

ROYAL BROMPTON & HAREFIELD NHS TRUST

Minutes of a Meeting of the Trust Board held on 6 April 2005 in the Concert Hall, Harefield Hospital

- Present: Lord Newton of Braintree: Chairman
Mr R Bell: Chief Executive
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 C Champion: Associate Director of Operations
Mr R Craig: Director of Governance and Quality
Professor T Evans: Associate Medical Director RBH
Mr W Fountain: Associate Medical Director HH
Mr N Hunt: Director of Commissioning and Business
Development
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
Mrs M Miranda: Library Manager

Apologies for absence were received from Mr C Perrin and Mrs I Boyer.

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

The Chairman also welcomed Mr Robert Bell who had commenced as Chief Executive on Monday 28 March 2005 and Mrs Elaine Schutte who had this week taken up the post as Executive Assistant to the Chief Executive.

The Chairman informed the Board that Professor Anthony Newman Taylor had now become Deputy Chief Executive and expressed personally and on behalf of the Board deep gratitude to what he had done and given the Trust over the past nine months as Acting Chief Executive and also on four previous occasions.

The Chairman further explained that had the Board Meeting taken place on 24 March 2005 Dr. Rosemary Radley-Smith would have attended it for the last time in her current capacity as Associate Medical Director at Harefield Hospital.

Regrettably Dr. Radley-Smith was today at an International Conference in the USA and was unable to attend the meeting. The Chairman asked the Board to record its gratitude and the gratitude of Harefield Hospital for all Dr. Radley-Smith had given over the years.

REF

2005/24 MINUTES OF TRUST BOARD MEETING ON 23 FEBRUARY 2005
The minutes of the Trust Board Meeting on 23 February 2005 were confirmed.

2005/25 MINUTES OF TRUST BOARD MEETING ON 26 JANUARY 2005
Ms Josephine Ocloo, Chair of Royal Brompton & Harefield Patient and Public Involvement Forum, asked for confirmation that the amendments she requested to the meeting of the Board on 26 January 2005 had been approved and incorporated into the published version.

Mr John Chapman confirmed Ms Ocloo's amendments had been made and were in the published minutes of the January meeting which was on the Trust website.

2005/26 DELIVERY OF PAPERS FOR BOARD MEETINGS
Ms Ocloo said she was still not receiving Board papers in sufficient time for meetings and indicated that delivery more than three days before a meeting was needed.

The Chairman said the Trust aimed to post papers on the Thursday before the meeting and would look at arrangements to dispatch them earlier.

2005/27 REPORT FROM CHIEF EXECUTIVE
Professor Newman Taylor presented the Chief Executive's report and drew attention to five matters.

(i) Addendum to the OBC for the Paddington Health Campus Development

The Board had postponed the meeting scheduled for 24 March until today to give more time to review the Addendum to the OBC for the Paddington Health Campus Development. However, discussions were continuing with Westminster City Council and the Addendum continued to be developed. When complete it would be presented to the Board, probably at the meeting on 25 May.

(ii) Financial position

At the end of February 2005 (Month 11) a deficit of £1.4mn was forecast. This was the outcome of unmet savings plans, shortfalls in NHS and private patient income and non-pay

overspends. The Directors were pursuing every possible means to reduce the deficit and achieve a break-even position at 31 March. They were also involved in financial planning for 2005/6 to ensure the Trust financial targets are met.

(iii) "Smoke-Free" NHS

A White Paper from the Chief Medical Officer to the Department of Health gave a commitment to achieve a smoke-free NHS by December 2006. The NHS in London had agreed that all premises are to be smoke free by December 2005. The Trust had issued a draft no smoking policy for consideration and an action plan to implement it.

(iv) Car Parking Charges at Harefield Hospital

A meeting with three members of staff who presented the petition opposing car parking charges took place on 24 March. The three staff presented a proposal over payment of charges which the new Chief Executive was considering. On 31 March another petition signed by 427 members of staff was received expressing continued support against the proposed charges.

(v) Visit of the Chancellor of the Exchequer

On 24 March Mr Gordon Brown, Chancellor of the Exchequer, visited the Magdi Yacoub Institute at Harefield Hospital to unveil a statue commissioned by Mr Anthony Gormley.

Professor Newman Taylor concluded his report with grateful thanks to the Chairman, Board Members and Executive colleagues for their generous and loyal support over the past nine months since the departure of Dr. Gareth Goodier.

Mr Robert Bell expressed his personal gratitude to Professor Newman Taylor for his outstanding leadership and looked forward to collaborating with him in advancing the Trust. Mr Bell said he had accepted the post of Chief Executive because it was a great honour to lead a world-renowned institution into the future. Mr Bell said he had followed recent Board meetings through the minutes and had become familiar with the current issues. His personal commitment was to be devoted to the interests of the Royal Brompton & Harefield NHS Trust and to make sure its interests are progressed. He looked forward to collaborating with patients, the public, members of staff and stakeholders.

2005/28 GOVERNANCE AND QUALITY REPORT

The Board received the Clinical Governance Report for the quarter ending on 31 December 2005 and the revised assurance framework. The Clinical Governance quarterly report contained three items. A report on adverse events, a clinical audit report and a report on patient-related governance.

Professor Tim Evans, Associate Medical Director RBH, briefly explained the review of adverse events and the clinical audit report, the latter of which contained a report of hospital mortality meetings. There were also service-specific reports on imaging, rehabilitation therapy services and laboratory medicine. Professor Evans asked the Board to note that there were no national comparators to help determine the scale of adverse events in laboratory medicine and thus comparisons could only be made between Royal Brompton and Harefield. The Clinical Support Services Directorate was examining the feasibility of comparisons with Papworth and Wythenshawe Hospitals. The report also drew attention to risk matters in laboratory medicine which included the unified PAS, the laboratory management module, labelling and shortage of blood products.

