Annual Report and Accounts 2011/12

Royal Brompton & Harefield NHS Foundation Trust
# Royal Brompton & Harefield NHS Foundation Trust
## Annual Report 2011-12

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**Annex 1**

Financial Statements of Royal Brompton & Harefield NHS Foundation Trust for the period April 2011 – March 2012
- Annual Governance Statement
- Report of the External Auditors

**Annex 2**

Quality Report for the year ended 31 March 2012
- Independent Assurance Report to the Council of Governors of Royal Brompton & Harefield NHS Foundation Trust on the Annual Quality Report
1. Chief Executive Introduction

The following pages constitute the Annual Report of the Royal Brompton & Harefield NHS Foundation Trust for its second full year as a Foundation Trust, for the period 1 April 2011 to 31 March 2012. The information contained in this Report is presented and prepared in accordance with the requirements set out by Monitor in the “NHS Foundation Trust Annual Reporting Manual 2011-12” published by Monitor on 20th February 2012.

In the following pages, readers will find:
- A report by the Directors of the Trust on the business of the Trust during the period of report, and of the position of the business as at 31 March 2012, alongside commentary on the risks, uncertainties and other factors which are likely to affect the development, performance or position of the Trust in the future
- A more detailed Operational and Financial Review of the main business areas of the Trust during the reporting period
- An outline of the Governance arrangements in place in the Trust
- A set of “Disclosures in the Public Interest”, indicating where information on these is to be found within the Report.

During 2011/12 the Trust has continued to develop the process for production of the Quality Report and has taken steps to ensure that stakeholders have been involved in the choice of priority areas for 2012/13.

One of the major challenges that faced the Trust during 2011/12 was the threat to our Children's Services posed by the review of children’s congenital heart services undertaken on behalf of the Joint Committee of Primary Care Trusts (JCPCT). This review had the original objective of reducing the number of centres commissioned to undertake children’s congenital heart surgery from the current 11, to around 6 or 7 nationally designated centres.

In the Annual Report 2010/11, I noted that the Trust had sought a judicial review of the JCPCT consultation process. Permission to proceed with the judicial review was granted by Mr Justice Burnett in July 2011 and the full hearing at first instance took place in September 2011. Mr Justice Owen found in favour of Royal Brompton & Harefield NHS Foundation Trust and decided that the consultation should be quashed. The JCPCT decided to appeal this decision. The appeal hearing was held in March 2012, with the result that the judgement at first instance was overturned and the decision was made in favour of the JCPCT. The Trust has decided not to take the matter to the Supreme Court. The JCPCT has stated that the results of the consultation will be announced in July 2012. The Trust will review its options at this time based on the outcome of the consultation.

The Trust remains committed to the provision of high quality services for patients of all ages. The Trust intends to develop its services, and premises, in the future to ensure ongoing delivery of this commitment.

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Robert J Bell
Chief Executive

30th May 2012

For queries regarding this Annual Report please contact, in the first instance:
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Director of Performance & Trust Secretary
Royal Brompton & Harefield NHS Foundation Trust
Sydney Street, London, SW3 6NP

T: 0207 349 7713  W: www.rbht.nhs.uk

Introduction

This report represents a performance review for Royal Brompton & Harefield NHS Foundation Trust for the period 1 April 2011 to 31 March 2012. It consists of information about our work, our services and our strategic goals, and an overview of some highlights from our heart divisions, lung division, children’s services and support services during this period.

Summaries of the work of our human resources, estates and facilities, information services and public and patient involvement (PPI) teams are also provided.

Our performance against NHS targets in the 12 month period is given in the Quality Report and Financial Statements appended to this Annual Report.

2.1 Who we are and what we do

Royal Brompton & Harefield NHS Foundation Trust is a national and international specialist heart and lung centre based in Chelsea, London and Harefield, Middlesex.

We help patients of all ages who have heart and lung problems. From the moment they arrive, our patients become part of a community of people who have benefited from more than 160 years of expert diagnosis, treatment and long-term care.

Over the years, our experts have been responsible for several major medical breakthroughs – carrying out the first coronary angioplasty in the UK, founding the largest centre for cystic fibrosis in Europe and pioneering intricate heart surgery for newly-born infants.

Our care extends from the womb, through childhood, adolescence and into adulthood. Our foetal cardiologists can perform scans at just 12 weeks, when a baby’s heart valve is just over a millimetre in size, and our clinical teams regularly treat patients well into their 90s.

As a specialist trust, our patients come from all over the UK and internationally, not just from our local areas.

Research programmes play a vital role at both our hospitals. This is because the most talented medical experts are rarely content with using tried and tested methods to treat their patients. The opportunity to influence the course of modern medicine by developing new treatments is a prospect which attracts them to specialist centres, where research opportunities are a fundamental part of delivering patient care.
Our strategy

Our mission is to be the UK’s leading specialist centre for heart and lung disease.

The Trust will achieve this mission by a strategy of focused growth in aspects of heart and lung treatment, particularly in congenital heart disease, arrhythmia, advanced lung diseases and heart failure.

Our business model can be summarised as:

- Continual development of leading-edge services through clinical refinement and research
- Effective and efficient delivery of core specialist treatment
- Managing the transition of more routine services to other centres to release capacity for new interventions.

Remaining an autonomous, specialist organisation is central to preserving and building on our strong clinical and organisational record.

However, we are equally convinced of the importance of effective partnerships, particularly with major academic bodies, to ensure a continuing pipeline of innovations to develop future treatments.

Our Values

The Trust has three core patient-facing values and four others which support them.

Our three core values are:

1. We care

We believe our patients deserve the best possible specialist treatment for their heart and lung condition in a clean and safe place.

2. We respect

We believe that patients should be treated with respect, dignity and courtesy and that they should be well informed and involved in decisions about their care. We always have time to listen.

3. We are inclusive

We believe in making sure our specialist services can be used by everyone who needs them, and we will act on any comments and suggestions which can help us improve the care we offer.
The following values support us in achieving them:

1. **We believe in our staff**

   We believe our staff should feel valued and proud of their work and know that we will attract and keep the best people by understanding and supporting them.

2. **We are responsible**

   We believe in being open about where our money goes, and in making our hospitals environmentally sustainable.

3. **We discover**

   We believe it is our duty to find and develop new treatments for heart and lung disease, both for today’s patients and for future generations.

4. **We share our knowledge**

   We believe in sharing what we know through teaching, so that what we learn can help patients everywhere.

**Our position in the healthcare market**

**A growing market**

Heart and lung diseases are the world’s biggest killers. Overall, the markets for their treatment are strong and growing, as a result of both increased need and national policy initiatives to meet that need.

**Our international role**

The Trust does not operate in a single, local health economy. The Trust treats patients referred by the health services in other parts of the United Kingdom as well as treating patients referred from other countries, either through government schemes, or as private patients. Sustained and sustainable growth in patient care, partly as a result of patient choice, has enabled the Trust to absorb the impact of changes in the research and development market, which nonetheless remains an important source of both income and innovation for service development.

