Minutes of the Trust Board held on 27 May 2009
In the Boardroom, Royal Brompton Hospital

Present: Sir Robert Finch (Chairman)
Mr R Bell, Chief Executive
Mr R Craig, Director of Operations (part)
Mr N Coleman, Non-Executive Director
Mrs C Croft, Non-Executive Director
Mrs J Hill, Non-Executive Director
Ms M Hiscock, Interim Director of Nursing
Mr R Hunting, Non-Executive Director
Mr M Lambert, Director of Finance & Performance
Professor Sir Anthony Newman Taylor, Non-Executive Director (part)

By Invitation: Mr R Connett, Head of Performance
Mrs L Davies, Head of Modernisation
Mr N Hunt, Director of Service Development
Ms C Johnson, Director of Human Resources
Mr D Shrimpton, Private Patients Managing Director
Ms J Thomas, Director of Communications
Ms J Walton, Director of Fundraising

Apologies: Professor T Evans

2009/060 MINUTES OF THE MEETING HELD ON 29 APRIL 2009

Professor Newman Taylor, Non-Executive Director, wished to amend the following two items:
Item 2009/047, page 2, paragraph 1, line 13, to read: "Professor Newman Taylor said there was uncertainty about the true size of the problem in Mexico and that there could be a lower death rate than currently being reported."

Item 2009/048, para. 1, line 4, to read "(3) to what extent NEDs had assessed patient safety issues relating to our programme of initiatives to reduce costs."

The Chairman wished to amend Item 2009/050, para. 1, line 4, to read "Heart of Harefield would be involved as a stakeholder in working with the Committee as also the HSC and the local community."

Mr N Coleman, Non-Executive Director, wished to amend item 2009/057, page 8, line 1, to delete the word "again".

With these four amendments the minutes were approved.

2009/061 MATTERS ARISING FROM THE MINUTES

Mrs Jenny Hill, Non-Executive Director, referred to an issue raised by Mr Kenneth Appel, Prospective FT Governor, at the previous Board meeting. Mr Appel had recommended improving awareness of the desirability of more hand washing by visitors to the hospital by providing more visible advertising. Mrs Hill wished to take forward this issue together with the Infection Control team and felt that FT Governors might be encouraged to also become involved. Ms Jo Thomas, Director of Communications, agreed to liaise with Infection Control on producing high visibility advertising and felt it should be part of a comprehensive strategy. The Board supported this initiative.

2009/062 REPORT FROM THE CHIEF EXECUTIVE

Meeting with David Nicholson, NHS Chief Executive

Mr Robert Bell, Chief Executive, reported he had attended a national conference of NHS Trust Chief Executives with Mr David Nicholson, NHS Chief Executive, on 20th May. Similar meetings had been held with Chief Executives of the Association of UK University Hospitals and Principals of Faculties of Medicine in Bath on 14th and 15th May. Key messages from the meetings emphasised that, even during the current economic crisis, the NHS appeared to be fairly sheltered and was benefiting from guaranteed revenue increases over the 2009-11 period, but that this would not persist. From 2011, an effective freeze on spending in the NHS was expected – at a time when the NHS would be driving forwards with quality, flexibility, productivity and the Healthcare for London agenda. A new government from Spring 2010 was expected to subject the NHS to pressure to effect change in the services it offered; the theme would be about change of attitude and mind-set, i.e. to be willing and accepting of these changes. Mr Bell felt the NHS generally was anticipating a turbulent future. He continued that this Trust was in transition and financially had been tested by Monitor, by PricewaterhouseCoopers and internally. He felt the Trust would be ready for the change. The organisation had prepared a Financial Stability Plan (FSP) which would be implemented on a step-by-step basis, had focused on resolving internal challenges, and was open and transparent about the partnerships it wished to pursue.