Dr. Caroline Shuldham, Director of Nursing and Quality, presented the report on patient-related governance. There were 32 complaints in the third quarter, 10 more than in the second quarter. The number of complaints in 2003/4 was similar to the number up to 31 December 2003. More complaints had been acknowledged within 2 days and more completed responses were sent within 20 working days. The Complaints Working Group had reviewed all the complaints and had commissioned reviews of patient transport services, cancellation of outpatient appointments and communicating with patients and on how information given to respond to a complaint is verified.

Dr. Shuldham informed the Board of the results of the national outpatient survey. There had been a good response rate from Royal Brompton and Harefield patients and the survey results confirmed the quality of care, confidence in medical staff and respect for dignity of patients. Concerns were expressed about waiting in outpatients, information given to patients about their appointments and explanations of their treatment.

Dr. Shuldham also briefly drew attention to a report from the PALS. Fifty four concerns were raised, of which 20 related to clinical and admission issues.

The Chairman commented on concerns relating to waiting times and communications which linked to one of the main issues examined by the Independent Paediatric Inquiry from 1999 to 2001. Ms Josephine Ocloo said they were also her concerns. Information and communication issues were raised throughout the Evans Inquiry with many parents and families affected. The issues continued to feature in complaints and needed to be examined in more detail. Ms Ocloo felt these issues ought to be looked at more closely to see whether some families from particular backgrounds were more likely to be affected. This issue emerged as a concern with some families involved in the Evans Inquiry. Ms Ocloo also said that following the

recommendations from the Evans Inquiry the Trust commissioned literature research and asked what happened with the results.

Dr. Shuldham said a literature search was commissioned on communication between staff, parents and children. The results would be circulated again to the relevant teams. A new general management structure had recently been implemented in the Outpatient Department and the general manager would examine standards of written information and how information is communicated.

The Chairman suggested that Ms Ocloo's approach had been very constructive and suggested Dr. Shuldham discussed matters further with her.

Mr Robert Craig drew the Board's attention to the Trust Assurance Framework which had been revised after the meeting in February to take account of comments from Board Members. The internal auditors had also reviewed the framework which was referred to and approved by the Audit Committee in March.

Board Members raised concerns about the need to cross-reference between the sections on financial control and loss of reputation, risks associated with changes in the research and development subvention and certain controls that had been inadvertently omitted. Mr Craig agreed to revise the framework and subject to these amendments it was approved by the Board for implementation. The framework would be reviewed at every meeting of the Risk Strategy Committee.

2005/29 PERFORMANCE REPORT

Mrs Mary Leadbeater, Director of Finance, presented the Performance Report for Month 11. Overall there was an adverse variance from plan of £3mn. This was a favourable movement of £1.5mn from the previous month which was largely the result of achieving benefits from the recovery plan. However, the cumulative overspend remained which was the result of unmet savings targets, shortfalls in NHS SLA and private patient income and non-pay overspending. The Trust recovery plan reduced the overall deficit to £1.459mn. Mrs Leadbeater informed the Board that it appeared unlikely the Trust would achieve financial balance at 31 March but that every effort was being made to improve the position.

Mrs Leadbeater also informed the Board that the Finance Department had encountered severe cashflow difficulties in February. There was a very high number of debtors, most of which were other NHS organisations which reflected NHS financial problems. The cashflow problem was ameliorated to some extent by deferring payments to creditors. The SHA recognised the problem across North West London and had offered brokerage.

Mrs Leadbeater informed the Board that the Trust's capital expenditure performance was improving and while one of the projects had slipped to 2005/6 managers implementing the programme had agreed that their priority would be to ensure forecast expenditure is incurred by 31 March. A contingency plan was in place to ensure under performance does not occur.

Mr Patrick Mitchell, Director of Operations, confirmed that all activity and waiting list targets at both 28 February and 31 March were achieved.

Mr Tony Vickers, Director of Human Resources, briefly drew the Board's attention to Human Resources indicators. The target for attendance at mandatory training courses in moving and handling techniques, resuscitation and fire and health and safety was not being achieved and particular difficulties had been encountered over attendance by junior doctors. They had asked for more sessions to be provided and this was being pursued with the Learning and Development Department.

The Board noted the report with particular concerns over the financial position at the end of February and the forecast year-end deficit.

2005/30 FINANCIAL RECOVERY PLAN

Mrs Mary Leadbeater presented a report on performance with the financial recovery plan for 2004/5 at 28 February. The report confirmed a projected financial deficit of £1.4mn but this would be refined following further analysis relating to the position at 31 March to be reported to the next Board meeting and for the preliminary outturn for 2004/5 which would be presented to the Board in May. Professor Malcolm Green said it was projected that financial balance would not be achieved and the Board had to note and be concerned that it would be in breach of duty.

Mr Bell said the Directors and Senior Managers would work through how the deficit can be reduced and eliminated. This would drive performance for the next twelve months.

2005/31 BUDGET SETTING FOR 2005/6

Mrs Mary Leadbeater presented a report on budget setting for 2005/6. A detailed review of the recurrent financial position facing the Trust had been undertaken which identified a potential budget deficit of £13.2mn. The deficit included the forecast deficit for 2004/5 which would be carried forward to 2005/6, repayment of the deficit carried forward, the current overspending pattern, income reductions, other cost pressures, the cost of other developments and generic inflation. The Executive Directors had discussed the potential deficit and action to eliminate it and achieve financial balance in

2005/6 and apportioned it to eight workstreams of which three quarters related to reducing expenditure and one quarter to increasing income. A sub-committee reporting to the Chief Executive would account regularly to the Finance Committee on delivering the action plan and achieving financial balance. A report would be given to the Board Meeting in May.