**A strong reputation**

Our strong reputation enables us to maintain and grow our market position, both by developing new interventions and by securing referral patterns through established networks of referring hospitals.
Principal risks and uncertainties

The top risks facing the Trust were reported to the Trust Board in March 2012 and are presented in the following table:

<table>
<thead>
<tr>
<th>Top Risks</th>
<th>Mitigation</th>
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<tbody>
<tr>
<td><strong>Reputation &amp; Relationships:</strong></td>
<td>• close monitoring of Care Quality Commission registration requirements and Monitor Compliance Framework metrics, including self assessment against the Quality Governance Framework</td>
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<tr>
<td>• Failure to comply with external regulations</td>
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<tr>
<td><strong>Financial Risks:</strong></td>
<td>• legal challenge, and potential reallocation of capacity to other services.</td>
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<tr>
<td>• Loss of clinical services, in particular the threat posed to provision of paediatric services through the Safe and Sustainable review process.</td>
<td>• sound financial and operational management</td>
</tr>
<tr>
<td>• Maintenance of a Monitor Financial Risk Rating (FRR) of 3</td>
<td>• pursuit of longer term redevelopment goals</td>
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<tr>
<td>• Property redevelopment programme</td>
<td></td>
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<tr>
<td><strong>Service Excellence:</strong></td>
<td>• careful environmental monitoring, and management of maintenance programmes</td>
</tr>
<tr>
<td>• Estates – Health related issues</td>
<td>• Mitigated by ensuring care is delivered along appropriate care pathways</td>
</tr>
<tr>
<td>• Neurological Injury</td>
<td>• clinical audit programmes and appraisal / revalidation of clinical staff</td>
</tr>
<tr>
<td>• Failure to achieve expected standards of clinical care</td>
<td></td>
</tr>
<tr>
<td><strong>Productivity &amp; Investment:</strong></td>
<td>• IT reorientation programme - carried through during 2011/12</td>
</tr>
<tr>
<td>• Information technology not meeting clinical needs,</td>
<td>• Performance management of the service contract</td>
</tr>
<tr>
<td>• Inadequate sterile services</td>
<td>• pursuit of longer term redevelopment goals</td>
</tr>
<tr>
<td>• Estates – out of date areas unsuitable for patients / staff</td>
<td>• backlog maintenance programme</td>
</tr>
<tr>
<td>• Estates – general maintenance backlog</td>
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Forward looking risks and uncertainties have been assessed as part of the Annual Plan 2012/13, which will be published on the Monitor web site in due course.
2.2 Overview of Performance from 1st April 2011 to 31st March 2012

The period from 1 April 2011 to 31 March 2012 has been the second full year in which the organisation has operated as a Foundation Trust. During the year, the Trust has achieved all of the governance targets and indicators set out in the Compliance Framework issued by Monitor except for the indicator relating to Clostridium difficile, and has been registered by the Care Quality Commission without conditions.

Significant events during the year have included:

- The Royal Brompton Hospital was inspected by the Care Quality Commission (CQC) on the 20th and 21st April 2011. The CQC found that the Royal Brompton Hospital was meeting all of the essential standards of quality and safety.

- At the end of September 2011, which was the end of the second quarter of reporting (Q2), the Monitor governance rating reduced from green to amber / green. This was due to Monitor overriding the declaration of compliance made by the Trust Board; and reducing the governance rating because the Trust had breached the Clostridium difficile objective of 7 which had been set by the Department of Health. The Trust Board had declared compliance with this target at Q2 on the basis that the target was in dispute. The disparity between the Annual Plan projected green governance rating and the actual Q2 amber / green rating triggered the Monitor requirement for an independent review of self certification processes. This review was carried out by KPMG, who found no significant governance concerns. The Trust remains in dispute with the Department of Health in respect of the Clostridium difficile objective because a target of 7 has been set again for 2012/13.

- In April 2012 the Care Quality Commission published the results of the 2011 adult in-patient survey. The survey was based on a sample of in-patients who used Trust services in June July or August 2011. The survey showed high patient satisfaction with the care they received at our Trust, 24 questions (39 per cent) were rated as "better than expected", 36 questions (59 per cent) were rated as 'the same as expected' and the Trust only scored "worse than expected" for one question.

- During 2011/12 the Trust has achieved all of the Commissioning for Quality and Innovation (CQUIN) measures. Pending final agreement of quarter 4 figures with commissioners, it is expected that the Trust will receive payment for the full value of the CQUIN schemes for 2011/12.


Further details of performance are provided in later sections of this report, and in the Accounts and the Quality Report appended at Annex 1 and Annex 2.
2.3 Our Services - Review of Operational Activity

Heart Division at Harefield

The Heart Division at Harefield provides tertiary cardiothoracic services including cardiac surgery for ischaemic and structural heart disease, percutaneous coronary intervention including primary angioplasty as a treatment for heart attack, electrophysiological treatment of heart rhythm disturbances, a Transcatheter Aortic Valve Implantation (TAVI) programme to augment standard surgical aortic valve replacement, cardiac and pulmonary rehabilitation, specialist cardiothoracic imaging and treatment of heart and lung failure, including heart and lung transplant surgery and circulatory support.

Services at Harefield have developed rapidly in recent years from a Monday - Friday 8-6 service, to a 24/7/365 acute cardiac care centre.

This year has seen many operational developments at Harefield.

Harefield’s fourth cardiac catheterisation lab with equipment for electrophysiology in respect of heart rhythm disturbances opened in September 2011. The lab is equipped with state-of-the-art equipment like the Hansen remote controlled robot enabling precise catheter manipulation and the reduction of exposure to x-rays for patients and staff.

The STaR Centre (Simulation, Training and Resource) launched in November 2011. The centre delivers on-site post graduate medical training to the standards set by the GMC and the Royal College of Physicians Board. The centre is equipped with the most high-tech equipment such as the SimMan, a highly sophisticated dummy patient enabling clinical staff to experience exceptional learning opportunities.

The Trust was granted planning permission to build a new 18 bedded inpatient ward to form part of the Acute Cardiac Care Unit. The new ward, named Acorn Ward, was commissioned in March 2012. The additional inpatient capacity is critical to meeting increasing demand for our services.

Other notable achievements of 2011/12 include:

- The appointment of joint consultant cardiology posts between Harefield and Hillingdon Hospital; Harefield and Wycombe Hospital
- Harefield’s Cardiac Rehabilitation Team devised an innovative programme - ‘Hounds Help Hearts’ - in association with the Harefield Dogs Trust to enable patients to complete the final phase of coronary recovery by walking dogs as part of their recovery progress. This was the first of its kind in the UK
- The appointment of a Consultant Pharmacist, Transplantation & VADs. Haifa Lyster joined an elite group of only 50 consultant pharmacists in England. This is the first consultant pharmacist post for cardiothoracic transplant services in the UK
- The launch of the Organ Care System to enable the retrieval of more hearts for transplantation
- The start of a trial of a new, much smaller ventricular assist device (artificial heart)
- The introduction of the use of ECMO (extra corporeal membrane oxygenation) as a bridge to lung transplantation
- The full re-equipping and refurbishment of one of our cardiac catheterisation labs.
- The launch of an innovative Rapid Access Heart Function Clinic. There are no other such clinics in operation regionally. The clinic offers our local hospitals and population early detection, good management comprehensive care for heart failure
The first robotic ablations to treat Atrial Fibrillation were performed in February 2012. The robotic method offers reduced x-ray exposure and possibly better outcomes for patients.

A programme for thoracoscopic Atrial Fibrillation ablation was also commenced on both sites of the Trust in January 2012. This complements the existing percutaneous programme for patients with advanced atrial arrhythmias.

The replacement of our fluoroscopy suite

The continued expansion of the Magnetic Resonance Imaging (MRI) service

The joint acute aortic dissection service between Harefield, Royal Brompton and Hammersmith Hospitals continues to grow and demonstrated strong clinical results.

The appointment of three substantive consultant anaesthetist post

The appointment of a dedicated manager for the Transplant service

Heart Division at Royal Brompton.
The Heart Division at the Royal Brompton includes Adult Congenital Heart Disease, Heart Failure, Arrhythmias, Intervention Revascularisation and Structural heart disease and Heart assessment services.

The developments for this year include, the Adult Congenital Heart care group being successful in its application to support the care of their patients with advanced disease. Dr Sonya Babu-Narayan and Dr Swan will be working with other members of the team, on a project funded by the British heart Foundation and by CLARC to improve the patient journey for patients at risk of life threatening arrhythmias and deteriorating health. Dr Babu-Narayan has also recently been appointed as a BHF Intermediate Clinical Research Fellow and Senior Lecturer in Adult Congenital Heart Disease.

