Minutes of the Board of Directors meeting held on 27th October 2010 in the Boardroom, Royal Brompton Hospital, commencing at 2.00 p.m.

Present: Sir Robert Finch, Chairman
Mr R Bell, Chief Executive
Mr R Connett, Trust Secretary & Head of Performance
Mr R Craig, Chief Operating Officer
Mr N Coleman, Non-Executive Director
Mrs J Hill, Non-Executive Director
Mr R Hunting, Non-Executive Director
Mr N Lerner, Non-Executive Director
Professor Sir Anthony Newman Taylor, Non-Executive Director
Ms Kate Owen, Non-Executive Director
Dr C Shuldham, Director of Nursing & Clinical Governance

By Invitation: Ms J Axon, Director of Capital Projects & Development
Ms C Bouchard, Associate Director of Pharmacy
Mr N Hunt, Director of Service Development
Mrs C Johnson, Director of Human Resources
Mr P McCleery, Director of Planning & Strategy
Mr Rod Morgan, Chief Accountant
Sir Michael Partridge, Chair – Master Planning Committee for HH Development
Mr D Shrimpton, Private Patients Managing Director
Ms J Thomas, Director of Communications
Ms J Walton, Director of Fundraising

In Attendance: Ms E Mainoo (Executive Assistant)
Mrs R Paton (minutes)

Apologies: Professor T Evans - Medical Director and Mr M Lambert, Director of Finance & Performance

The Chairman welcomed everyone to the meeting and, in particular, Kate Owen who had newly taken up her post as Non-Executive Director to the Board.

The Board was shown a DVD which had been produced by the Communications Department as part of the process to promote the work of the Trust and secure funding. The Chairman reported that Princess Alexandra had recently visited Royal Brompton Hospital and a copy of the promotional DVD would be forwarded to Buckingham Palace.

2010/87 MINUTES OF THE PREVIOUS MEETING HELD ON 27th OCTOBER 2010
The minutes were approved by the Board.

2010/88 MATTERS ARISING FROM THE PREVIOUS MINUTES

- Mr R Hunting, Non-Executive Director, referred to item 2010/85 Any Other Business: Appointment of Responsible Officer. Mr R Bell, Chief Executive, said it had been planned that Professor Evans, Medical Director, would report on this at today's meeting, but that he had been unable to attend. Mr Bell explained that the Responsible Officer would be the accountable medical officer in the organisation for the professional practice of all clinicians, effective from 1st January 2011. Suggested

guidance is that this person could be the Medical Director. Mr Bell expected Professor Evans would bring a full briefing to the next Board meeting. The Chairman added he had received a letter from the Medical Director outlining the issues involved and this would be sent out ahead of the next Board meeting to Directors via the Medical Director.

- The Chairman gave an update on the Project Diamond funding. He had met with Monitor and written to them subsequent to the meeting. Monitor had confirmed their awareness of the Trust's approach to PD, i.e. that non-accrual of the monies was a prudent approach. Mr N Lerner, Non-Executive Director, said that in the light of the current NHS funding intentions, the FSSC had also agreed with the decision not to accrue and the Trust Auditors supported this. Professor Sir Anthony Newman Taylor, Non-Executive Director, stated that he did not want the Trust to be disadvantaged should the money be distributed. The Chairman thought that many hospitals were accruing the money in order to make their books balance. The Chairman recommended the Chief Executive make a contingency plan to address these concerns.

2010/89 REPORT FROM THE CHIEF EXECUTIVE

Mr Bell did not wish to report on any particular items at this juncture but would be commenting on other items later on the agenda.

2010/90 CLINICAL QUALITY REPORT FOR MONTH 6: SEPTEMBER 2010

In the absence of the Director of Finance & Performance, Mr R Craig, Chief Operating Officer, introduced the report and highlighted the following:

- Cancelled operations: in the last two months there had been several cancelled operations, particularly at HH; this was a reflection of how busy the hospital had been in terms of both spells and occupied beddays leading to a consequent tightening of schedules, making cancellations more likely.
- Complaints responded to within the set timetable were at 82.1% against a target of 90%, however performance had improved substantially over the last few months.
- Incidents: there had been one IRMER incident in September.
- Surgical Site Infection Surveillance Service (SSISS): Professor Newman Taylor noted the improvement in the deep wound figures and wished to congratulate the Trust on the very effective steps taken. Mr N Coleman, Non-Executive Director, further noted the overall favourable picture in clinical performance which he said was encouraging – there remained individual areas of concern and these were being investigated.