Mr Bell said it was vital that firm action was taken to eliminate the underlying operating deficit of £13mn in the first two months of the year so that the Trust would be able to report at Month 6 that financial balance would be achieved.

The Chairman said the Board would give its full support to the Chief Executive and the Directors to address the serious financial position urgently.

2005/32 MEETING OF FINANCE COMMITTEE ON 24 MARCH 2005

Mrs Leadbeater gave an oral report on matters considered by the Finance Committee at the meeting on 24 March 2005. The Committee considered the Trust financial position in detail. It had also reviewed the capital programme, considered a report on expenditure on drug-eluting stents, a proposed contract for materials management in 2005/6 and a report on the NHS reference cost results for 2003/4. The reference cost score for the Trust was 93. The report considered by the Finance Committee was available to Board Members on request.

2005/33 CAPITAL BUDGET FOR 2005/6

The Board received and approved the initial capital budget for 2005/6 and gave authority to proceed with brought forward items and standing commitments amounting to £2,880,000 which was 68% of the operating capital allocation for the year. Further authority to proceed with other capital schemes would be sought when business plans had been clarified and approved.

2005/34 MEETING OF THE AUDIT COMMITTEE ON 16 NOVEMBER 2004

The Board received and noted the minutes of the meeting of the Audit Committee on 16 November 2004.

2005/35 REPORT FROM AUDIT COMMITTEE MEETING ON 16 MARCH 2005

Mrs Mary Leadbeater presented a brief report on matters considered by the Audit Committee at the meeting on 16 March 2005. The Committee received an update on matters discussed by the Risk Strategy Committee, a report from the internal auditors on progress with their investigations and a report from the external auditors. The key message related to the need for Trust Managers to complete action on previous audit reports.

The Board noted the report.

Mrs Suzanne McCarthy said the Department of Health had recently decided that a Non-Executive Director lead on counter fraud was no longer necessary and she could therefore relinquish the responsibility.

2005/36 HAREFIELD HOSPITAL LIBRARY STRATEGY IMPLEMENTATION PLAN 2005/6

Mrs Michelle Miranda, Library Manager, presented a brief summary of the Harefield Hospital library strategy implementation plan for 2005/6 which drew on strategies for North West London health libraries and London health libraries generally. The strategy plan was expected to be approved by the London Libraries Group and the SHA later in April. The key initiatives were to support education of the health of London workforce, to collaborate with other education initiatives, connect people to information, maximise utilisation of databases, to be responsive to the need for services and to foster partnerships with local public libraries.

The Board welcomed and approved the plan.

Ms Josephine Ocloo asked if the Patients and Public Involvement Forum could have access to the library. Mrs Miranda said that while the initiatives related mainly to staff learning and development the library would be able to help patients and the public access information through databases. The Chairman indicated that the Trust would be as helpful as possible to the Forum and therefore the request for library access should not be a problem.

2005/37 COMMENTS FROM MEMBERS OF THE PUBLIC

Mr Kenneth Appell, member of the Patient and Public Involvement Forum, asked what the reasons were for the NHS income shortfall in 2004/5, what attempts had been made, given the highly competitive market to attract private patients, and urged the Trust to take a robust approach to the great many debtors.

Professor Newman Taylor said the shortfall of NHS and private patient income reflected changes in the treatment of cardiac patients, especially through revascularisation procedures. The Trust had encountered a reduction in surgical operations. More cardiac patients were treated through angioplasty and stent implantation with a greater proportion of procedures now being undertaken in district general hospitals. To some extent this work had been replaced in the Trust with other procedures, notably electrophysiology but this was a more expensive procedure incurring high costs. The Trust was introducing new diagnostic technology such as fast CT scanning as an alternative to diagnostic catheterisation in order to induce more referrals to the Hospitals.

The shortfall in private patient income was not however solely the result of a fall in referrals. The success of NHS initiatives to reduce waiting times for treatment had resulted in fewer people opting for private healthcare. The Trust was in discussion with BUPA on preferred provider status for insured patients and was pursuing other initiatives to increase overseas referrals.

Professor Newman Taylor said he agreed that debtors should be pursued over payment. However, the NHS was reported currently to be in debt and North West London SHA had a deficit of £56mn, the second highest in the NHS. Many NHS organisations were unable to pay bills.

The Chairman said there was a trend of diminishing referrals to the Trust and it could not assume it would cease or reverse in the foreseeable future.

Mrs Pauline Crawley, Chairman Harefield Tenants and Residents Association, said she had asked at a previous Board meeting if a Non-Executive Director was involved in scrutiny of complaints and was informed that there was none and there was also no external advisor. Mrs Crawley said she had heard that information given to a complainant over a year previously had been found to be erroneous and suggested external review could be helpful. She asked if the Trust had thought further about it, particularly as the Healthcare Commission was now responsible for external independent review.

Dr. Caroline Shuldham said there was still no external involvement in Trust scrutiny of complaints. As Director of Nursing and Quality she reviewed all complaints and the new Chief Executive had confirmed that he wished her to continue this role. The Chairman commented that the Trust had advertised for a new Non-Executive Director and it was hoped an appointment could be made by Summer 2005. This may give an opportunity for a Non-Executive Director to participate in review of complaints. The Chairman however asked Ms Josephine Ocloo whether the Patient and Public Involvement Forum might become involved. Ms Ocloo said the Forum had an external consultant who was advising on lay involvement in clinical governance in hospitals and the Forum may become more involved in the future.