The Heart Failure care group has successfully appointed two new HF consultants, Dr Ali Vazir and Dr Alex Lyon and is developing a Business case and research project into a new therapy for heart failure patients called for Ultra filtration which if successful could dramatically improve the lifestyle for heart failure patients by significantly decreasing their length of stay in hospital for approximately 2 week down to 3-4 days.

The Arrhythmia care group has been successful this year in its bid to establish a syncope service at the Royal Brompton Hospital. This is a specialist service which is not currently provided by the Trust. The introduction of the service has been initiated by the newly appointed arrhythmia consultant Dr Tushar Salukhe, This service offers unique research opportunities. This would be one of only two services in London which could offer a syncope service to children in addition to receiving adult referrals.

The Intervention Revascularisation care group have been successful in their application for the Royal Brompton to act as an NSTEAC centre (non ST elevation acute coronary syndrome), this provides access to our cardiac catheter laboratories for patient who are suspected of suffering a heart attack within 24 hours of admission via the Chelsea and Westminster hospital’s Accident and Emergency department.

Critical Care Services
Following on from the last 2 winters’ experience of caring for a large number of patients with severe acute respiratory failure, RBH was one of 5 hospitals to be designated by NHS Specialised Services to provide an all year round national adult ECMO service. The service started in December 2011 and RBH serves primarily North West and North Central London, Thames Valley part of South Central, Avon & Gloucester and South West Peninsula critical care networks. The service includes emergency retrieval of patients from referring hospitals and this process has been significantly improved by Clinical Engineering’s development of a
purpose built patient transfer trolley that includes an ICU specification ventilator and ECMO equipment. Improved survival rates for patients with severe flu related lung failure transferred for treatment in designated ECMO centres was demonstrated in a paper in the Journal of the American Medical Association (2011;306:1659) to which RBH staff made a significant contribution. AICU staff are particularly grateful to one of these patients, Nick Fincher, who ran a sponsored half marathon and raised over £ 3000 for Royal Brompton & Harefield Charitable Trust.

AICU nurses were rewarded through the staff recognition scheme during 2011. The AICU ECMO nursing team won the Exceptional Team Award for their outstanding performance in successfully managing a large number of severely ill flu patients during the winter of 2010/11 and Finlay Macadam won an individual award for his exceptional service to patients.

Dr Anthony Bastin joined the Critical Care team in August 2011 as a locum Consultant.

**Children’s Services**

The challenge to the services for children continued in 2011/12 as a result of the ongoing ‘Safe and Sustainable’ Review of Children’s Cardiac Services conducted by the Joint Committee of Primary Care Trusts (JCPCT). The JCPCT undertook a consultation in the spring of 2011 on their plans to reduce the number of centres which undertake children’s congenital heart surgery from the current 11, to around 6 or 7. None of the options in the consultation included the continuation of children’s cardiac surgery at this Trust. In the Annual Report 2010/11, it was noted that the Trust had sought a judicial review of the Joint Committee of Primary Care Trusts (JCPCT) consultation process in respect of the future of children’s congenital heart services. Permission to proceed with the judicial review was granted by Mr Justice Burnett in July 2011 and the full hearing at first instance took place in September 2011. Mr Justice Owen found in favour of Royal Brompton & Harefield NHS Foundation Trust and decided that the consultation should be quashed. The JCPCT decided to appeal this decision. The appeal hearing was held in March 2012, with the result that the judgement at first instance was overturned and the decision was made in favour of the JCPCT. The Trust has decided not to take the matter to the Supreme Court. The JCPCT has stated that the results of the consultation will be announced in July 2012. The Trust will review its options at this time based on the outcome of the consultation. However, there should be no doubt about the determination and commitment of clinicians in the Trust to continue providing children’s services.

The pioneering work of the Long-Term Ventilation (LTV) team led by Dr. Gillian Halley has continued to be recognised this year. The team received further funding in year from the London Regional Innovation Fund, one of only 5 projects funded in year 2 of 140 applicants in year 1. In September 2011 the team were pleased to demonstrate their work to a senior delegation from the Danish Ministry of Interior and Health and they also ran a successful national conference.

Work started in January 2012 on building a 4 bedded children’s Sleep Laboratory which is due to open for patients in April 2012. In anticipation of this development the Trust appointed Dr. Hui-Leng Tan who is currently completing advanced training in Chicago before returning to the Trust in October to join Dr. Mark Rosenthal in leading the sleep service.

In September 2012 Dr. Joan La Rovere, Director of Paediatric Intensive Care left the Trust to take up a post at Children’s Hospital, Boston. An appointment of a new Director is anticipated in the coming months. The contribution of the Trust’s ‘SPRINT’ paediatric simulation programme led by Dr. Burmester was recognised with the award of a London Deanery ‘Educational Excellence Innovation’ Award. Consultants from the Trust’s paediatric intensive care service hosted the 2011 Paediatric Cardiac Intensive Care Society ‘Europe 2011’ meeting in September 2011. Held over 3 days, the meeting held jointly with the UK
Paediatric Intensive Care Society was attended by 450 delegates from 45 countries and showcased many aspects of the Trust’s work within the academic programme. The Trust was asked to apply for, and was successfully designated as a ‘winter pressure’ children’s neonatal and respiratory ECMO centre by the NHS National Specialist Commissioners. This designation process is a strong reflection of the national standing of the Trust’s paediatric intensive care service.

Children’s cardiac services have continued to prosper despite the threat posed by the ‘Safe and Sustainable’ review. New consultant appointments in both paediatric cardiac non-invasive imaging and inherited cardiac diseases have been approved and will soon be appointed. Dr. Piers Daubeney has taken advantage of the excellent cardiac Biomedical Research Unit facilities to start a new specialist children’s cardiomyopathy clinic in collaboration with the adult service led by Dr. Sanjay Prasad.

**Echocardiography Service.**
The echocardiography department has recently appointed two consultants to lead adult echocardiography (Dr Raj Khattar) and adult congenital heart disease (ACHD) (Dr Wei Li). Both consultants are now in post. A research locum consultant (Dr Isabelle Roussin) has also been appointed to assist in clinical and research services running in the cardiovascular biomedical research unit. A consultant post in paediatric echocardiography has recently been agreed and is in the process of being advertised. Each of the sub-specialities (ACHD, adult and paediatric) are led by senior sonographers. A total of 8 sonographers (all permanent staff) run the adult and ACHD service. The paediatric service currently has a total of 3 sonographers.

Service and Research Development:
The echocardiography service now has a consolidated stress echocardiography service. Myocardial contrast perfusion is now incorporated into Stress Echocardiography and recent audits show that it improves the diagnostic value of stress echo. The department has recently commenced an advanced echocardiography service (techniques including three dimensional (3D), strain and contrast echocardiography). The department has acquired a platform for state-of-the-art analysis and reporting of 3D and strain imaging. A dedicated 3D clinic led by Dr Raj Khattar has now begun. The department has a research fellow (MD) programme underway and several audit programmes have been established. The current echocardiography fellow has undertaken an audit of the stress echocardiography service and the use of contrast in echocardiography. The transoesophageal echocardiography service is being streamlined.

Department Accreditation:
The department is now set to apply for advanced echocardiography accreditation through the British Society of Echocardiography and European Association of Echocardiography.