Governance Declarations for Monitor Quarter 2 2010/11

Mr R Connett, Trust Secretary & Head of Performance, explained this declaration was made to Monitor on a quarterly basis in respect of our governance rating. The report outlined the Trust's performance against the targets in the Monitor Compliance Framework and Mr Connett confirmed the Trust was fully compliant with these metrics. With regards to the previous non compliance in respect of the Fire Code, Mr Connett confirmed the Trust had received from the CQC their report which confirmed that CQC have accepted the Trust's declaration of compliance made in August 2010. The Quarter 2 declaration will be uploaded to the MARS portal by the end of October. Following this the Trust Governance rating will then return to green.

Mrs J Hill, Non-Executive Director, said the Trust had a history of being excellent and meeting targets and asked were there areas where the Trust was exceeding these targets. Mr Craig agreed the Trust wished to aspire to being substantially better in some areas. Mrs Hill asked if it would be possible to produce scorecards as a measure of our excellence, which might promote our public standing as an organisation. Mr Craig said it was difficult to find other organisations in this country against which to benchmark and that it was therefore difficult to develop a relevant benchmarking system.

In terms of setting targets that would stretch performance, Professor Newman Taylor recommended looking at areas such as paediatric cardiac surgery – switch operations, life expectancy for cystic fibrosis patients, and adult respiratory distress syndrome.

Section 4: Modern Matrons' Report

Dr C Shuldham, Director of Nursing & Clinical Governance, spoke to the report and highlighted section E): Evidence of Innovation/Improvements, the High Impact Actions for Nursing & Midwifery initiative which focused on identifying and delivering improvements to patient care, and the implementation of the High Impact Actions which is being driven through Trust groups and personnel. The Board referred to the impact of the reduction of domestic supervisors and asked if this was cause for concern. Mr Craig confirmed the domestic services were contracted out to a 3rd party, ISS. The current contract ran to March 2012 but our experience of them during the last 6-9 months had not been as good as previously. Mr Craig said that, as a result, a lot of time had been given to improving standards. He confirmed that the tendering process for the new contract had begun.

Section 5: Controlled Drugs Governance & Activity

Cathy Bouchard, Associate Director of Pharmacy, introduced the report. There had been 36 controlled drug incidents for the first quarter of 2010-11, 31 reports had been graded green and 2 yellow. There had been no amber or red reports. Ms Bouchard said the numbers had fluctuated but that they were about normal for the Trust. She confirmed there was no national benchmark between Trusts. The Board then discussed the advisability of setting an internal benchmark. Dr Shuldham said that some incidents were about how much liquid was left behind whilst measuring and practice had been changed to reduce the effect of this.
The Chairman asked Mr Craig to look at the possibility of establishing a yardstick against which to measure performance. Mr Bell emphasised that the intention of disclosure here was transparency and not score-keeping. He said errors in drug dispensing can occur in a hospital environment.

Section 6. Care Quality Commission Benchmarking Tool

Mr Connett explained that the CQC had published the benchmarking information which showed comparative performance of acute and specialist trusts against nine national indicators. Reporting was on a scale of 1 – 4. For the Trust the ethnic coding data quality indicator is just below the national average but the Trust had achieved the 85% threshold for the indicator. Delayed transfers of care and patient experience are 2 standard deviations better than the national average. 100% of cancelled operations were subsequently treated within 28 days – which is an indicator in the high performance category,

The Board noted the report.

2010/91 FINANCIAL PERFORMANCE REPORT FOR MONTH 6: SEPTEMBER 2010

Mr Rod Morgan, Interim Chief Accountant, was present at this Board meeting.
In the absence of the Director of Finance & Performance, Mr Craig presented the report as follows: for Income & Expenditure the Trust effectively broke even in September with a small surplus of £51k, which is the second month in the financial year where there had been a reported surplus (the other being in June). However there is still a deficit YTD of £4.5m. Mr Craig said the challenge was significant but that the return to break even in September was encouraging. NHS activity was 2.5% ahead of target; Private Patient activity was low in September but, overall, continued to be ahead of plan for the year. The Financial Stability Plan (FSP) set a target of £20.1m, with £11.5m of cost reduction and £8.6m of income contribution. There was a shortfall against the Cost Improvement Programme of about £1m and the FSSC had discussed this in more detail. Mr Craig turned to the Monitor financial risk rating: at the end of the first quarter the Trust had been rated 2. The overall rating for quarter 2 remains a 2, however the rating did show improvements in both August and September. It was noted that the forecast financial risk rating for quarter 3 is 3.