Mrs Crawley also drew attention to the involvement of conciliators in supporting patients over complaints and indicated that Brent and Harrow and Hillingdon PCTs had a pool of conciliators to help their patients. Dr. Shuldham said some independent conciliators supported patients. The PALS also provided assistance for patients. The Chairman asked Dr. Shuldham to obtain more information about the service available to Brent Harrow and Hillingdon.

Mrs Audrey Andrews, a neighbour of Harefield Hospital, explained that the lighting was left on throughout the night in the new car park, intruding on her bedroom and disturbing her sleep. She had written to the Chairman about this but had not received a reply. Mrs Andrews said that lighting the car park all night, particularly when it was not used, was a waste of money.

Mr Patrick Mitchell, Director of Operations, said an acknowledgement had been sent. He had asked Mrs Maria Cabrelli, Director of Estates, to investigate and would follow the matter with her. The Chairman commented that lighting in the car park had been increased to improve security but understood there was a balance between security and disturbance through light pollution. He thanked the member of public for raising the matter and apologised that she had not so far received the letter of acknowledgement. The member of the public said lighting the car park all night was a waste of money particularly when the car park was little used.

2005/38 PADDINGTON HEALTH CAMPUS DEVELOPMENT

The Board received a written report from Mr Nigel Hodson, Project Director, which provided an update on the Paddington Health Campus Development (PHCD) since the previous Board meeting. The report included detail about the Addendum to the Outline Business Case (OBC), the favoured PHC Scheme and the acquisition of sites. In the absence of Mr Hodson from the meeting the Board noted the report.

2005/39 COMMENTS FROM MEMBERS OF THE PUBLIC

Mrs Brett, Chair of Heart of Harefield, pointed out that the normal March 24 Board meeting had been postponed until 6 April to ensure enough time for the Addendum to the Paddington Outline Business Case to be completed, studied and presented. However, that Addendum was still not ready and it was doubtful that anyone who had followed the history would be surprised.

Mrs Brett also queried the Paddington Project Director's report being described as an "update" when it failed to report any progress. It went backwards by repeating the February details and by failing to produce the Addendum. The important paragraph in the Project Director's report which Mrs Brett quoted was, "An agreement is not yet in place for the acquisition of the sites necessary for the Campus. On 2 March Paddington Development Corporation Ltd terminated the collaboration agreement and any further negotiations with the Royal Brompton and Harefield and St. Mary's Trusts and the North West London SHA." Mrs Brett stressed that PDCL was the owner of the land – vital if the Project were to continue.

Mrs Brett quoted further from the report, "This was in accordance with the terms of the agreement which required notification if it became evident that the deal could not be reached by the end of March. Since then the Trusts, SHA, Westminster City Council and the

DoH have been in discussion to identify a transaction which satisfies their various concerns. Once an agreement had been reached a proposal will be made to PDCL seeking to re-engage them in negotiations to reach a final agreement."

Mrs Brett said that the Trust not being in a collaboration agreement with the owners of the land it needed for Paddington to go ahead could be described as a joke. For without the land it had no Project.

Heart of Harefield's Chair then referred to the 5 March 2005 "Times" article headlined "Failure to Agree Price Puts Hospital Scheme in Doubt". The first paragraph read, "Plans to build a £1billion super hospital in London were in tatters last night after the landowners pulled out of a deal to sell the site." Mrs Brett said she did not know how the Board could sit without someone apologising, admitting that Heart of Harefield had been right for the last four years and saying that they were very concerned indeed about the waste of public money.

Mrs Brett put four questions to the Board requesting that they be answered.

1. Within Paper C, the Performance Report, page 2, the Deputy Director of Finance reports a contingent liability in relation to the Paddington Project. He estimates this at £3mn. Part of this is for exit costs from Paddington. Kindly explain how these costs have been arrived at, who approved them and when and to whom they are payable?
2. On 22 March John Randall MP asked John Hutton, Minister of Health, whether the assurance of the Acting Chief Executive of Royal Brompton & Harefield NHS Trust on 22 February that the necessary Addendum to the OBC would be at the Department of Health by 15 March had been fulfilled. The Minister's reply was that the Addendum had not been received but he hoped to receive it shortly. Clearly this ministerial answer conflicts with information given to Heart of Harefield the same day, 22 March, by the Trust Chairman and what is in the present Board papers. In essence, there is no foreseeable date for the production of the Addendum.

Why was the Minister not informed of this situation?

3. Within his report to the Board the Paddington Health Campus Development Project Director admits that no agreement is in place to acquire the land for the Project from the landowners. It is also admitted that on 2 March Paddington Development Corporation Limited which owns the essential land terminated the collaboration agreement and any further negotiations with Royal

Brompton and Harefield and St. Mary's Trusts and North West London SHA. The Paddington Development Corporation Limited spokesman was therefore accurate when saying of the PHCD on 20 March, "We can't see it happening now or in the future. As far as we are concerned it is a dead duck."

So why is the Board wasting public money on a defunct project?

4. Is the Trust Board aware that on 4 March 2005 Hillingdon Council wrote to the leader of Westminster City Council. This letter pointed out that Hillingdon Council had since 2000 fully supported the retention of Harefield Hospital. Copies of the relevant motions against the closure of Harefield Hospital and in a support of the community campaign were enclosed with that letter.

Mrs Brett placed a copy of the questions before the Board to assist with answers.

On staff car parking at Harefield, Mrs Brett commented that it was not surprising that Mrs Jill McNally and her colleagues were not present as the Board was meeting during working hours. Mrs Brett also expressed sympathy for the member of the public who drew the Board's attention to disturbance from car park lighting. Heart of Harefield would do what it could to help. NCP should be sufficiently experienced to ensure lighting did not cause disturbance and was switched off during certain hours. It was a further example of wasting money. Another was charging staff for car parking when the Trust was going to need their goodwill to get them through the financial problems of the next eighteen months

The Chairman informed Mrs Brett that if she intended to ask questions in the form she had, which could hardly have been thought up quickly, it would have been helpful to have had advance notice.

