to, with whom and when were requested because PDCL was adamant that it had other plans for its land.

Finally Mrs Brett referred to the recent confirmation from the Paddington Project Director that his office costs for pursuing the Project amounted to £200,000 per month. After four years of continual crises Heart of Harefield questioned whether this constituted effective monitoring of the public purse.

Mr David Potter, Vice Chairman Heart of Harefield and Chairman of Rebeat, a Patients' Charity, said Mrs Brett had raised many very good points with the full Trust Board. Mr Potter commented that far too much information had been withheld from the public and from patients and the Board had made decisions without demur far too often. He said someone should have had the courage to say, "Enough is enough". The information given by Mr Hodson to Heart of Harefield the previous day reported that cumulatively £7.7mn had been spent on advisors' fees and disbursements. The Project was haemorrhaging fees with £1.5mn having been spent in the last year. Mr Potter said this beggared belief, enquired when would it stop and who carried the accountability.

The Chairman said accountability was the responsibility of the SHA. Mr Potter said he had raised it with the SHA at its last meeting and it was uninterested in what he had said.

Mr Potter referred to the increase in construction costs which were now £750,000 per week in addition to other costs and said the Trust's financial deficit was nothing in comparison with these costs. He asked when Board Members would stand up for what they believed and reiterated what Mrs Brett had said, that if there is no land there is no project.

Mr Robert Bell, Chief Executive, said he had read the minutes of previous Board meetings before he took up his appointment and had observed that there were many statements and counter-statements about the PHCD project which was not a helpful approach. In response to Mrs Brett's reference to his report the Trust's understanding is that several discussions were taking place between PDCL and Westminster City Council (WCC). Mr Bell said his report was dated 19 April and the Evening Standard published its article on 21 April. The information provided when he wrote his paper was that discussions were taking place.

Mr Bell said Mr Potter was entitled to his views about accountability for the Project but the Trust took its directions from the SHA to which it reports and engages intensively over the project. Mr Bell said the Project involved the re-development of Royal Brompton & Harefield and St. Mary's Hospitals. It is contingent on land acquisition but in deference to the Department of Health the PHCD is not the only option. The Trust's focus was on how it could ensure the future of its services in the context of the re-development of its sites. Mr Bell said that until there was clarity over the future of the OBC the Trust will continue to collaborate with others.

Mr Charles Perrin, Deputy Chairman and Co-Chairman of the Joint Project Board, supported the Chief Executive. In response to Mr Potter, Mr Perrin said that most of the land currently under discussion was owned by WCC, that that land is available and WCC wish to see it developed for the PHC. Mr Perrin accepted the site was not sufficient for the Project as envisaged but to suggest there was no site was incorrect. If WCC wish to see its site used for hospital re-building he suggested it would be irresponsible if the Trust was unwilling to invest money in time and planning on what they and others considered to be beneficial. WCC is a public body and is as concerned as the Trust over the use of public finance. It continued to hold the Trust under very close scrutiny. Mr Perrin said Mrs Brett had referred to statements given by PDCL about negotiations with the Project Team. There may be no such negotiations but there were discussions between WCC and PDCL.

Mr Potter agreed that there was a need to improve Royal Brompton, Harefield and St. Mary's Hospitals. However the grandiose scheme planned had held up St. Mary's redevelopment for years. Mr Perrin had admitted that the present scheme required the PDCL land and without it the Paddington Project was trying to squeeze a quart into a pint pot. Mr Perrin agreed that the present scheme needed the PDCL land but that did not mean it could not be planned in a different way.

Mr Potter said there had been continual changes in the plans, for example, over ward designs and beds over the past four years which had contributed to the ever-increasing costs.

The Chairman commented that one of the difficulties the Project had encountered was changing guidance, for example over increased provision of single rooms from higher authorities which required the plans to be modified. These would affect any scheme over any timescale.

Ms Dara Galic, a Heart of Harefield supporter, said that she had two questions. Given that the Board had known since 2002 that it needed more land and given the history of failure to secure land, how much more time would the Board allow WCC to broker a land deal, particularly in the light of the monthly costs being occurred, and what was the Board's fallback position were PDCL not posturing.

Mr Perrin said there was regular WCC assessment of negotiations and a clear belief of the prospect of success. The Chairman indicated that the OBC included consideration of on an alternative option to the PHCD which is always under review and discussion with the SHA. It would also require discussion with a number of other parties.

