

Minutes of the Trust Board held on 28 January 2009 in the Boardroom, Royal Brompton Hospital

- Present: Sir Robert Finch (Chair)
Mr R Bell, Chief Executive
Mr R Craig, Director of Operations
Mr N Coleman, Non-Executive Director
Mrs C Croft, Non-Executive Director
Professor T Evans, Medical Director
Mrs J Hill, Non-Executive Director
Mr R Hunting, Non-Executive Director
Mr M Lambert, Director of Finance & Performance
Prof Sir A Newman Taylor, Non-Executive Director
Dr C Shuldham, Director of Nursing, Governance & Informatics
- By Invitation: Ms M Cabrelli, Director of Estates & Facilities
Mr R Connett, Head of Performance (Minutes)
Dr A Hall, Director of Infection Prevention & Control
Mr N Hunt, Director of Service Development
Ms C Johnson, Director of Human Resources
Ms S Kaur, Senior Nurse AICU, Recovery & Paediatrics
Mr D Shrimpton, Private Patients Managing Director
- In Attendance: Ms E Mainoo, Executive Assistant
Mrs E Schutte, Executive Assistant
- Apologies: None

Sir Robert Finch began the meeting by introducing himself as the new Chairman of the Trust. He went on to say that he has already visited Harefield Hospital and will shortly be visiting NHLI and the wards at Royal Brompton Hospital. He stressed that his focus would be on patient care and in ensuring that the Trust continues to deliver performance second to none. Achievement of Foundation Trust status is priority 1, 2 and 3 with the aim of achieving FT authorisation within 6 months. He said that he is looking forwards to the challenge of leading the Board at what was its most formative stage and that he felt that the Trust should remain independent. He stated his commitment to transparency and said that he would institute quarterly meetings between Governors and Directors. He noted that Trust Board meetings are held in public and said that it was his intention that questions from members of the public should be taken at the end of the meeting unless there were particular reasons for taking them during an agenda item.

2009/001 MINUTES OF THE MEETING HELD ON 17th DECEMBER 2008

The minutes of the December meeting were agreed as a correct record with no amendments.

Academic Health Science Centres (AHSC)

Mr Bell, Chief Executive, updated the Board on the DH designation process. Apparently 14 to 15 proposals have been submitted. The Trust has not submitted a proposal. Imperial College Hospitals have submitted their own application in which they have named the Trust as a partner in relation to the Cardiac and Respiratory Biomedical Research Units. Mr Bell said that he had met with Professor Stephen Smith, Chief / Principal of Imperial College Healthcare NHS Trust, in order to discuss the nature of the relationship between the two Trusts and that further meetings were planned.

Other known groupings include University College of London with University College Hospitals FT, Great Ormond Street, Moorfields and The Royal Free; Kings College with Kings College FT, Guys and St Thomas' FT and the Maudsley FT; The Royal Marsden Hospital with the Institute of Cancer Research, Addenbrookes FT and Papworth FT with the University of Cambridge and The Oxford Radcliffe Hospital with the University of Oxford.

The next stage of the process will be shortlisting, followed by a panel assessment in March with successful AHSCs announced in March 2009.

Sir Robert Finch commented that he and Professor Sir Anthony Newman-Taylor would be meeting with Sir Roy Anderson in order to discuss the relationship between the Trust and Imperial College Hospitals / Imperial College.

Health Innovation & Education Clusters (HIEC)

The process for designation of these is not clear. However, there has been a meeting of interested parties in North West London and the Chief Executive of Chelsea and Westminster NHS FT has been charged with preparing a draft paper outlining the concept of a HIEC in the area embracing acute trusts, PCTs and Imperial College.

National Institute for Health Research (NIHR)

Mr Bell reported that he had been invited by NIHR to join a group which would provide a leadership forum for improving relations between the Biomedical / Pharmaceutical Industry and the NHS.

NHS London

Mr Bell reported that the SHA were setting up a programme to provide management leadership experience and training for medical staff in order to ensure greater representation of medical staff in senior management posts. The programme will include mentoring and Mr Bell has agreed to take on this role.

Toronto, Canada

Professor Evans reported that the four Divisional Chairs, along with the Chief Executive, had visited Toronto on a fact-finding tour to learn from counterparts about academic configurations and research flows. This would help with Trust priority setting and Professor Evans is planning a debrief with participants after which outputs will be reported back to the Management Committee. Sir Robert Finch asked 'What is the single most important thing that was learnt?' Professor Evans responded that it was how multiple providers and the university could work together for mutual advantage.