In response to the first question on PHCD contingent liabilities and exit costs Mrs Mary Leadbeater said she would prefer to respond in writing. The Chairman added that it was unreasonable to push Executive Directors to answer questions of this kind without notice and he thought Mrs Leadbeater's response was entirely legitimate.

The Chair of Heart of Harefield replied that she was happy for Mrs Leadbeater to respond in writing but the subject was in the Board's papers and had also been mentioned in the minutes of the Audit Committee. It was therefore a fair question. Mrs Leadbeater was given a copy of the question. Mrs Leadbeater explained that accounting for the Project is carried out through St. Mary's NHS Trust and she did not hold the information immediately. The Chairman said that in the circumstances Mrs Leadbeater's response was

reasonable. However he accepted that it was unfortunate that no-one from the Paddington Health Campus was present to answer.

Mrs Brett reiterated that she had been more than fair because the sum mentioned in the Board papers was £7million, which would be shared with St. Mary's. Yet Heart of Harefield had asked only for an explanation of the £3million liability figure for this Trust – how it had been arrived at, who agreed it and to whom it was payable. Someone on the Board should have been able to answer, particularly as the Board had financial problems.

In response to the second question the Chairman doubted the Board could answer as none of the Directors knew how the Minister was briefed. It would have come from the SHA. Mrs Brett said that the SHA would refer questions from the DoH to the Trust. The Chairman said this was not always the case. Professor Newman Taylor said he was not aware of any requests for information from the Trust to brief the Minister to answer the question. The Chairman added that the SHA may be able to answer the question. It may have asked the PHCD Project Team for information but the Board was not able to answer it. The Chairman reiterated that the Trust was not asked for information.

On question 3, the Project being defunct, Mrs Brett said that the important point was that the owners of the land had withdrawn from the collaboration. If the Project did not have the land on which to build it had no Project. Planning permission was also necessary and the first planning application had been put in June 2000. It was now April 2005 and still no planning application for the present Paddington Health Campus today. Therefore the Board is still allowing public money to drain out on this Project when the Board has a duty to mind with rigour the use of the public purse.

The Chairman said the position of the Board is that discussions relating to the Project were continuing, not least with WCC. Against that background the SHA agreed, with the acceptance of the DoH, that it was reasonable to continue to spend money on the Project and the various possibilities that still exist.

Professor Newman Taylor said Mrs Brett was correct. The collaboration agreement had terminated but as the Board was aware discussions on the land position were taking place between WCC and PDCL. The Trust awaited the outcome. It had discussed with the SHA and the DoH the issue of continued support to enable the process to continue. Agreement had been reached with the DoH that there should be continuing support, until the end of June when it will be reviewed, for a reduced level of staffing and funding at the Paddington Health Campus.

The Chairman commented that although the PHCD Project Director's report said PDCL was not negotiating with the Trust or the SHA it did not say that it was not negotiating with WCC.

Mrs Brett said that the information given to Heart of Harefield the previous day was that Paddington Development Corporation Limited was not negotiating with Westminster City Council. This would be checked. However, the Managing Director of PDCL's PR Firm had stated on 24 March, "When the date came and a decision had not been made, we thought it was highly unlikely that the Project would move forward. " He added, "We cannot see it happening now or in the future. As far as we are concerned it is a dead duck." Mrs Brett commented that as PDCL already had planning permission for a mixed development on the Grand Union Site it would not allow the Project to acquire land unless there was a great deal in it for them. As WCC is in no position to agree with forward selling of the St. Mary's and Royal Brompton sites or the financial penalties that will be incurred if the Project fails to get a financial close, if a PFI Partner is ever selected, the Project was going around in circles. The Project had to renegotiate with PDCL which will not negotiate at present and will not enter into a collaboration agreement. As was clear in Appendix 14 of the OBC if PDCL did enter into a collaboration agreement it would expect recompense. Mrs Brett thought it would be helpful for those discussing the OBC to have a thorough knowledge of it.

Heart of Harefield's Chair assured the Trust Chairman that contrary to his assertion it had not taken her much time to form the four questions. If she could do that as an amateur it was reasonable to expect NHS Board Directors on respectable salaries to be able to answer them in a Board meeting.

The Chairman said there were clearly differences of judgement over the position of the Project, including if it was defunct. As far as expecting a Board Director to answer questions was concerned it was a great deal easier to compile questions than it is to formulate properly considered answers on a subject for which the Director did not have day-to-day responsibility. The Chairman said he did not wish to put Mrs Leadbeater in a position of having to respond immediately in respect of work which was under the supervision of another Director whose accountability was to St. Mary's Trust and was not best pleased by the question.

Mrs Brett said that as they were not getting anywhere it would be better to move on to the Hillingdon question. And neither was Heart of Harefield best pleased with four years of dissimulation, deceit, smear tactics and being kept out of discussions in which it should have been included. Having put plain questions the response was now that it was unfair in asking them. It was not unfair. Over

£8million of public money had been wasted on external consultants for Paddington, as well as supporting a 15 strong department and four part time staff. Heart of Harefield would therefore appreciate that if there could not be a straight answer, instead of circumlocution the reply was, "We are sorry that that at this point we cannot answer but will respond in writing."