Mr Perrin referred to Mr Potter's comments that the St. Mary's redevelopment had been delayed because of the PHCD and said that it had been for the St. Mary's Trust Board to make a choice between the PHCD and another redevelopment. It had been clear that it would accept the delay in order to see the PHCD taken forward.

Ms Galic asked for clarification on the contingent liability related to the Paddington Project, as shown in the Board papers, and formerly queried by Mrs Brett, for how long would that liability be carried and what effect would the failure of financial close of the Paddington Project have on it.

Mr Bell said the Trust would first require a final direction from the Department of Health over the end of the Project. Until that point the contingent liability would continue. The Trust currently incurred no actual cancellation costs. Mr Perrin confirmed the contingent liability would remain in the Trust's accounts and would be updated in the 2004/5 final accounts. If the Project is cancelled an actual liability would be incurred and would be appropriately treated in the accounts. The Chairman indicated that the contingent liability related to an agreement with Partnerships UK. There were three parties to the agreement which was reviewed by the Joint Project Board.

Mr Bell commented that the existence of the contingent liability was drawn to his attention on his appointment. Partnerships UK had indicated that it was content that the contingent liability could continue and had not raised any concerns with the Trust.

Ms Galic said that she found it difficult to believe that the Trust could carry such a large liability indefinitely but could not refer to the PHC

group as carrying it because it was not a legal entity. It was comprised of the Trusts, therefore the Trust was deemed to know what it was signing or what PHC was signing on the Trust's behalf. Ms Galic concluded that she would write to the Chairman on this subject.

Mr John Ross, an Executive Member of Heart of Harefield, referred to Mrs Brett's request for information on "who and when" on the meetings with PDCL as it had not been answered. There was some confusion between Mr Hodson's report on meetings between PDCL and WCC and the Chief Executive's understanding that PHC meetings were also taking place with PDCL. Mr Ross said it would be helpful to have this clarified in writing.

Mr Bell said that up to 19 April the Trust was familiar with meetings that involved WCC, PDCL and representatives of project management. He could not say what had occurred since 21 April.

Mr Ross responded that it was important to be clear because for WCC different factors were involved, including planning and its Estates Department possibly wishing to off load a piece of land. Yet the different factors tended to all get lumped together as WCC. The Chairman commented that whatever the internal tensions within WCC may be it is a united organisation taking a decision that all are expected to support.

Mr Phillip Dodd, a Heart of Harefield supporter, said that he was concerned and disappointed by responses from the Board to questions raised on and criticism of the Paddington Project. This included the length of time it had occupied and its escalating costs. While Section 2 of the Chief Executive's report referred to no superior body telling the Trust that the project should end, his understanding of the process was that this was a Trust project, which the Trust Board rather than the Department of Health could decide to withdraw from.

Mr Bell said he could not agree with Mr Dodd's opinion. The Board was accountable to the Department of Health as the superior body. As Chief Executive he was accountable to the Board and he was also the Accountable Officer of the Trust to the Department of Health. Mr Dodd said he found Mr Bell's answer difficult as the Chief Executive was responsible for the running of the Trust and all the Trust's budget, yet a significant decision on the project was outside his control. The Department of Health makes policy but the Trust is accountable for the details. Mr Bell said that Mr Dodd's comments were theoretical, the reality was different. The Chairman commented that the genesis of the project was with Kensington & Chelsea and Westminster Health Authority, an Authority that no longer exists. The underlying point in the interchange between Mr Dodd and the Chief Executive was that whatever the decision made four years ago

the advancement of the project is now agreed policy through the SHA to the Department of Health. There have been difficulties and there are obstacles but as a preferred solution to the particular problems of this institution the PHCD has support at all levels.

Mrs Brett noted that the Chairman of any NHS Trust is accountable to the Secretary of State. Part of that duty was to make known to the Department of Health problems – whether strategic or otherwise. Similar responsibilities were in the NHS Codes of Conduct and Accountability. Power rests with the Board and this left the door open to explain through its Chair to the Minister that there were problems of which he should be aware. This process was an aid to the Board.