**Genetics Service.**
New research was published in the *New England journal of medicine* following experts at the Royal Brompton Hospital and Imperial College London pinpointing the gene responsible for one of the most common causes of inherited heart failure, using advanced DNA sequencing technology. The new research identifies the most common genetic cause of DCM to be related to the Titin gene, which appears in one in four of all patients with this condition. This more than doubles the number of cases for which a genetic cause can be identified. By identifying Titin as the commonest genetic cause of hereditary DCM, we can now tell family members of affected patients once and for all if they are or are not affected.
Lung division
The lung division provides tertiary services for a wide range of complex respiratory conditions, and delivers cancer services and lung imaging within the trust. Achievements for 2011/2012 are presented by clinical care group:

Asthma / Allergy
- Dr Joanna Szram was appointed into a substantive consultant post in Occupational Health Lung Disease in August 2011; she has set up a new clinic based at Harefield that allows the service to see all new patients within 5 weeks of date of referral. Alongside workplace based clinics this has improved the patient experience for this national referral service.
- The allergy department has been awarded 5 years of funding from the Immune Tolerance Network/NIAID for a large, single-centre study comparing long term effects of sublingual and subcutaneous immunotherapy for hay fever, which is up and running on Lind ward and in the Biomedical Research Unit with laboratory studies at NHLI, Imperial College.
- Dr Guy Scadding has been awarded a Wellcome Clinical PhD Fellowship to continue his studies on allergen immunotherapy.
- The team are leading the UBIOPRED recruitment of adult and paediatric patients with severe asthma, to define severe asthma phenotypes.
- The targeted monoclonal antibody against IgE (Omalizumab) service has continued to strengthen, and is currently the largest in the UK.
- A bronchial thermoplasty (bronchoscopic technique to reduce the hyperreactivity of the airways) service for patients with severe asthma has been setup this year, one of only 3 UK centres offering this procedure.
- A multidisciplinary approach within the Cough clinic has been developed which now involves closer links with the ENT department at Charing Cross Hospital.

Lung failure
- Funding of £1.49 million has been secured from the Charitable Trustees to create a new Centre for Sleep which is due to open in January 2013. The brand new facilities will be sited in South Parade and enable us to manage an enhanced throughput of sleep patients, more complex sleep cases and a better CPAP service for all our sleep apnoea patients.
- Professor Polkey has been awarded the first ever grant from the Technology Strategy Board awarded to the trust. This innovative award is a public private partnership between RBHT and GSK investigating cardiac and muscle function in COPD and in total is valued at £3m
- Following BRU pump priming, the Wellcome Trust has awarded funding for ex vivo lung perfusion research facility to investigate molecular and cellular mechanisms of lung failure lead by Dr Matthew Hind.
- We have completed the largest trial to date, funded by The MRC, of a medication to improve muscle strength in patients with COPD and secured further MRC funding to see if this medication can enhance the effects of exercise programs for respiratory patients.
- Lead clinician Anita Simonds was awarded a chair in Respiratory and Sleep Medicine at the National Heart & Lung Institute, Imperial College
- We continue to provide cutting edge interventions for advanced emphysema including a trial of endobronchial valves funded by NIHR.
- Our Consultant Physiotherapist Michelle Chatwin has developed a cough assessment and management programme for adults and children with a weak cough as a result of neuromuscular disease
Dr Neil Ward started with the team as Senior Clinical Fellow in Sleep & Ventilation in December 2011. The aim of this innovative 2 year appointment is not only to strengthen the team, but also to improve training in this subspeciality area. Dr Man’s Harefield rehabilitation service has grown rapidly so that the trust now has the largest UK service on a single site.

**Lung Imaging**
- Dr Anand Devaraj has been seconded from St George’s Hospital and appointed honorary consultant radiologist and oversees the second reading of CT scans acquired as part of the UK National Lung Cancer CT screening Pilot Trial.
- The department is in the process of submitting data to acquire national (UKAS) accreditation.
- Reduction in reporting times in CT scanning have been maintained in Radiology (currently median 3 hours).

**Infection and Immunity**

*Host Defence*
- A new rapid response clinic has been introduced for patients who become unwell. This supports a flexible approach to care within the team, and has been well received by patients.
- Brompton lead role in Bronchiectasis developments was strengthened at the European Respiratory Society this year, where Dr Wilson and Dr Bilton presented the results of studies of new inhaled therapies, and Dr Wilson chaired and spoke at the symposium sessions.

**Cystic Fibrosis**
- Adoption as a recognised site for the European CF Clinical Trials network.
- Strengthened coordination between Brompton paediatric and adult units means that as many patients as possible can gain access to new therapies in clinical trials. This is being led by Dr Davies and Dr Bilton.
- The gene therapy consortium led by Professor Alton won Medical Futures Innovation Award for best therapeutic innovation for respiratory disease and best translational research.

**Interstitial Lung Disease**
- The service continues to focus on the development of a streamlined approach to outpatient and day case work, delivering high quality services with a one stop approach for the patients.
- A joint MDT for ILD and Host Defence has been introduced to enhance the quality of management of patients on immunosuppressive drugs as treatment for ILD who develop difficult infections. This produces a coordinated approach to the patient’s management.

**Cancer**
- Mr Niall McGonigal was appointed as a consultant thoracic surgeon within the Harefield team in December 11. Confirmation of a new medical structure for the team was confirmed, and the appointment of a Senior Clinical Fellow (advanced training post) is anticipated for 2012.
- Minimally invasive lung resection procedures are now being offered to patients at both surgical centres within the Trust.
- Lung Volume Reduction surgery for hyperinflated native lung following single lung transplantation has been established at Harefield, and has brought significant
Improvement in lung function and quality of life for patients. The results to date were presented at the EACTS conference in Marseilles in June 11

- Endobronchial stent insertion technique has been expanded and our transplant physician colleagues are now trained having being taught the technique and supervised by Emma Beddow.
- The Radio Frequency Ablation service continues to expand, providing treatment for high risk / non surgical patients. Outcomes have been presented at the Asian Society of Cardiothoracic and Vascular Surgery this year.
- Preliminary work has started on the development of cryotherapy with liquid nitrogen spray for pleural malignant effusions. Attachments to existing spray devices have been made by the medical engineering department and are currently being tested on a biological model.

Pharmacy

During 2011/12 the Pharmacy Department appointed to the post of Consultant Pharmacist, Transplant and VADs, based at Harefield which is the first Consultant Pharmacist post in the Trust and the first in this speciality in the UK. Other appointments to new posts have been made at the RBH site to support the expanding Pulmonary Hypertension service with a Senior Pharmacist and a Senior Pharmacy Technician to develop Pharmacy Patient Services. At Harefield we have also recruited a Senior Pharmacy Technician and Dispensing Assistant to support the delivery of our dispensary services.

In Aseptic Services the Pharmacy team have continued to work with the Royal Marsden Hospital NHS Foundation Trust on a joint project to build a new pharmaceutical aseptic services unit to serve both Trusts.

The Trust Antimicrobial Prescribing Guide has been reviewed and a card developed to advise clinicians on the use of antimicrobials for patients with penicillin allergy. The card has been distributed to all clinical staff to improve awareness of this important problem. The Trust contributed to the national Health Protection Agency (HPA) point prevalence survey on healthcare associated infections and antimicrobial use consumption. This surveillance audit will allow the Trust to compare its rate of healthcare associated infection and use of antimicrobials with hospitals across Europe.

The Medicines Information Unit, which is recognised as a UK specialist information centre for cardiothoracic medicine information enquiries, and Technical Services have both successfully undergone external regional quality assurance audits.

Following the successful launch of the IntelliVue Clinical Information Portfolio (ICIP) in paediatric and adult critical care areas this system has been extended to encompass Recovery, Theatres and HDU with the electronic medicine prescribing component supported by the Specialist Pharmacists. In addition a significant development to improve patient safety, also supported by Pharmacy, has been the implementation of infusion pump software in all critical care areas.

Collaborating closely with the Information technology Service, the Pharmacy Department has continued work to implement an electronic discharge prescribing system, improving the quality of information provided when patients leave the Trust and addressing a number of challenges.
Rehabilitation and Therapies (R&T)
The Directorate underwent a major review and reorganisation in 2011, to better align support services to the clinical divisions. This involved the creation of multi-professional therapy teams from existing uni-professional therapy departments, and some realignment and review of psycho-social services. This has resulted in physiotherapists, occupational therapists, dietitians and speech and language therapists working together in specialty teams. On the Harefield site there is an adult therapy team and a transplant therapy team and on the Brompton site there is also an adult therapy team, a Cystic Fibrosis therapy team and a paediatric therapy team. The teams have been well supported in this transition by medical and nursing colleagues and the new structure is already resulting in greater partnership working with divisions. The restructure has also focussed on the development of new support roles such as the development of assistant practitioners in dietetics and pulmonary rehabilitation, administrative assistant posts on both sites and an increase in physiotherapy assistants at Harefield which enables the patients to have access to greater therapy input.