Mrs Brett accepted that Mrs Leadbeater, the Director of Finance, had a difficult task and had spent much time on Paddington. However, Mrs Brett reminded the Board that she was not speaking personally but as Chair of Heart of Harefield, on behalf of the 180,000 people who had signed a petition against Harefield's closure, the 4 CHCs who were against it and every surrounding MP. It was unacceptable for legitimate questions to be bounced off.

The Chairman indicated that he had already said the Trust would respond in writing as soon as possible.

A member of the public asked what the Trust had been doing for the past four years. It had got nowhere. All it was doing was spending public money, which was absolutely disgraceful, and it was saying things that were untrue when the Trust must know what was going on.

The Chairman commented that there would again have to be a difference of opinion. The Trust had already said that what it had been doing in the past four years was to advance the future of the work of Royal Brompton and Harefield Hospitals in a way that makes it most likely it can contribute in the long term future to the development of healthcare in the NHS and throughout the UK. The issue was the long term sustainability of some of the Trust's work on both sites in a world in which the population is aging, co-morbidity is rising and the desirability of having a far wider range of specialisations adjacent to each other is growing. Many in the audience do not accept this.

Regarding the fourth question, the Chairman said it was unclear whether it related to Hillingdon PCT, Hillingdon Health Authority or Hillingdon CHC, as was. Mrs Brett tabled a copy of the question before the Chairman.

The Chairman said he had recently seen a letter from Hillingdon Borough Council but was uncertain whether it was dated 4 March and concerned a letter from the leader of WCC. Mrs Brett repeated the question for the Chairman. As WCC is involved in saying it wanted the PHCD including a land swap, and the letter arrived, it would be reasonable to expect Mr Simon Milton, Leader of WCC, to have been in touch with Mr Julian Nettel, Mr Nigel Hodson, the Chairs of the relevant Trusts and the Chair and Chief Executive of North West

London SHA. Mrs Brett reminded the Board that through the Health and Social Care Act 2000 Councils have a much stronger hold on health and what they want for local people. Mrs Brett reiterated that the important point was whether the Board had been made aware that at the beginning of March Hillingdon Council had made Westminster Council aware that its policy on Paddington was in conflict with that of Hillingdon Council.

The Chairman and Professor Newman Taylor said they were both not aware of the letter. The Chairman added that just as Hillingdon Borough Council may not agree with the views of Westminster City Council, Westminster City Council may not agree with the views of Hillingdon Borough Council. It was difficult to see what conclusions could be drawn.

Mrs Brett said at the previous Board meeting the point was made that WCC was very much in favour of the PHCD. That was to be expected; it would help the local population. In fairness to WCC they probably did not know the history of the problems of the PHCD. In the same way if this area were deprived of Harefield it would diminish the health services to this area and to many other people who use health services throughout the country. Therefore if WCC allowed by the Trust Board or any other organisation to be used as support for the PHCD Hillingdon Borough Council which covers Harefield should be allowed to be used as a point to support the retention of Harefield Hospital. As the Chairman had indicated he was unaware of the letter Mrs Brett said she would take it up with Hillingdon Borough Council.

Mr Kenneth Appell reiterated the urge he had made before to the Board that there is the ground in Harefield, not available anywhere else for a project, where it can be built far cheaper than at Paddington. It was in the interest of many patients throughout the country, not least the 180,000 who had petitioned for the retention of Harefield Hospital. Mr Appell felt at this stage the Board should reconsider what can be made of this area including other specialties made available which are necessary for the success of the NHS.

The Chairman said the point had been made before by others as well as Mr Appell and Professor Newman Taylor had replied to it. It was not possible to replicate any thing similar to the PHCD including all the services at and through St. Mary's. It would not be practical to replicate them at Harefield except by closing hospitals all around the area on a very large scale or alternatively to bring all the local population around Paddington to Harefield.

Mr Mike Cox, a Parliamentary Candidate and Hillingdon Councillor, referred to the escalation of Paddington's costs from £360million to over £1billion. Yet the OBC indicated that this would provide fewer

than 800 beds which equalled £1.25million per bed. Mr Cox asked how this could be justified as good value for money and at what cost per bed the Project would be deemed uneconomic.

The Chairman said that it was wholly inappropriate to compare costs per bed with the costs of building a new DGH, for example on the Harefield site. The work of Royal Brompton and Harefield was extremely specialised involving a far greater proportion of intensive care beds than are required in a DGH. As a result the cost per bed was almost inevitably a great deal higher. Professor Newman Taylor said the cost had to be judged against the complexity of work. Royal Brompton and Harefield had a disproportionately higher degree of level 2 and level 3 beds and it was not surprising that the costs would be far greater than is usually the case in DGHs.

Mr Cox said what was important financially was the increase from £500,000 per bed to £1.25million. He asked again at what point would the cost be regarded as uneconomic. The Chairman said it was not possible to give an immediate answer. He suggested Mr Cox should look at the costs of the nearest equivalent project in London, the St. Bartholomew's and Royal London Hospitals Project which was a similar size and where the cost per bed was a great deal higher than in DGHs, for example, in London.

Ms Dara Galic, a Heart of Harefield supporter, asked how could the Trust expect to re-engage Paddington Development Corporation Ltd in negotiations for the land which was necessary to proceed, given that it had pulled out. It had also been reported that it had cost PDCL £150,000 when negotiating on this with the Paddington Health Campus team. Ms Galic asked, how much in costs had the Trust incurred by was of external consultants in negotiation with PDCL to date.

In response to the first question Professor Newman Taylor said that a proposal had been put to WCC in relation to the acquisition of land for the PHCD. Mrs Claire Champion said a letter had been sent from WCC to PHCD and a response was awaited.