Heart of Harefield's Chair explained that this was important because although she had met with a former Health Minister, Mr John Denham, neither Mr John Hutton nor the present Secretary of State had agreed to meet with them. Nor had a request to meet with Mr John Bacon been facilitated by the Strategic Health Authority which had given the impression those with knowledge of the Paddington Project were being blocked off.

Mrs Brett said the Board was in a different position to St. Mary's Trust Board. For over four years it had had factual knowledge and enormous help from Heart of Harefield about the difficulties with the Project. St. Mary's did not have that advantage. Mrs Brett concluded by reminding the Board that when it considered the OBC on 15 December 2004 she advised Board Members before going into the private session that if they had concerns about it and were against it they should ask for a recorded vote. The Board was accountable for approving the Outline Business Case of the Paddington Project whereas the Health Campus management group was not a legal identity. The Board should be working with Heart of Harefield to find a conciliatory, sensible and thoughtful way through.

The Chairman commented that he had no reason to suppose that the SHA which had been extremely closely involved for some considerable time had not been communicating difficulties to the Department of Health.

Mr Potter spoke on behalf of Mr James Kincaid, Joint Vice-Chairman of "The Community Voice", who had left the meeting earlier and asked him to draw the Board's attention to a letter Mr Kincaid had written to the Chairman on 8 April 2005. The letter asked the Chairman to read it at the commencement of the meeting so that its contents could be recorded.

The Chairman said the letter referred to two main points. The first was directed to him personally and expressed disappointment that he had rescinded the practice of allowing observers to raise questions

after each agenda item. The Chairman said the Executive Directors had informed him that allowing observers to ask questions after every item was extremely disruptive to the conduct of the meeting. He had therefore agreed that questions from the public should be taken at the conclusion of business.

Mr Kincaid's second point was that he found it difficult to accept the failure of the Board to answer on grounds of lack of notice Mrs Brett's first question at the previous meeting regarding the Trust's £3mn reserve against liability for costs of the Paddington Project included in the current year's accounts. The letter further stated that at a meeting at which there was extensive concern about the state of the Trust's finances and the certainty of a shortfall in the current year, when it is implied that every aspect of costs is being minutely scrutinised, when the Chairman, the Acting CEO, the Finance Director and the Operations Director were all present, no-one is able to make any comment on a potential £3mn liability, it beggars belief.

The Chairman said that Mr Kincaid was referring to the contingent liability in the 2004/5 accounts which had been raised at this meeting and questions on it had been answered. The Chairman said he would give Mr Kincaid a copy of the written answer from the Chief Executive to Mrs Brett's question when he responded to the letter. Mr Perrin commented that the £3mn Mr Kincaid referred to was not a reserve, it was stated in the accounts to be a contingent liability. The Trust did not hold a reserve for it.

Mr Potter asked the Chairman to read out the last paragraph of Mr Kincaid's letter. The Chairman read out the paragraph which said, "I know you are aware of our organisation and of the responsibilities we assume for close up to 100,000 people represented by the many associations within our membership. I therefore hope you will agree to have this letter read in conjunction with the minutes at the start of the next Board meeting, so that its contents may be recorded." The Chairman said he had fulfilled this aspect of Mr Kincaid's letter by reading it now. He said he would reply to Mr Kincaid soon.

Mr Bell welcomed Mrs Brett's comment on finding a way through as he believed the Trust and Heart of Harefield had a common interest in improving the services for patients. As long as the Trust could find the solutions it was beneficial to communicate and collaborate. Mr Bell said he was fully committed to the Trust, its history and its future. It would be incumbent on all to agree with that mission and the value it gives in advancing the healthcare of the nation. He hoped the Board would find ways of advancing interests together.

2005/53

RESOLUTION TO EXCLUDE MEMBERS OF THE PUBLIC

The Chairman proposed the following resolution which was adopted; "that members of the public be excluded from the remainder of the meeting, having regard to the confidential nature of business to be

transacted, publicity on which would be prejudicial to the public interest”

(Section 1 (2) Public Bodies (Admission to Meetings) Act 1960)

The Chairman indicated that the Board would consider four further matters; the minutes of the previous Part 2 meeting in February 2005, the sale of certain Trust property, an issue relating to the appointment of an Executive Director and a request relating to the attendance of the Patient & Public Involvement Forum at Part 2 meetings.

**Lord Newton of Braintree
Chairman**