Mr Bell said that a deficit was uncomfortable and, although it was progressing, it was improving too slowly. He felt the current position would persist and wished the Board to understand the consequence of the current economic situation. Mr Bell felt the organisation was changing but that it would take more than this year to accomplish our plan. There is a fiscal duty to break even for the year as a minimum; all units had been mandated to work towards the objective with good response from most areas and some reticence in a few areas. The Trust would be undergoing a quarterly review with Monitor on 19th November and the Board would receive feedback on this.

Mr Lerner agreed with the Chief Executive's comments. He reported that the FSSC had reviewed period 6 results and had challenged the executives to better understand some of the reasons for performance. Mr Lerner confirmed the re-projection for the year would be ready shortly and be submitted to the sub- committee before the Management Committee in November.

At this point, Mr Morgan distributed an additional paper entitled: Monitor Financial Commentary month 06 2010/11. This was a summary of the main report and reflected the information to be uploaded to Monitor's 'MARS' portal. Mr Craig referred to item 6.0 Working Capital, and explained that this is a Monitor early warning indicator of liquidity with a 10-day threshold. Net cash at the end of September was equivalent to 14.2 days supply, more comfortably above the threshold set by Monitor than in June/July.

Mrs Hill commented she was pleased the temporary staffing number was down and asked what the reason was at a time when activity was up. Mr Craig counselled caution on one month's improvement, but referred to temporary staffing costs overall and said the balance between bank and agency had tipped towards bank. He also felt that the influence of the recruitment process (part of the FSP) was now being seen. In clinical areas long-term temporary staff were being replaced with permanent recruits.

The Board noted the report.

2010/92 NHSLA RISK MANAGEMENT STANDARDS FOR ACUTE TRUSTS

Dr Shuldham reported the Trust had been assessed by the NHS Litigation Authority in September and had been awarded Level 3, its highest accreditation. The Trust had scored 41 out of a possible 50 on the assessment criteria. Dr Shuldham said the process had been an extremely onerous one. It is understood that reassessment will be necessary in three years' time and there would be a lot of work involved over that time to maintain and improve. Mr Lerner felt it was important to balance effort against expense. Professor Newman Taylor agreed, and said the Trust should be congratulated on this achievement, particularly working in an acute and high-risk area of medicine, and he felt the attainment would result in considerable benefit for our reputation. The Board debated the issue of balancing effort and expense against outcomes and wondered if we should only aim for Level 2 in future. Dr Shuldham said that an assessment could also downgrade (e.g. to Level 1).

Mr Hunting pointed out a discrepancy in the wording on the cover sheet to this item and Dr Shuldham agreed to amend this.

The Board noted the outcome of the assessment.

2010/93 AUDIT COMMITTEE

Minutes of Meeting of 20th July 2010

The minutes were noted by the Board

Report from Meeting of 19th October 2010

Mr N Lerner, Chair – Audit Committee, presented the report. The Audit Committee had focussed on the following items:

- The committee had discussed the tendering for the Internal Audit and Counter Fraud Services. Mr Lerner explained the tender was joint with the Chelsea & Westminster Hospital and the Royal Marsden Hospital. All three organisations had agreed on the awarding of both contracts for internal audit and counter fraud. The Audit Committee had approved the recommendation and had made a recommendation to the Board for the award, but details remained confidential at this stage.

- Mr Lerner said that at the previous committee meeting there had been a debate on the efficacy of the Board Assurance Framework (BAF). The Internal Auditor had met with Dr Shuldham and the Chief Executive. The notes of this meeting had been reviewed and agreed and work was being done on a new, hopefully less onerous, format for the BAF.

- The Charity Accounts to March 2010 had been reviewed and there had been no comments made.

2010/94 RISK & SAFETY COMMITTEE (RSC)

Minutes of Meeting of 20th July 2010

The minutes were noted by the Board.