Ms Galic asked if the Trust was expecting to pay a higher price for the necessary land as would happen in the private sector. Also with PDCL out of negotiations with the Trusts how could Westminster City Council be expected to purchase the land at the same price given that like the Trust Westminster City Council is a public body. Ms Galic queried how the land could be afforded. Mrs Champion said the Trust was not involved in negotiations. Professor Newman Taylor said the Trust had to await further details of the cost of purchasing the land. The proposal put to PDCL was what he reported to the Board at the previous meeting. WCC were offering to buy the land from PDCL that the Project needed to rebuild the two hospitals while

offering PDCL alternative land it could redevelop. That remained the position.

Mr Philip Dodd, a Harefield supporter, said that PDCL had openly stated that they had pulled out of negotiations on Paddington, which in their terms was a "Dead duck". While PHC Management was talking with its internal parties to establish their position, and given that the Board papers say that they will renegotiate with PDCL, Mr Dodd asked whether anyone had made contact with PDCL since it pulled out from negotiations.

The Chairman said there was nothing to add to what had already been said. As far as contact between the Project and PDCL after 2 March was concerned there probably was contact but he could not say what it was. The Chairman said that if Mr Dodd wrote to him he would answer the question as far as he was able to. Those who were involved in the Project believed there is room for further discussion with WCC and for WCC to talk to PDCL.

Mr Dodd raised a second question. According to the PHC Management the Addendum for the Outline Business Case was now scheduled for 22 May. Mr Dodd enquired about the timetable leading to that date. The Chairman said the Trust could give no timetable. Parliament was being dissolved and was expected to reopen on 22 May. The outcome of the General Election could not be predicted nor could it be predicted whom the Ministers would be. The Trust could not forecast events.

Mr Dodd said the Chairman's response suggested some of the answers would be unpalatable to the Trust. It was possible to determine the Board and SHA timetables and to take a reasoned view of the Department of Health timetable, depending on what the next Government would be, and to establish optimistic and pessimistic scenarios. This could then feed into PDCL and their timetable. Mr Dodd suggested that it was unlikely the Department of Health would make a decision on a project of this nature before the end of June, which must give some feeling of what the decision of PDCL would be.

The Chairman said these were fair points but were close to speculation.

Mr Dodd's third point was that the original OBC referred to funding from January 2005 to the OBC approval date. He asked who provides the funding, how long for and how much it was. This related to another potential barrier to future support and was on the back of PDCL being willing to consider the position.

Professor Newman Taylor said the funding was to support the PHCD until June. Mr Dodd questioned whether the Trust would be able to

get any kind of decision before the end of June and said he would be surprised if the Trust had not thought about these issues as they became critical to value for money and whether it was sensible to spend public money on the Project.

The Chairman said there was also a matter of what would be required to develop an alternative to the Project. It would not be helpful for him as Trust Chairman to engage in speculation. The fact that the Board had discussed the basis on which work on the Project would continue until the end of June was consistent with the points that had been raised. The Trust did not know what the timetable overall would be and to some extent those who were involved in the Project would have to make judgements as the situation develops.

Professor Newman Taylor said financial support came from the PCTs. They provided 1% of the value of work undertaken for them by Royal Brompton & Harefield NHS Trust which contributed 50% of the overall costs. Partnerships UK funded the other 50%. This would continue with minimal costs until the end of June when it would be reviewed. The actual budget cost was not available at this moment. It had however been presented to the Joint Project Board and to the Department of Health for approval.

Mr Dodd commented that the funding was coming from PCTs which on the other hand had no money to pay the Trust's bills.

The Chairman commented that unless it could be assured that the present position could continue, all those bodies involved in planning and funding the Project would be spending money in one way or another on the future provision of services in a way that responds to the changes that have already taken place and to meet changes that have yet to take place. PCTs had spent considerable funds working out their responses to pressure for care in the community and daycare. Regardless of arguments for the proposed changes in the Trust's services there would be major changes in the way health services are provided in future years.

Mr Dodd said Heart of Harefield recognised this point. However, it considered the PHCD to be undesirable and it sought a review of the way forward. The Chairman said he was grateful for this comment. There was a difference between what is desirable and what is deliverable. Many had indicated that they did not want it. As to whether it was deliverable was a matter of judgement.

Mr John Ross, an Executive Member of Heart of Harefield, asked why after the SHA having already asked senior employees of the Trust to put forward their views on the non-Paddington scenario the pretence that Paddington had a future was continuing. Mr Ross also requested

an update from Mr Hodson on costs that had been incurred for Paddington, particularly on external consultants.

The Chairman said the Trust had spent some time discussing risks and controls assurance. The essence of this is that the Trust identified actions that might happen and what it would do if they happened. On the question of a fallback position over the PHCD, whether it was the Fulham Road option or another option, it would be irresponsible for the Board not to consider "what if" and to imply that because the Board was considering a what if, the SHA had given up on the Paddington Project appeared illogical. Professor Newman Taylor said the situation was that there had been planning of what would be the position if the PHCD did not go ahead. Mr Ross was referring to a request from the SHA Chief Executive to Trust Chief Executives for their perception of the position.

Mrs Brett demurred saying that this was the first time in four years that the non-Paddington scenario had been acknowledged. Professor Newman Taylor said that was not the case. It had been done repeatedly. The Trust had looked at the Fulham Road option and had been in discussion with the SHA on several occasions

Mrs Brett commented that from 2000 on a number of senior NHS Managers in London and further away had been unhappy about the Paddington Project. This was however the first time that material had reached Heart of Harefield making it clear that suggestions for the non-Paddington scenario were requested. This was at a time when the Addendum to the OBC, a matter of urgency, was not yet ready despite it having been said in February that it would be produced quickly. Until the Addendum to the Business Case was at the Department of Health no decision could be made on Paddington whatever Government was in. That was the bottom line. And if the Paddington Health Campus team did not have the land there was no Project.