Mr Nick Coleman, Non-Executive Director, emphasised that the future was going to be difficult and emphasised the need to utilise the next 18 months as a planning period to build cash reserves, improve quality and drive down costs. He believed it might be difficult to push through an FSP when times were comfortable but, with the future as predicted, it was essential to achieve the FSP.

The Chairman reported that he had met with Richard Sykes and Ruth Carnall (NHS London) together with 25 other Trust Chairmen. The theme from the meeting was that there should be a willingness to adopt reconfiguration of services. There would be substantial underlying change within the NHS and Monitor, and the future would be turbulent.

Mrs Hill said she was working with PCTs currently and had concerns about the impact of the world-class commissioning model. We needed to understand the mind-set of future commissioning, particularly for a specialist Trust, and needed to support the PCTs in sustaining our services. Mrs Hill felt the Trust was very experienced about commissioning and had a real advantage with regards to its future. Mr Nick Hunt, Director of Service Development, agreed that this was very important. He reported that South Central SHA Commissioning had sub-let their commissioning role to United Health as part of world-class commissioning and that we should expect new challenges from such initiatives. The Chairman said the PCTs themselves were currently undergoing change. Mr Hunt agreed to report back on this to the Board when the changes to commissioning/PCTs had been made and were more clearly understood.

Mr Richard Hunting, Non-Executive Director, asked how else the economic squeeze might affect this Trust. Mr Bell felt three elements would emerge: the tariff could be frozen; the world of commissioning would change; and increased pressure on costs. He expected that contracting with commissioners would be a problem and that increasing demand for services would exert another pressure. Mr Bell predicted that it would fall to the Trust (rather than

commissioners) to manage these pressures.

Mr Mark Lambert, Director of Finance & Performance, agreed, and reminded Board members that down-side scenarios on the Trust's prudent projections had been stress-tested by Monitor, and the Trust had still proven itself financially viable in future years.

Mr Bell felt the biggest issue would be demand management. He thought other providers would focus on high-throughput/low-cost activity, and that demand for high-cost, complex work would flow to specialist hospitals. Mr Coleman asked if this meant the Trust would have to make choices between services and Mr Bell thought this would be the case. Mr Coleman emphasised that service-line reporting should be ready to help inform such discussions.

Patient Satisfaction
This item would appear later on the agenda but Mr Bell wished to report that in the national inpatient satisfaction survey, the Trust had again scored very well with 98% of respondents registering an overall rating of care as Good/ Excellent. This was further complemented by recent Patient Environment Action Team Assessments 2009 (PEAT – covering cleanliness and food) which also gave the Trust ratings of Good and Excellent.

Health Innovation and Education Clusters (HIECs)
Mr Bell further reported that the DoH had now published a guide for applications to create HIECs and was making available £10M to support their creation. Applicants were expected to complete a pre-qualification questionnaire by mid-September, with full application by October. The Chief Executive had participated in a meeting at Imperial College (IC) with other parties from NW London when there had been a debate about how a HIEC might progress. It had been agreed that the CEO of Chelsea & Westminster NHSFT would take the lead along with John Greene (Imperial College) and Michael Scott (Westminster PCT) to draft a proposal. Mr Bell agreed to arrange to circulate the minutes of this meeting to the Board. A follow-up meeting was scheduled for June which would be attended by the Chairman and Director of Operations.

The Board discussed the possibility of HIECS being allocated in London and felt this was possible. The Chairman felt the Trust should be part of a NW London sector HIEC. He said we would continue to watch and consider developments, particularly if we became an FT.

2009/063 <u>FOUNDATION TRUST STATUS</u>
The Chairman was expecting news imminently from Monitor's Board on the authorisation of the Trust as a foundation trust. The Chairman reminded the Board of the three issues which Monitor (following the Board-to-Board meeting on 30th March) had asked the Trust to further consider:
(1) finance and the downside case
(2) the proposed London-wide cardiovascular review, and
(3) NED involvement in assessing risks within the FSP.
The Chairman confirmed he had written to Monitor indicating he was well satisfied with work carried out by the NEDs and, in relation to the cardiovascular review, he had indicated our attitude generally and the downside scenario in relation to the proposed review. Mr Bell reminded the Board that the cardiovascular review was to have been instigated in April but, to date, nothing had started. He had heard that it was to have been one of a series of reviews.