Report from Meeting of 19th October 2010

Mr N Coleman, Chair – Risk & Safety Committee, presented the report. The RSC had focused on three main issues:

- Dr Foster alerts. Recent alerts sent to the Trust had been reviewed by the RSC and it had been concluded that the Dr Foster alerts were proving to be unreliable and a poor source of assurance. The RSC supported the executive's view that a letter be sent to Dr Foster drawing the concerns of the Trust to their attention, and the Chief Executive had undertaken to see that this was done.
- Transplantation outcomes. The Trust had been undertaking an internal review and the Committee supported actions taken to bring performance back into line. It was noted there were emerging strategy issues in relation to transplantation.
- SUIs. The RSC had reviewed the six most recent SUIs. All SUIs are reported to the Governance & Quality Committee and then to the Risk & Safety Committee. The executive was asked to consider whether SUI root-cause analysis might have relevance elsewhere in the Trust, and to provide evidence that the actions from those analyses were having the intended effect.

Other items discussed included:

- Potential impact of FSP projects on patient safety (it was felt good assurance was being received from the executive on this, focussing on identifying unintended consequences)
- Review of the updated Board Assurance Framework which was felt to be good
- Review of the final Quality & Safety Improvement Plan
- Assurance on the processes for pre-admission MRSA screening of elective admissions for Monitor compliance: not 100% perfect but 'fit for purpose'
- Discussed the NHS Litigation Authority assessment and felt it was a helpful third-party assurance.

Mrs Hill asked if executives could be supplied with confirmation of Chairs and Members of the Sub-Committees. The Chairman agreed to organise this before the next Board meeting.

2010/95 QUESTIONS FROM MEMBERS OF THE PUBLIC

Mr Kenneth Appel raised three issues, as follows:

- With regards to the financial position, it had been stated that a number of procedures were not profitable. Would it be possible to influence those who set the tariff that the tariff is appropriate?

  Mr N Hunt, Director of Service Development, explained that we have early sight of a "sense-check" NHS tariff and that the Trust always seeks to ensure that this is accurate. Mr Hunt reported that one of the Trust's Consultant Paediatricians was a member of the relevant Clinical Advisory Group and was influential at national level. A lot of work had been done in the Project Diamond area by PricewaterhouseCooper to demonstrate that e.g. cardiac surgery undertaken in London centres was considerably more expensive and this would be helpful in reaching a better tariff. The Chairman added that the Trust was investigating the question of cardiothoracic surgery and the whole issue of emergency work.

- Complaints: Did staff recognise possible complaint situations and try to deal with them before they become a formal complaint?

Dr Shuldham confirmed that many issues were dealt with on a day-by-day basis. Sometimes when a formal complaint arrives, efforts have already been made to resolve the issue, and a member of staff would normally have been in contact with a complainant. The numbers of complaints were not increasing overall but did fluctuate. The results included in the Clinical Quality Report showed replies not completed within 25 days. Dr Shuldham said work had to continue on this, but a lot of work does go into the process.

- PPI. Previously there had been PPI representation at Board meetings. Would it be helpful if a member of the Board of Governors had a place on this Board in a similar capacity (for discussion but not with voting rights)?

  The Chairman said he would consider this together with the Trust Secretary and the issue might be discussed at the Appointments Committee. The Chairman emphasised that the balance of the Board needed to be correct. Mrs Hill added she did not think it appropriate for a patient representative to sit on the Board and that there were many other areas of involvement which would be more appropriate. Mrs Hill reminded the Board that in the past representation had proved very disruptive as representatives had pursued a specific, personal agenda. As Board meetings were already held in public, she felt that PPI could be better undertaken in other places in the Trust.

2010/96 ANY OTHER BUSINESS

Mr Bell reported that, during the meeting, he had received an e-mail from NHS London on the subject of Project Diamond funding (see item 2010/88 above). The e-mail stated that the Trust would receive £9.1m in 2010/11, consisting of £7.5m of “transitional support” and £1.6m as market forces factor (MFF) on the Trust’s NIHR (research) income. This would be the last year for making transitional grants, but the MFF element for research would be recurrent. The letter set out a number of conditions which would need to be met before Project Diamond monies were paid.

2010/97 DATE OF NEXT MEETING

Wednesday 24th November at 10.30 a.m. in the Concert Hall, Harefield Hospital.
The Chairman would not be available on this date and the Board meeting would be chaired in his absence by Mrs Jenny Hill, Non-Executive Director and Senior Independent Director.