Mrs Brett said she had made the same point to the Trust Chairman when writing to him in February 2003, that the Project could not go ahead. On meeting the Chairman she had explained that the 17.5% shortfall in space on the Paddington site meant that Westminster City Council would not let it go ahead and that a new planning application would be necessary. The February 2003 planning letter from Graham King of Westminster City Council to Mr Andrew Woodhead, the then Acting Project Director, stated this. Yet at the 28 May Board meeting the Acting Project Director said that there would no problem in getting planning permission. That was completely untrue and he knew it. In September 2003 Heart of Harefield placed before the Chairman, Dr. Goodier and Mr Perrin the 13 February 2003 planning letter stating that a new planning application was required.

Heart of Harefield considered that it had been deceived for years and trusted that the Chairman would understand that when four fair questions did not receive answers it showed that the Trust had no desire for patient and public involvement on Paddington, despite it being Government policy.

Mrs Brett added that the Chairman's objective on leaving the West London Partnership Forum in 1998 was to push Paddington through. Heart of Harefield however expected judgement and objectivity, that when a project was no longer viable it should be admitted, apologies given and a tactful sensible way found through. However the lack of an apology despite Heart of Harefield being right for four years could force Heart of Harefield into asking for a public inquiry so that lessons are learned.

The Chairman said that with the exception of the answers to the questions on exit costs and the letter from Hillingdon Borough Council he believed the Trust had answered the questions to the best of its abilities. He noted the points Mrs Brett had made but given that Mrs Brett's comments were directed to him personally the Chairman said the PHCD had been the policy of this Board, not the policy of the Chairman of the Board, since the time of his predecessor.

Mrs Brett said that this was not so. When Paddington was first mooted the previous Chair, Sir Philip Otton, had expressed his concerns at the problems which would arise at the Department of Health. Heart of Harefield had appreciated his courtesy and judgement and was sorry that he had not remained Chairman for longer. It had heartened Harefield's staff when Sir Philip left the Board meeting wearing a Hands off Harefield badge. The Chairman said nevertheless the Royal Brompton & Harefield NHS Trust Board gave its support to the Paddington Project before he became Chairman.

Mr David Potter, Vice-Chairman Heart of Harefield and Chairman of Rebeat, commented that the Board had discussed a financial shortfall and probable deficit for the Trust this year and next year. He suggested Board Members consider the inflation impact of the PHCD on delays that are taking place. With capital expenditure of £780million and a conservative inflation rate of 5% this would equate to £750,000 for every week of delay in the Project. The Project was facing a three or four month delay which equates to £10million.

Mr Potter asked when Heart of Harefield would receive the Addendum. It was suggested it would be unrealistic to set a programme but Mr Dodd had said the Trust would at least have a programme, irrespective of whether it could be achieved, to finalise the Addendum and distribute it to members of the public so they

could consider it and comment on it and have it ready for submission to the Department of Health when it resumes business.

Mr Potter said that in the private sector the incompetence and inefficiency of those who have led the planning of the Project would have resulted in the termination of their employment. There had been a critical National Audit Office report and he asked how much action had been taken since it was published. Mr Potter said there had been incompetence and inefficiency over the past four years and asked why there had been no accountability within the NHS, because without accountability there could be no stimulus to improvement. Mr Potter said that in every company he had worked for on projects not unlike the PHCD heads would have rolled long ago.

The Chairman said he could not provide an answer to the question. As Mrs Brett and Mr Potter attended Strategic Health Authority meetings the question could be raised there. He nevertheless took note of the question.

On the programme Professor Newman Taylor hoped the Addendum would be completed and available for distribution to the public for the May Board meeting. Mr Potter asked if the Addendum would be considered by delegated powers to some Board Members or at an open Board meeting. The Chairman said he had agreed at the previous meeting that the Addendum would be considered by the Board at an open meeting.

Mr Don Chapman, Vice Chairman Harefield Hospital League of Friends, asked if there had been any further developments over car parking at Harefield Hospital. Professor Newman Taylor referred to his report. He had met Mrs Jill McNally and two colleagues and he had given a proposal she had put to him about staff paying car parking charges to the new Chief Executive and to the Director of Finance and a response would be given to Mrs McNally. Professor Newman Taylor said Mrs McNally had repeated the difficulties of travelling to Harefield Hospital other than by car. This was recognised by the Trust and it had reduced the cost of charges to an absolute minimum but the Board had decided the charges would be implemented.

Mr Chapman asked if a letter would be sent to the staff about implementing the charges. Professor Newman Taylor said staff had been informed. He had also written to Mrs McNally after meeting her to inform her of the action he had taken and his letter had been circulated to staff in the Hospital.

2005/40 OBSERVATIONS FROM THE CHIEF EXECUTIVE

Mr Robert Bell said from listening to comments from the public genuine human feelings were expressed by people, well intended,

with a common objective of extending forward the interests of Royal Brompton and Harefield Hospitals in a redevelopment. His objective as the Chief Executive would be to work through all the parties the issues specific to the redevelopment of the campuses. That was not specific to any one proposition but to what could be done. That was what he had heard at the meeting. Putting aside all the challenges and commentary, which were understandable, the issues had many sides to them and were complicated or complex and where there were complex issues there were complex responses that cannot be formulated in a straightforward manner. Mr Bell said he took away from the meeting the desire for the Trust and the community for those entrusted with managing the affairs of the Hospitals the will to move forward on the issue. That was his brief as Chief Executive.

2005/41 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 the minutes of a previous closed meeting and a commercial matter.

**Lord Newton of Braintree
Chairman**