Mr Lambert reported that one month's delay in authorisation had meant that a further month's financial information was available. The Trust had made a surplus of over £700K in April 2009. PwC had refreshed their due diligence report which remained positive and had been supplied to Monitor. Monitor had asked further questions in addition to what had been asked originally – he assumed this was by way of preparation for Monitor's Board meeting. Professor Newman Taylor, Non-Executive Director, reported that he had met Monitor's assessors the previous week (as he had been unable to meet them during the assessment phase) and all had gone well.

Mr Bell reminded the Board that, in the event of FT authorisation, the hospital would still carry on with 'business as usual'. Mr Hunting asked if the SHA would have any further influence over the Trust if it became an FT. Mr Bell explained that their role in 'system' management, commissioning and a London-wide agenda would remain relevant. In terms of performance management the Trust would deal with Monitor's Compliance Framework.

2009/064 FINANCE PERFORMANCE REPORT FOR MONTH 01: APRIL 2009

Mr Lambert reported on a summarised version of the usual monthly report for April. Month 1 financial reports were not historically presented to the Trust Board, however for this April a report had been prepared for Monitor.

The Trust had made a surplus of £718k in the month against a target of £342k (taking account of income adjustments notified after the plan had been set). Activity was 4.6% ahead of target on spells. In April the FSP delivered £791k which was behind the planned target. However, it was expected that over the 12 months, the annual rate would be achieved. Debtors had increased slightly, the majority of which could be explained by quarterly invoicing, of which £4.1m was outstanding.

The capital programme had incurred expenditure of £1.1m in April which is more than normal; this was in respect of three large pieces of medical equipment.

Mrs Christina Croft, Non-Executive Director, referred to the underperformance of the FSP in private practice and asked if this was due to the Easter break. Mr David Shrimpton, Private Patients Managing Director, explained that the Month 1 data was slightly misleading, but that the situation was now on track and the data would be corrected next month.

2009/065 OPERATIONAL PERFORMANCE REPORT FOR MONTH 01: APRIL 2009

Mr Lambert introduced the report which contained new information this month:

- Trust Hospital Standardised Mortality Ratio (HSMR): Mar 2006-Feb 2009. The HSMR was 53.5 compared the national average which is always set to 100 (as a specialist trust, the HSMR would always be expected to be lower than the national average).
- Incidents: 2 SUIs were reported in April, one taking place in January and one in April 2009. The April SUI related to the unexpected death of a patient following an unsuccessful procedure. The other was in January which involved an overdose of potassium chloride.
- 'Never' events. This is the first appearance of this item in this report and encompassed the SUI in January.
- Radiation (Medical Exposure) (IRMER) Regulations 2000. One incident occurred in April involving over-exposure to radiation during x-ray.

- Health Care Acquired Infections (HCAI): In April there were no cases of MRSA, C.diff., or GRE/VRE

At this juncture, Mrs Croft asked if further investment was needed in infection control. Mr Craig, Director of Operations, said there were no plans for increased investment in the infection control team currently. Professor Newman Taylor said the real concern would be for deep sternal wound infections. There had been only one occurrence since January and he found this very reassuring.