There have also been changes within the other R&T services. Psychiatry services have been re-configured from a full-time associate specialist liaison psychiatrist to a part-time consultant liaison psychiatrist and a full-time psychiatric liaison nurse. This change, together with very close collaborative working with the psychology service has ensured a more supportive and integrated service can be provided to patients with mental health problems on both hospital sites. In addition, the Psychology Service has received funding from Asthma UK to run a randomised control trial evaluating the effectiveness of a cognitive-behavioural group intervention to treat anxiety and depression in patients with severe asthma. Palliative care services on both sites have successfully implemented or completed pilots of The Liverpool Care Pathway for the Dying Patient with planned rollout across the Trust in 2012/2013. The Brompton Palliative Care service has commenced a research trial developing and evaluating the Hospital2Home Palliative Care Service for patients with Interstitial Lung Disease. As part of national transplantation developments, the team at Harefield have led the way in the development of their Amber Care bundle which supports patients on the transplant waiting list. The Trusts welfare, discharge co-ordinator and social work roles for supporting adult patients have been amalgamated to form a new cross-site Discharge team. The two site leads for the Discharge service also provide Trust lead roles for Older People and for Safeguarding Vulnerable Adults. The Chaplain at Harefield has set up an on-call rota with St Mary’s Church, Harefield and Mount Vernon Hospital, to ensure continuity of cover following the retirement of Father Stan OBE, who served patients at Harefield for over 25 years.

The Directorate continues to be very active in research, development and teaching. Occupational Therapists at Harefield are implementing and evaluating a newly designed outcome measure (OTOMS), dietitians have written book chapters on food allergy and paediatric cardiology and physiotherapists have written book chapters on sarcoidosis and also produced national guidelines on Cystic Fibrosis. Members of the Directorate have presented at numerous international conferences including the American Thoracic Society meeting in 2011 at which the research connected to the “Singing for Breathing” project was presented. This research was also published in the Lancet.
Clinical Engineering
The Clinical Engineering services include equipment management, clinical and technical support services, R&D support, and support of ICIP bedside clinical information system and Xcelera 3D imaging system.

The ICIP system has been successfully deployed in Harefield Theatres and Brompton HDU, and extends to 125 critical care beds. The data is now being used to fulfil reporting against the Critical Care minimum Data Set on both sites.

The department oversees the medical equipment capital programme that this year included further major renewals of ultrasound equipment and patient monitoring for both Royal Brompton and Harefield, and imaging equipment at Harefield.

Heart Valve Bank
Following a retirement the Heart Valve Bank has been restructured with new managerial and quality roles identified.

In October 2011 NHS Blood and Transplant introduced a National Fulfilment System to ensure the maximum and most effective use of organs and tissues and equity and integrity of the organ sharing system.

Through this the valve bank continues to supply heart valves to surgeons in the Trust and in other hospitals in the United Kingdom.

Laboratory Medicine
Laboratory Medicine provides a range of laboratory services across both sites and supports clinical activity in the bed-holding divisions.

The Laboratory Medicine disciplines all hosted Clinical Pathology Accreditation visits in 2011. Haematology and Microbiology have maintained full accreditation. Clinical Biochemistry and Histopathology have conditional approval and are aiming to be fully accredited by the end of April 2012.

Following a detailed review of the Microbiology service across both sites the service has been centralised on the Royal Brompton site. This will provide several quality and resource improvements to the service and will see the introduction of an extended working day.
Quality Improvement
During the period the following improvements were delivered:

- The divisional Quality & Safety Lead roles are now established and provide a focus within the division and are integrating quality, safety and improvement issues into management and service planning activities.

- The Trust has several ‘productive projects’ which are beginning to deliver service improvements, cost savings / increased activity and improvements to safety. The projects are in theatres, cath labs, wards, and in outpatients and imaging at Harefield. Measures have been established to track further progress of these projects.

- The delivering single sex accommodation project has delivered further reductions in the number of patients reporting sharing sleeping accommodation and bathroom facilities in the Picker Inpatient survey and our own internal patient survey. Training, and the raising of awareness, has resulted in acceptance into management culture in wards areas. The project now requires ongoing monitoring rather than improvement activity.

- The length of stay programme comprises several projects of interventions to reduce length of stay by identifying bottlenecks and inefficiency. The interventions include protocols for nurse-led discharge, pre-admission clinics so that patients are better prepared for their procedure and less likely to be cancelled for medical reasons, and greater use of day-case and out-patient services.

- The integrated care pathway (ICP) programme integrates all clinical notes into one record so that all members of the multidisciplinary team can view each others’ comments. The pathway incorporates national and local guidelines and standards and moves with the patient between departments to improve coordination and communication between professionals. ICPs do not remove the need for sound clinical judgement or restrict practitioners from changing the agreed pathway if there are sound reasons to do so. However, standardising the layout of the clinical records assists coding and audit as specific information can be found in the same place in each pathway. The teams involved in developing the ICPs are also required to set specific outcomes or parameters for care. The individual pathways are regularly audited to monitor compliance with guidelines, identify sub optimal outcomes, and provide a mechanism to drive ongoing improvement in terms of both quality and efficiency. The pathways are also used as educational tools to train and guide staff. They are now implemented in all divisions across the Trust and are available electronically, within the Trust, on the ICP page of the Trust intranet.


Estates & Facilities

Estates
We have continued to invest capital in improving the condition of our Estate in respect of key areas such as water management, electrical systems, fire prevention, medical gases, asbestos management, lifts and pressure systems. In the past year in excess of £3m of capital has been invested and significant improvements made. This is set to continue with funding in excess of £3.5m already being identified for 2012/13.

Facilities
Throughout the past year we have been undertaking a market testing exercise covering many of our Soft FM services. This has been carried out in collaboration with neighbouring Trusts, namely Chelsea & Westminster, Royal Marsden and the Institute of Cancer Research. The result is a new contract commencing in April 2012 which will run for five years with an option to extend for a further two years. The services covered by the contract for Royal Brompton & Harefield are cleaning, linen & laundry, pest control and catering, the last at Harefield Hospital only. The other Trusts all have their own mix of services included and the total contract value exceeds £100m.

The Trust complies with the Carbon Reduction Commitment (CRC). Compliance with the CRC was audited by the Trust’s internal auditors during 2011/12. The internal auditors found adequate assurance. A number of recommendations were made. These will be implemented during 2012/13.

Once again the annual PEAT assessment was carried out in February. In 2012 the Trust has maintained a rating of ‘good’ for environment and two ratings of ‘excellent’ for food and privacy & dignity for each hospital.
**Information Services**

During 2011-12 the Trust continued its commitment to investing in information technology (IT) and telecommunications.

The main aim of the Trust’s IT strategy continues to be to integrate services between the two hospital sites and, by 2015, to offer such a wide range of computer-based systems that a near paperless environment is possible.

Central to this is the Electronic Patient Record System (EPR) which incorporates an ever increasing complex array of clinical documentation, diagnostic and demographic information to support our clinical staff in their care for our patients. A successful implementation of a new version of the EPR this year can now allow the Trust to undertake complex reporting for general clinical support and research purposes.

In the past year we have fully rolled out a new theatre management system and are nearing a full Trust wide roll out of the diagnostic ordering communications system. This allows clinical staff to place diagnostic orders electronically, as well as ensuring that all of our inpatients and outpatients take an electronic ‘bar-code’ wrist-band to secure patient identification.

Roll-out of an electronic staff rostering system was completed on both sites, cutting down on data duplication and errors. The Trust has also successfully designed and rolled out a new corporate Discharge Summary System which has embedded within it the full drugs list prescribed. This is the Trust’s first step to implementing Electronic Prescribing.