Mr Robert Craig, Director of Operations, presented progress towards the reassessment of the Trust's FT application to the Board.

1. Integrated Business Plan (IBP)

The IBP is not being presented to the Board for approval today. Monitor has seen the draft document and have requested further preparatory work.

2. Historic Due Diligence

PricewaterhouseCoopers (PwC) have undertaken some more work. Due Diligence will be completed by 11th February 2009.

3. Monitor Assessment

The Monitor assessment will commence 16th February 2009. The initial meeting with Monitor will be scheduled for 6th February 2009, or the week immediately following. The updated IBP and Long Term Financial Model (LTFM) are due to be sent to Monitor by 10th February 2009. The Board to Board meeting is still provisionally scheduled for 30th March 2009 with a target date for authorisation of 1st May 2009. The decision to agree authorisation would probably be taken at the April Meeting of the Monitor Board, which is likely to fall on a similar date to the April Trust Board. Mr Bell circulated the letter from Monitor, containing the above dates, to Board members

4. Governance Arrangements

Monitor approved the constitution in April 2007. It sets out the composition of the Governors Council, which makes provision for a total of 23 Governors: 17 elected (in March 2007) and 6 appointed. Of the 6 appointed Governors, 2 will be from our host PCTs (Hillingdon and Kensington & Chelsea), 2 from the corresponding local authorities (Hillingdon and The Royal Borough of Kensington & Chelsea) and 2 will be associated with Academic Institutions with whom the Trust has close links. In the original application, both university Governors would have been from Imperial. The intention now is that 1 will definitely be from Imperial, the second could be from Imperial, or from another academic partner. This change has been made in order to retain flexibility over the disposition of academic alliances in the light of AHSC development.

There are 11, 000 FT members (8,000 from the public / patients / carers and 3,000 staff). The Trust intends to re-engage with members and refresh the membership database. Members will be provided with information contained in the new IBP and will be informed of the aims and intentions of the application.

A meeting between Board Directors and the Council of Governors will be scheduled for mid-March.

Mrs Hill enquired whether there would be an induction process for Governors before authorisation. Mr Craig answered that induction training would be provided in the lead-in period. Mrs Hill sought clarification that this would happen in April 2009 and this was agreed.

Sir Robert Finch said that he intended to write an introduction to the papers that would be sent to Monitor. To include 3 points:

- Appointment of a Senior Independent Director
- Appointment of 1 more Non-Executive Director in order to ensure that the majority of the Trust Board would be independent
- Appointment of a Company Secretary to service the meetings of Governors and oversee practical arrangements for meetings

5. Strategy

Mr Bell reported to the Board regarding a meeting of the Association of University Hospitals at which he had heard Dr Moyes speak about the current economic downturn and its likely impact upon healthcare. Up to now, the generally accepted efficiency requirement for the public sector has been set at 2 – 3 %. Cuts in public funding consequent upon the global downturn are likely to increase targets for spending reduction to 4 – 6%. It is not thought possible to meet this higher target through increased efficiency alone. Therefore, we are entering a new era in which there will be a need for increased productivity through structural reform that will apply both to FTs and others. Mr Bell went on to say that The Board needed to debate strategy in advance of the Board to Board meeting with Monitor. In particular, the Trust is well known for delivering high quality services, with which a degree of cost is associated. There is likely to be a tension in the future between the cost of delivering quality and the need to meet targets for reduction in expenditure and this will impact upon strategy.

Dr Shuldham commented that in July 2007 the Board had decided to focus upon quality and patient safety and wondered how this might be affected. Sir Robert Finch responded that it might be necessary to adjust the Trust's vision. Mr Bell stated that the Trust performed highly on patient safety and had high patient satisfaction scores, so this would be a strategic challenge for both the Trust Board and Monitor.

Professor Sir Anthony Newman Taylor said that the organisation had identified problems with its estate, had applied to the SHA for support with redevelopment, which had not been forthcoming and had instead proceeded with incremental developments, future continuation of which would best be taken forwards as an FT.