Mrs Hill asked if, as a specialist trust, further investment were needed. Mr Bell reminded the Board that the Director of Infection Prevention & Control had reported to the Board in July 2008 and had received support on items she had raised. Mr Bell received briefings from her on issues in the Trust and confirmed that she felt things were being adequately managed. Mr Bell said we would need to consult Dr Hall if more information was required by the Board and that if there was an issue, the Infection Control Committee would be the body to review this. Mr Coleman asked if other benchmarks were available. Mr Craig explained that the Surgical Site Infection Surveillance Scheme (SSISS) was a national database, but encompassed only certain sorts of surgery. Mr Coleman suggested seeking out the best available benchmark; Mrs Hill felt the existing benchmark was adequate in that we were comparing to national levels. Mr Bell said that it would be difficult to find comparators for the data, and suggested we seek to perform better on national SSISS figures. Professor Newman Taylor said the problem was one of definition and that inevitably there would be variations. Mrs Lucy Davies, Head of Modernisation, suggested that numbers for deep and superficial wound infections be shown separately in the report, and Mr Richard Connett, Head of Performance, agreed to arrange this.

Mr Lambert continued with the Operational Performance Report:

- Cancelled operations: there had been 17 cancelled operations, 12 at RB and 5 at HH, which was a creditable improvement.
- 18 weeks: targets continued to be exceeded and performance was still extremely strong for both admitted and non-admitted categories.
- Workforce - staff sickness: the level for March had fallen to 2.9%, which was within our own target.

Mr Coleman referred to the HSMR and thought individual elements of the mortality which were doing badly could be being concealed by those which were doing well. He asked if it was possible to produce a more comprehensive breakdown. Mr Lambert confirmed that there were specialised figures for e.g. cardiac surgery, published by the Central Cardiac Audit Database (CCAD), Society for Cardiothoracic Surgery (SCTS) and Care Quality Commission (CQC). Mr Craig pointed out that these published data were now more than 2 years out-of-date (March 2007) – and also warned against drawing conclusions from a single quarter's data. He recommended the minimum review period should be 12 months, which could be updated on a rolling basis.

Mr Bell said that different levels of monitoring were available: Dr Foster Intelligence produced standardised monitoring of mortality in hospitals across the UK: this was our first line of comparison. Cardiac surgery was tracked and monitored, by site and by surgeon, through the SCTS, with data published retrospectively on (normally) an annual basis. We publish our own data on a quarterly basis and any adverse trend is investigated and reported, with action taken, rather than relying on benchmarks. Mr Bell felt that the Board might

benefit from presentations on mortality review to further understanding of its diversity and complexity. Mr Bell agreed to organise this presentation with the Medical Director. Mrs Hill thought there was advantage in having this information in relation to new services.

Mr Coleman noted that the SUI cases reported were of high significance and sought assurance that root cause analysis (RCA) was being utilised. Mr Craig confirmed that the conclusions of the RCA would go to the next meeting of the Governance and Quality Committee for onward transmission to the ARC and the Board. Mr Coleman felt that in the past, root cause analysis had not been sufficiently adequate and Mr Craig agreed to investigate this concern.

Mrs Hill noted that all three SUIs involved paediatric patients and asked if we had a higher rate of incidents reported for children than adults. Mr Craig highlighted the report that showed a higher number of incidents per spell in paediatrics, but the low severity of the incidents reported suggested an encouraging awareness and 'reporting culture' in that service. Mrs Croft noted the variation in timing of reporting these incidents, with the January incident only being reported now. Mr Craig confirmed the Board should be alerted to this type of incident as soon as possible. Mr Bell gave the example of the review undertaken into the transplant programme in Autumn 2008, when management took action without consulting the Board and instigated an internal evaluation which then led to an external review. He emphasised that items are managed in a timely way.

2009/066 <u>FINANCIAL STABILITY PLAN (FSP) UPDATE</u>

Mr Craig introduced the first monthly progress report on delivery of the 2009/10 FSP. He requested the Board to
(1) consider the format of the report on tracking progress, and
(2) look at the substance of the report and comment on current status.

Currently the year-end forecast was suggesting approx £1M short of the £15M target. However, the target remained at £15M and work was being done to recover delays in up-take. With regard to benefits phasing, the report showed that the phasing was relatively 'flat', i.e. not deferring large sums to late in the year. Mr Craig felt the report should not cause undue concern as some schemes were not scheduled to start until later on in the year. He reported that that some of the original schemes were at risk of not delivering in full and, in these cases, the FSP team would bring in substitutes (as had already happened in some cases).