Improving patient identification and safety continued to progress this year, with the Wrist Band bar-coding of patients, which links directly to the bar coding of our inpatient and outpatient diagnostic samples, ensuring a safer environment for our patients. All this is achieved by using the Trust’s corporate implementation of the wireless data network. This network allows for a huge range of new ‘mobile’ services to be deployed and the use of hand held devices (i.e. Blackberrys/ IPhones/ Netbooks etc) is standard procedure to support clinical care. Using this network we have also offered our patients, and their relatives, broadband access for them to use their own personal lap top computers. We feel that this can enhance the quality of their experience during their in-patient stay with us.

Finally, the Voice Recognition system which allows for faster access for callers was successfully consolidated as a service, reducing the need for operator intervention on routine calls. The Trust is also securing more robust, resilient and cost effective voice services, by linking the computer and telephone systems together so they can commonly use the same cabling. As such the Trust is moving firmly into the arena of Unified Communications.
2.4 Our Operational Performance

The operational performance of the Trust is overseen by the Chief Operating Officer and is reviewed at every meeting of the Trust Board. A variety of Key Performance Indicators (KPIs) are used including those set out in the Compliance Framework published by Monitor, and those used to measure activity. A full review of performance against the Compliance Framework indicators is included in the Quality Report at Annex 2 of this document. The Quality Report also provides more information about the Quality Governance arrangements at the Trust.

The KPIs reviewed by the Trust Board include:

**Patient admissions**
A total of 30,646 patients were admitted to the Trust between 1st April 2011 and 31st March 2012. Of these, 24,496 were elective (planned) admissions and 6,150 were emergency admissions.

**Outpatient clinics**
The number of patients seen in outpatient clinics was 143,808. Of this 13,322 had new appointments and 130,486 had follow-up appointments.

**Cancelled operations**
The percentage of cancelled operations was 1.3 per cent, against a target of 0.8 per cent. There were no breaches of the 28 day readmission standard.

**Cancer patients**
The waiting time target for patients referred by their GP with a suspicion of cancer is 14 days (two weeks). There were no breaches of this standard.

The waiting time target for patients who have been diagnosed with cancer is 31 days (one month) between the decision to treat and the start of their first treatment. There were eight breaches of this standard out of 339 patients treated.

The waiting time target for patients who have been diagnosed with cancer, where the treatment is subsequent to an earlier treatment for cancer, is also 31 days (one month) from the decision to treat to the start of the subsequent treatment. There were no breaches of this standard.

The waiting time target for patients urgently referred by their GP for suspected cancer is 62 days (two months) from referral to treatment. This includes time spent waiting or having diagnostic tests at other hospitals before being referred to the Trust. During the period 1 April 2011 – 31 March 2012, there were twenty eight breaches of the 62 day GP referral to treatment target. This resulted in a performance metric of 83% for this national priority indicator which is within the tolerance for achievement of this indicator.
The 18 week wait
The 18 week wait is the definitive target against which NHS waiting times are measured. With this target there is a maximum time of 18 weeks from the point of initial referral up to the start of any treatment necessary. Tolerances have been set to allow for patient choice, patients not attending appointments and clinical complexity.

The operational standards of delivery for the NHS are:
- 90 per cent of pathways where patients are admitted for hospital treatment should be completed within 18 weeks
- Median wait for patients admitted should not exceed 11.1 weeks
- 95th percentile wait for patients admitted should not exceed 23.3 weeks
- 95 per cent of pathways that do not end in an admission should be completed within 18 weeks.
- Median wait for patients not admitted should not exceed 6.6 weeks
- 95th percentile wait for patients not admitted should not exceed 18.3 weeks
- Median wait for patients on the waiting list or awaiting appointments should not exceed 7.2 weeks

The 18 week standards for both admitted and non-admitted patients were met and exceeded in all months between 1 April 2011 and 31 March 2012, aside from the non-admitted median wait.

The Trust under achieved the non-admitted median wait target in six months during 2011/12. However, following operational changes the target has been met in both February and March 2012.

Control of pay costs - Mutually Agreed Resignation Scheme (MARS)
During the last quarter of 2011/12 the Trust once again ran a MARS scheme in order to achieve a reduction in pay expenditure.

MARS is a voluntary resignation scheme under which an individual employee, in agreement with the Trust, chooses to leave employment in return for a severance payment. The scheme was designed by the NHS to help organisations respond to periods of change or service re-design.

As a Foundation Trust we were able to run a local MARS initiative using similar terms and conditions to an earlier national scheme. Employees were invited to apply for MARS in early 2012. Each application was considered by a panel, taking account of the financial and operational interests of the organisation.

Settlement payments were generally based on half a month’s salary for each full year of reckonable NHS service up to a maximum of 12 months’ salary, with a minimum payment of 3 months’ salary.

The Trust received 41 applications for the scheme of which 19 were accepted. The termination dates were mutually agreed between those 19 employees and the Trust and ranged between March and June 2012. The employees each signed a compromise agreement which set out the terms under which the employment would end.
2.5 **Our Financial Performance**

**Director of Finance Commentary on the Accounts for 2011/12**

The Trust reports on its second full year of activities following its authorisation as a Foundation Trust on 1 June 2009. The Trust has reported a retained surplus of £1.8m (2010/11 - £6.9m) after a dividend of £6.4m (2010/11 - £6.5m) payable on Public Dividend Capital.

Comparative figures in the accounts have been restated following the adoption of a revised accounting policy relating to donated fixed assets, which requires the Trust to recognise income as assets are received, in contrast to the previous treatment under which income was recognised in line with, and to offset, the depreciation of the assets donated.

The accounts reflect a revaluation surplus of £1.33m (2010/11 - £4.0m) in relation to the Trust’s investment property portfolio; this uplift is included within retained surplus for the year.

The accounts also reflect restructuring costs of £0.4m (2010/11 - £0.9m) in relation to a Mutually Agreed Resignation Scheme (‘MARS’) launched in February 2012 as a result of which some 19 (2010/11 – 45) employees have left or are leaving the Trust.

**International Financial Reporting Standards (IFRS)**

The accounts have been prepared in accordance with the *NHS Foundation Trust Annual Reporting Manual 2011/12* issued by Monitor, the independent regulator of NHS Foundation Trusts. The accounting policies in the Manual follow IFRS to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board.

**Going Concern**

The financial performance and position of the Trust, together with the factors likely to affect its future development and the principal risks and uncertainties it faces, are described the Directors Report and Operating and Financial Review.

After making enquiries, the directors have a reasonable expectation that the NHS foundation trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

**Comprehensive Income**

The Trust reports a comprehensive income surplus of £1.6m for the year (2010/11 - £1.9m), the retained surplus of £1.8m being reduced by fixed asset impairment (£1.4m) and increased by the revaluation of the operational estate (£1.2m).

**Financial Position and Liquidity**

Fixed assets reduced over the year by £2.1m, including the investment property revaluation of £1.3m. Depreciation charged was £17.5m. Fixed asset additions totalled £14.8m, £3.4m of which was funded by grants received.

Net current assets increased over the year by £3.5m.

The Trust repaid its drawing against its working capital facility early in the year, and has since made no further drawing against the facility.
2012/13 and Beyond

With no sign of an early economic upturn, and given continuing central government plans for
the NHS, the Trust will continue to face financial challenges. In particular, the NHS pricing
structure for 2012/13 will place pressure on Trust income.

Financial Risk Measures (as specified by Monitor)

<table>
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<tr>
<th></th>
<th>Target</th>
<th>Actual for Year</th>
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</thead>
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<td>Dividend Cover</td>
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</tr>
<tr>
<td>Interest Cover</td>
<td>&gt;3</td>
<td>370x</td>
</tr>
<tr>
<td>Debt Service Cover</td>
<td>&gt;2</td>
<td>113x</td>
</tr>
<tr>
<td>Maximum Debt Service to Revenue (%)</td>
<td>&lt;2.5%</td>
<td>&lt;0.1%</td>
</tr>
</tbody>
</table>
Board of Directors
The Board of Directors brings a wide range of experience to the Trust and during 2011/12 has continued to ensure effective governance of the organisation.