Mr Bell said that there is clearly a risk and the question is, 'how will this be managed?' Professor Sir Anthony Newman Taylor said that the good record of investment would help with this. Mr Bell said that the era of big build PFI schemes was clearly over and that future redevelopment plans would need to be affordable and funded from the asset base.

6. Financial Overview – Presented by Mr Robert Craig and Mr Mark Lambert

The financial shortfall for 2009/10 has been quantified at between £18 - £20 million. This is largely made up of £12 million loss of Culyer R&D monies and £6 million inherent in tariff efficiency expectations. Changes to the way in which the market forces factor is calculated could also impact adversely. Other changes include the introduction of HRG version 4, unbundling of diagnostic tests and CQUIN payments (for quality and innovation). Mr Craig said that it would be necessary to agree draft numbers for each of these factors for inclusion in the IBP by 10th February 2009. Mr Bell was keen to explore these assumptions and

to identify and quantify the risks. There was some discussion about the impact of HRG version 4. The NHS London model has been discarded because it was based on old data. Mr Hunt presented an analysis of the income implications of HRG version 4 and concluded that there could be a net benefit of £3.8 million. This contrasts with the KPMG assumption of a £4 million loss associated with tariff and MFF changes. The KPMG position adds to the £18 - £20 million financial gap, whilst the Trust analysis would reduce the financial shortfall. Hence this will be a key issue during dialogue with Monitor. It was agreed that the Board would revisit this issue in more detail at the next Board Seminar on 9th February 2009. Mr Lambert pointed out that current calculations were based on the road test version of the tariff and that the final version was expected to be available by the end of January 2009.

7. Financial Stability Plan (FSP)

Mr Craig reported that work had commenced on this in October 2008. The plan is based upon the existing FSP and the previous contingency plan. It contains 75 schemes which will deliver savings in the range £17.2 – £28.2 million. Some of these relate to income, while others relate to deep and challenging cuts.

Programme Management Arrangements – All schemes will be covered by a plan. Where there is a shortfall on a scheme, additional schemes will be identified to the value of those lost.

Governance & Reporting Structure – Progress of the schemes will be tracked at fortnightly team meetings and there will be a monthly report to Management Committee. Variances will be addressed.

Professor Sir Anthony Newman Taylor requested that Professor Evans and Dr Shuldham reassure him that these considerable measures would not impact adversely on the delivery of safe, high-quality, clinical care.

Dr Shuldham responded in the affirmative and suggested that the detail be discussed at the next Board Seminar.

Mr Craig presented a slide showing the correlation of the schemes in respect of challenge and value. While some schemes (e.g. VAT relief) were low challenge and high value, others were both high value and high challenge. The chart helped to show where effort could be best expended. Mrs Hill suggested that it would be helpful to map the schemes against risk factors as well. Mr Bell said that it was important that Board Members understood and challenged the detail because Monitor would test Board Members views on this. Mr Hunting said that it was likely that the assessors' views would be influential. Mr Bell reiterated that it was essential that Board Members understand the management questions.

Mr Craig concluded by saying that the IBP would be brought to the Trust Board at its next meeting in February.

2009/004 FINANCIAL PERFORMANCE REPORT FOR MONTH 9: DECEMBER 2008

Mr Lambert reported that a £500k loss had been expected in December. The actual loss was £685k. It had been necessary to release some centrally-held provision to achieve this against a picture of an underlying in-month

deficit of £1m. Much of this had been caused by increased expenditure on temporary staffing, particularly on agency nurses. Material to this was the fact that December was a 5-week month and the bank rates of pay had been increased in order to curb agency expenditure the benefit of which should be seen in future months. There are also high vacancy rates on both AICU and PICU and sickness rates have also been high.

The current position M1 – M9 is showing a surplus of £1.8 million. The control total at year-end is expected to be £2.4 million with a forecast of £2.9 million surplus outturn taking reserves into account. The value of the required control total will be clarified with NHS London at a booked conference call on 5th February 2009.

Mrs Hill enquired about the grade of nursing staff employed through temporary staffing. Dr Shuldham responded that these were usually band 5 or band 6 nurses, staff nurses covering bedside care. Mrs Hill wondered whether the workforce could be managed more flexibly over the medium term. Dr Shuldham said that rates of pay would be investigated through the London Agency Agreement and that bank rates had been increased to encourage more of our own staff to work flexibly through our staff bank rather than through an agency. Mrs Croft asked whether more training could be given to make working at the Trust more attractive. Dr Shuldham said that the Trust is doing a lot already through SHA links and rotation of band 6 nurses. Following a general discussion, it was acknowledged that there was a need to recruit staff in key areas and that this would be particularly important in the coming year as this formed an important element in the 09/10 FSP.