Mr Hunting asked about R&D income. Mr Craig confirmed that the Trust had set itself a challenging target. The BRUs were already delivering some of the collaborative income required, but might not achieve everything hoped for in the first year. Mrs Hill and Mr Coleman sought further quantitative information on each work stream. Mr Bell was concerned about the request for minute details. He suggested that the Board needed to be knowledgeable and assured on delivery of the FSP, but not to manage it or seek information which was too 'granular' for discussion in an open public forum.

Mrs Hill confirmed that the Board needed to be reasonably assured that the FSP is meeting its targets and that the work being done was helping to drive home the Trust's objectives and change agenda. Mr Bell confirmed that consideration would be given to the mechanism of how this could be reported, probably 6-monthly. He said that the Board needed to remember that the FSP

had long-term productivity and improvement objectives over 5 years.
Mrs Croft stressed that the Board needed to know that there were sufficient schemes available to replace any that might fail. Mr Bell agreed that the Board needed to know what was being undertaken to create incentives to replace shortfalls.

Professor Newman Taylor summarised his view that the Board wanted an understanding of:
(1) the extent to which the FSP was on target and, if not, what was being done to address this;
(2) organisational issues, e.g. intensive care, reduction in length of stay, investment in full-time nursing to reduce agency costs; and
(3) implications (esp for patient safety)

It was agreed that progress with the FSP would be presented to the Board on a monthly basis.

2009/067 PATIENT SATISFACTION SURVEY

Ms Michele Hiscock, Interim Director of Nursing, presented a report on the National Inpatient Survey 2008 which had been based on a sample of patients discharged from the Trust from June to August 2008. The survey used a nationally applied methodology. The questions sought to reflect the priorities and concerns of patients from their perspective. 850 patients had been sent a questionnaire and there had been a 65.6% response rate (well above the national average of 50%).

The survey produced favourable replies from between 86-98% on the aspects assessed. The Trust scored significantly better than average on all relevant questions and, in comparison to the surveys both in 2007 and 2006, had scored significantly better in three of the questions. The report listed nine key areas where the Trust had scored better than average. Ms Hiscock confirmed that, despite the very satisfactory result, the Trust should not be complacent. The survey had identified four areas where improvement could be made, three of which were within our control, and related to single-sex accommodation and hygiene facilities (for which action plans were already in place).

The Chairman congratulated Ms Hiscock on the excellent outcome and Professor Newman Taylor also offered congratulations, particularly in the level of patient participation achieved.

Mrs Hill referred to the percentage of patients not satisfied and asked if any reasons were know to the Trust. Mr Bell explained that this initiative was organised by the Picker Group who returned only the numerical results. However, patient satisfaction surveys were undertaken internally and these results were tracked.

2009/068 AUDIT AND RISK COMMITTEE

Minutes of Meeting of 3 March 2009
Mr Coleman presented the minutes, which were accepted by the Board. The Chairman confirmed he would discuss with Mr Coleman the possibility of splitting the Audit & Risk Committee and report back developments to the Board.

2009/069 QUESTIONS FROM MEMBERS OF THE PUBLIC

Mr David Potter (Chairman, Re-Beat) asked, in relation to the National Inpatient

Survey 2008, if there had been a comparison of data between RBH and HH and if so, had that contained anything of significance? Mr Bell replied that some differences between sites had been reported, and that Ms Hiscock could supply further information. Mr Potter believed there were benefits in "best practice" being identified and adopted across the Trust's two sites.

2009/070 NEXT MEETING

Extraordinary Board meeting (for approval of Annual Accounts 2008/09):
Wednesday 10 June at 9.30 a.m. in the Boardroom, Royal Brompton Hospital.

Regular Board meeting:
Wednesday 24 June at 2.00 p.m. in the Boardroom, Royal Brompton Hospital.