During 2011/12 the Executive Directors comprised:
Chief Executive, Robert J Bell; Medical Director & Deputy Chief Executive, Professor Timothy Evans; Director of Finance & Performance, Mark Lambert [covered by Richard Paterson as Interim Director of Finance from January to June 2011 and then from October 2011 at which point he became an executive director of the Board with the title Associate Chief Executive - Finance], Chief Operating Officer, Robert Craig and Director of Nursing & Governance, Caroline Shuldham.

During 2011/12 the Non-Executive Directors have comprised:
Chairman, Sir Robert Finch, and Non-Executive Directors: Jenny Hill (Senior Independent Director), Neil Lerner, Nicholas Coleman, Richard Hunting, Professor Sir Anthony Newman-Taylor and Kate Owen.

Further details of Board members are provided in Section 3 of this Annual Report.

Directors’ Statement
So far as the directors are aware, there is no relevant audit information of which the NHS Foundation Trust’s auditor is unaware. The directors have taken all steps that they ought to have taken, as directors, in order to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust’s auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Trust’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

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Robert J Bell
Chief Executive
30th May 2012
On behalf of the Board of Directors
3. Trust Governance

3.1 Introduction
The Trust was authorised as a foundation trust on 1st June 2009. The foundation trust is a public benefit corporation.

The powers of the Trust are set out in the National Health Service Act 2006. The Trust governance arrangements are enshrined in the Royal Brompton & Harefield NHS Foundation Trust Constitution. This makes provision for the Trust to be supported by a membership drawn from 3 constituencies, a public constituency, a staff constituency and a patient constituency. The Constitution also makes provision for a Governors’ Council comprising both elected and appointed parties. The elected parties are drawn from the membership and the appointed parties represent key stakeholders with whom the Trust is engaged.

The governance structures of the Trust comprise:

The Governors’ Council, with one committee, the “Nominations & Remuneration Committee of the Governors’ Council” which conducts the selection of the Chairman and Non Executive Directors.

Operational management of the foundation trust is conferred upon the Trust Board of Directors. In turn, the Board has established three Board Committees to facilitate its direction and monitoring role: the Audit Committee, The Risk & Safety Committee and the Nominations & Remuneration Committee of the Trust Board. These Committees enable the Board to discharge its responsibilities with regard to management of the risk and control environment within which the Trust operates, and to oversee levels of senior managers’ pay and conditions.

The Board Committees’ membership exclusively comprises Non-Executive Directors, although Executive Directors also attend meetings and participate.

Non-Executive Directors are appointed to provide an independent perspective on, and challenge to, the discharge of the responsibilities of the Accounting Officer, who has delegated certain of his powers and functions to his colleague Executive Directors. All of the Non-Executive Directors are considered to be independent.

Detailed disclosures regarding the Board of Governors, the Board of Directors and each of the committees are set out in the next section of this document.
3.2 Committee Disclosures

Governors’ Council

The role of the Governors’ Council is to appoint or remove the Chairman and other Non Executive Directors of the Trust; to approve the appointment of the Chief Executive and to decide the remuneration and expenses and other terms and conditions of the Non Executive Directors. The Governors’ Council should receive and consider the Trust annual accounts, any auditor’s reports on those annual accounts and the annual report from the Board of Directors. The Governor’s Council provides views to the Board of Directors in respect of forward plans. The Governor’s Council is consulted by the Board of Directors in relation to strategic matters affecting the Trust and should also approve and review the membership strategy.

The Governor’s Council has met four times. Details of attendance, including that of Board members, are given in the table on page 26.

Nominations & Remuneration Committee of the Governors Council

There have been no changes to any Non Executive Director posts during 2011/12, nor any change to the post of Chairman.

Members of the Committee include:

- Mr Ray Puddifoot
- Mr Philip Dodd
- Dr Adrian Lepper
The Governor's Council

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of Appointment / Election</th>
<th>Term of Appointment</th>
<th>Constituency</th>
<th>Attendance Record Council of Governors</th>
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<tbody>
<tr>
<td>Mr Philip Dodd</td>
<td>1.6.09</td>
<td>3 years</td>
<td>public</td>
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<td>Mr Kenneth Appel</td>
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<td>public</td>
<td>4/4</td>
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<td>Mrs Caroline Greenhalgh</td>
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<td>public</td>
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<td>Mr Brian Waylett</td>
<td>1.12.10</td>
<td>3 years</td>
<td>patient</td>
<td>3/4</td>
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<td>Mr Peter Rust</td>
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<td>Mr Anthony Connerty</td>
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<td>Mr Richard Baker</td>
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<td>Mrs Mary-Anne Parsons</td>
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<td>Dr Adrian Lepper</td>
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<td>Mr Peter Kircher</td>
<td>1.12.10</td>
<td>3 years</td>
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<td>4/4</td>
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<td>Mrs Sheila Cook</td>
<td>1.12.10</td>
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<td>patient</td>
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<tr>
<td>Dr Ian Balfour-Lynn</td>
<td>1.6.09</td>
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<td>staff</td>
<td>1/4</td>
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<tr>
<td>Professor Margaret Hodson</td>
<td>1.6.09</td>
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<td>staff</td>
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<tr>
<td>Ms Sue Callaghan</td>
<td>1.6.09</td>
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<td>Dr Olga Jones (Maternity leave 19.1.12 – 31.3.12)</td>
<td>1.12.10</td>
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<td>Mr Robert Parker (Resigned 30.9.11)</td>
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<td>Councillor Mrs Victoria Borwick</td>
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<td>L.B. Kensington &amp; Chelsea</td>
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<td>Mr Ray Puddifoot</td>
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<td>L.B. of Hillingdon</td>
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<td>Mrs Allison Seidlar</td>
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<td>NHS Hillingdon</td>
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<td>Professor Michael Schneider</td>
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<td>3 years</td>
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<td>Professor Peter Rigby</td>
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<td>University of London</td>
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Other Attendees including Board Members:

Chairman 4/4
Chief Executive 4/4
Medical Director 0/4
Interim Director of Finance Until 30.6.11 1/1
Associate Chief Executive - Finance From 3.10.11 2/2
Chief Operating Officer 3/4
Director of Nursing & Governance 4/4
Director of Performance & Trust Secretary 4/4
NED: R Hunting 3/4
NED: J Hill 3/4
NED K Owen 3/4
NED: N Coleman 2/4
NED N Lerner 0/4
NED: A Newman Taylor 0/4
## Governors’ Interests

### PUBLIC CONSTITUENCY 1: North West London

**DODD, Philip Joseph**  
Member, Harefield Hospital ReBeat Club  
Company Director:  
  - Gloucester Healthcare Partnership Ltd  
  - Octagon Healthcare Group Ltd  
  - Octagon Healthcare Holdings (Norwich) Ltd  
  - Octagon Healthcare Ltd  
  - InspirED Education (South Lanarkshire) Holdings Ltd  
  - InspirED Education (South Lanarkshire) plc  
  - Wastewater Management Holdings Ltd  
  - Ayr Environmental Services Ltd  
  - InspirED Education (East Dunbartonshire) Holdings Ltd  
  - InspirED Education (East Dunbartonshire) Ltd  
Alternate Director:  
  - The Newcastle Estate Partnership Ltd  
  - Newcastle Estate Partnership Holdings Ltd  
  - Wastewater Management Holdings Ltd

### PUBLIC CONSTITUENCY 2: Bedfordshire & Hertfordshire

**APPEL, Kenneth**  
Member: Harefield Hospital ReBeat Club  
Co-coordinator for the supply of non NHS funded Requirements Harefield Hospital  
Sometime assistant at Harefield Hospital Pavilion  
NICE, Assessor Advisory Committee of Clinical Excellence Awards  
Member: East of England Steering Committee for Abdominal Aortic Aneurysm/Vascular Surgery Rapid Response Service Development  
Member: NW London Cardiac network  
Member: Hertfordshire LINK Board (Health Watch)  
Chair of Committee to Monitor the Prevention/Treatment of Specific Medical Conditions