08/09 FSP – Mr Lambert reported that £11.2 m was being delivered against a target of £11.6 m and that the shortfall had reduced to £400k for which Mr Craig and his team should be congratulated.

Capital – Capital expenditure in December was over £1.1 million, which continued acceleration of the programme this year. Spend to date is now only £0.25m behind phased plan to December which is a £150k improvement on the November position. The Capital Working Group will continue to monitor the position.

Sir Robert Finch asked whether there were any questions for Mr Lambert. Mr Coleman commented that the numbers were coming together very well and that there were no serious or significant problems.

2009/005 OPERATIONAL PERFORMANCE REPORT FOR MONTH 9: DECEMBER 2008

Mr Lambert began his presentation by reporting to the Board concerning a meeting he had attended about the Quest for Quality. Salford Royal Infirmary had presented their Board papers at this meeting and Mr Lambert had noticed that the national comparator benchmark institution quoted for mortality was the Royal Brompton & Harefield NHS Trust as adjusted mortality rates at RBHT are considered the best in the UK.

Key Variances:

MRSA – 2 cases year-to-date - 2 less than trajectory

C difficile – 12 attributable cases year-to-date - 8 less than trajectory

Complaints - -2% against 90% target

Cancelled Operations – Forecasts included for remainder 08/09, likely outcome ‘underachieved’ and showing trajectory for achievement of this indicator in 09/10

Readmission (S19) – Work needed in 09/10 to keep within 07/08 baseline

Staff Sickness - 3.23% exceeding 3% target which is a self- imposed stretch target. Mrs Hill requested further benchmarking work be undertaken of our performance compared to others on this indicator.

Quarter 2 Clinical Quality Report

Presented by Dr Caroline Shuldham

The report covered patient safety including 2 serious untoward incidents (previously reported to the Board). Patient outcomes in respect of mortality were noted to be good. Patient falls were highlighted as a difference had been noted between wards. There will be a focus on reduction of patient falls in the future.

Modern Matrons’ Report

Presented by Ms Surjeet Kaur

This is the second report of the Modern Matrons to the Trust Board. Work continues to improve compliance with hand hygiene and dress code requirements. The Matrons request that the Board continues with its support of their work. Refurbishment work was noted, particularly in relation to compliant clinical hand-washing basins and reflooring work carried out over Christmas. The infection prevention and control website is now live and positive feedback has been received during executive walkabouts.

Mr Hunting asked who were the ones not complying with hand-washing and dress code requirements. Ms Kaur replied that there was a need to work on some disciplines more than others. Sir Robert Finch wondered whether nurses were setting a good example for the medical profession to follow. Ms Kaur said that medical staff compliance was improving. Indeed it was evident that the Medical Director was setting an excellent example right at that moment in respect of ‘bare below the elbows’.

Mr Coleman commented that he deduced from the Quarter 2 report that behaviour in terms of culture and cleanliness were improving and that hearts and minds were being won over. He expressed his support for the Matrons in the continuation of their work.

2009/006 FINANCIAL STABILITY PLAN
Discussed under agenda item 4.

2009/006 Q3 PROVIDER AGENCY RETURN
Mr Mark Lambert presented the documents consisting of a self-certification form to be signed by Chair and CEO, a score calculator showing which targets and core standards are met and a commentary explaining any variance from target.

All Provider Agency targets have been met apart from that relating to cancelled operations. Mr Craig explained that conflicting pressures arising from the need to achieve the 18 week waiting time target had adversely affected the target for cancelled operations. He noted that the Trust had identified a 50% reduction in the number of cancelled operations as a patient safety priority. Achievement of the 18 week access target will allow theatre

and ITU activity to normalise, along with new scheduling arrangements this should cause a reduction in the number of operations cancelled on the day.

The papers were approved by the Board for submission to NHS London.

2009/007 HEALTHCARE COMMISSION INSPECTION OF HYGIENE REPORT

Presented by Dr Anne Hall

The Trust was visited by 3 inspectors from the Healthcare Commission on 21st and 22nd August 2008 who looked at 4 out of the 11 Duties set out in the Hygiene Code. The report resulting from this inspection was received in November 2008. The Trust responded to this report and a second final report was issued in December 2008.

The final report confirmed that the Trust had achieved the required standards in all areas apart from one breach of sub duty 2d which related to evidence of training for short-term contractors visiting the site.

Since receiving this report the Trust has ensured that the required policies are in place and have been implemented.

Sir Robert Finch asked whether there was anything more that needed to be done. Anne Hall replied that continued support from the Board for the work of the Infection Control team was essential.

Professor Sir Anthony Newman Taylor congratulated Dr Hall, Dr Shuldham and their team for the work on this issue.

2009/008 DRAFT 2009/10 PROVIDER MANAGEMENT REGIME ANNUAL PLAN

Presented by Mr Lambert

This document covers 2009/10 plus 2 further years. It was submitted to the Provider Agency in draft form on 19th January 2009 and is included here today for review and comment by the Board prior to final submission.

Mrs Croft raised a question in relation to 2.6 concerning operating revenue and operating expenses and Mr Lambert agreed to revisit this element.

Mr Coleman raised a question in connection with the section on Declarations and self certifications. It was agreed that the item about signing contracts with commissioners could be ticked because the agreements signed last year cover a 3 year period.

Conflicts of interest and the independence of Non Executive Directors were discussed. Sir Robert Finch noted that he would be tasking the new Company Secretary with production of a conflict of interest policy and that this would be brought before the Board for approval.

2009/009 HEALTHCARE COMMISSION: REGISTRATION WITH THE CARE QUALITY COMMISSION IN RELATION TO HEALTHCARE ASSOCIATED INFECTIONS

Presented by Dr Anne Hall

The 11 duties of the Hygiene Code are to be superseded by 9 Compliance Criteria required by the Care Quality Commission, which replaces the Healthcare Commission from 1st April 2009.

Dr Hall advised the Board that the Trust was fully compliant with all 9 criteria

and that a declaration of full compliance should be made. This was agreed by the Board and a declaration of compliance will be submitted by Mr Bell on behalf of the Trust.

Mrs Croft asked whether it would be possible for Board members to receive training in infection prevention and control measures. Dr Hall responded that she would welcome the opportunity to talk less formally with Board members.

2009/010 2009/10 OPERATING FRAMEWORK

Mr Hunt presented paper G – For information

It explains the rules for commissioning of services and for service delivery for the year. Mr Hunt highlighted the section governing arrangements for arbitration and settling of disputes.

2009/011 ANY OTHER BUSINESS

There was no other business.

2009/012 QUESTIONS FROM MEMBERS OF THE PUBLIC

Councillor Mills – said that the Trust had come a long way from the dark days when the previous FT application had been turned down by Monitor. She noted the shortfall for 2009/10 and the change of focus (Lord Darzi) from buildings to a focus on clinical services and she wondered how the Trust intended to address these questions when challenged by Monitor.

Mr Bell responded on behalf of the Trust saying that these points had been considered. The financial shortfall would be addressed through the FSP as outlined previously. The Trust intended to renew essential infrastructure in an affordable way, using its own means rather than being reliant upon public sector borrowing. He clarified the outcome of the previous FT application pointing out that the Trust had been deferred rather than turned down.

Councillor Mills went on to question whether the strategy as presented today was sufficiently robust to meet the anticipated challenge from Monitor.

Mr Craig answered that strategy presented this afternoon was only an outline of the full text that was contained within the IBP, which would be available to Monitor. Sir Robert Finch added that the Trust understood its position in relation to the Royal Borough of Kensington and Chelsea; indeed the Trust is the biggest employer in the Borough. He said that the Trust did not intend to be turned down again.

Mr Philip Dodd asked a question relating to the AHSC process and academic allegiances. Mr Bell responded by saying that the process was not subject to amendment and that although, at the moment, the Trust was not part of the process this did not mean that the Trust might not engage later on. Sir Robert Finch said that he had spoken with Professor Roy Anderson yesterday and the RBHT / ICH Working Party was clearly important to both institutions as both had an interest in furthering world class research in order to save lives.

2009/013 DATE OF NEXT MEETING

Wednesday 25th February 2009 at 10.30 am in the Concert Hall at Harefield Hospital.