### PUBLIC CONSTITUENCY 3: South of England

**GREENHALGH, Caroline**  
Owner: CG Policy Research  
Director: Equity Advisers Ltd  
Member: The Conservative Party

### PUBLIC CONSTITUENCY 4: Rest of England & Wales

**VACANT**
<table>
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</thead>
<tbody>
<tr>
<td>WAYLETT, Brian Peter</td>
</tr>
<tr>
<td>None</td>
</tr>
<tr>
<td>RUST, Peter John</td>
</tr>
<tr>
<td>Member, Harefield Hospital ReBeat Club</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PATIENT CONSTITUENCY: Beds &amp; Herts</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONNERTY, Anthony</td>
</tr>
<tr>
<td>Member, Harefield Hospital ReBeat Club</td>
</tr>
<tr>
<td>KIRCHER, Peter</td>
</tr>
<tr>
<td>Member, Harefield Hospital ReBeat Club</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PATIENT CONSTITUENCY: South of England</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAKER, Richard</td>
</tr>
<tr>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PATIENT CONSTITUENCY: Elsewhere</th>
</tr>
</thead>
<tbody>
<tr>
<td>COOK, Sheila</td>
</tr>
<tr>
<td>Member, The Conservative Party</td>
</tr>
<tr>
<td>PARSONS, Mary-Anne</td>
</tr>
<tr>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PATIENT CONSTITUENCY: Carers</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEPPER, Adrian Murray</td>
</tr>
<tr>
<td>Company Secretary and Director: Chiltern Society (voluntary)</td>
</tr>
<tr>
<td>Company Secretary and Director: Chilterns Woodland Project Ltd (voluntary)</td>
</tr>
<tr>
<td>Member: Department of Health Gene Therapy Advisory Committee (voluntary)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STAFF CONSTITUENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>BALFOUR-LYNN, Ian</td>
</tr>
<tr>
<td>Council Paediatric Section Royal Society Medicine: President Elect</td>
</tr>
<tr>
<td>Member: BTS Specialist Advisory Group on Home Oxygen</td>
</tr>
<tr>
<td>Member: CF Trust Medical Advisory Committee</td>
</tr>
<tr>
<td>Vice (past) President: British Paediatric Respiratory Society</td>
</tr>
<tr>
<td>Member London Paediatric Working Group for PbR in CF</td>
</tr>
<tr>
<td>Paediatric Representative: NHS London Clinical Oxygen Group</td>
</tr>
<tr>
<td>Co-chair: Respiratory Group for London Paediatric Tertiary Review</td>
</tr>
<tr>
<td>Member of Cystic Fibrosis Clinical Reference Group (Specialist Commissioners)</td>
</tr>
<tr>
<td>Member RCPCH Council (Representative of Sub-specialists)</td>
</tr>
<tr>
<td>HODSON, Margaret Ellen</td>
</tr>
<tr>
<td>None</td>
</tr>
<tr>
<td>CALLAGHAN, Sue</td>
</tr>
<tr>
<td>Member RCN (Royal College of Nursing) Respiratory Advisory Group</td>
</tr>
<tr>
<td>Member British Thoracic Society (BTS) Nursing Member</td>
</tr>
<tr>
<td>JONES, Olga</td>
</tr>
<tr>
<td>None</td>
</tr>
<tr>
<td>PARKER, Robert</td>
</tr>
<tr>
<td>None</td>
</tr>
</tbody>
</table>
### APPOINTED:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Role</th>
</tr>
</thead>
</table>
| **BORWICK, Victoria**  
(Royal Borough of  
Kensington &  
Chelsea)       | Councillor: Royal Borough of Kensington & Chelsea  
Assembly Member, Greater London Authority  
Founder and Trustee: Edwin Borwick Charitable Trust  
Director: Poore Ltd, Second Poore Ltd  
Member: The Conservative Party, The Conservative Councillors Association |
| **PUDDIFOOT, Ray**  
(London Borough of  
Hillingdon)    | VACANT  
Leader: London Borough of Hillingdon  
Chief Executive: Magdi Yacoub Institute (health research charity)  
Member, the Conservative Party, The Conservative Councillors Association  
Member: Leaders Committee London Councils  
Member: London Congress  
Hon. Member: Harefield Transplant Club |
| **SEIDLAR, Allison**  
(NHS Hillingdon) | None  
Professor Michael D Schneider  
Imperial College  
London  
Head of Cardiothoracic Science, Imperial College London  
Member: MRC Council  
Research Director: Cardiovascular and Renal Clinical Practice Group (CPG4), Imperial College Healthcare NHS Trust  
Founder and Scientific Board Member: Kardia Therapeutics  
Consultant: Cardio3 Biosciences |
| **Prof Peter Rigby**  
(University of London) | Deputy Chairman: The Wellcome Trust  
Member of Council: Marie Curie Cancer Care  
Chairman: Scientific Advisory Board of Oxford Gene Technology |
Trust Board and Committees

The Board of Directors is appointed to exercise all of the powers of the Trust on its behalf. The membership of the Board of Directors meets the requirements of the NHS Foundation Trust Code of Governance in respect of balance, completeness and appropriateness, being composed of 6 independent Non-Executive Directors, 5 Executive Directors and a Chairman who is Non-Executive. The arrangements for appointment and removal of Non-Executive Directors are set out in the Royal Brompton & Harefield NHS Foundation Trust Constitution, Non-Executive Directors are appointed for a period of 3 years.

Details of Operation

Between 1 April 2011 and 31 March 2012, the Trust Board convened on 7 occasions.

Composition and Committee Duties

<table>
<thead>
<tr>
<th>Name</th>
<th>Roles</th>
<th>Attendance Record</th>
<th>Nominations &amp; Remuneration Committee of the Trust Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sir Robert Finch</td>
<td>Chairman; Chair of Remuneration Committee</td>
<td>7/7</td>
<td>2/2</td>
</tr>
<tr>
<td>Robert Bell</td>
<td>Chief Executive</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Executive Directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mark Lambert</td>
<td>Director of Finance and Performance</td>
<td>0/4</td>
<td></td>
</tr>
<tr>
<td>Robert Craig</td>
<td>Chief Operating Officer</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Caroline Shuldham</td>
<td>Director of Nursing &amp; Clinical Governance</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Prof Tim Evans</td>
<td>Medical Director; Deputy Chief Executive</td>
<td>6/7</td>
<td></td>
</tr>
<tr>
<td>Richard Paterson</td>
<td>Interim Director of Finance to 30.6.11 Assoc Chief Executive – Finance from 3.10.12</td>
<td>2/2</td>
<td>4/4</td>
</tr>
</tbody>
</table>
## Non-Executive Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Committees</th>
<th>Attendance</th>
<th>Total Attendance</th>
</tr>
</thead>
</table>
| Jenny Hill                  | Remuneration Committee  
Risk & Safety Committee           | 7/7        | 4/4              | 2/2              |
| Prof Sir A Newman Taylor    | Risk & Safety Committee                        | 5/7        | 4/4              |                  |
| Nick Coleman                | Audit Committee  
Chair of Risk & Safety Committee       | 6/7        | 5/5              | 4/4              |
| Richard Hunting             | Remuneration Committee  
Chair of Risk & Safety Committee       | 6/7        | 4/5              | 2/2              |
| Neil Lerner                 | Chair of Audit Committee  
Risk & Safety Committee           | 7/7        | 5/5              | 4/4              |
| Kate Owen                   | Remuneration & Appointments Committee  
Audit Committee               | 7/7        | 5/5              | 2/2              |
| Other Attendees             |                                                 |            |                  |                  |
| Richard Connett             | Director of Performance & Trust Secretary      | 7/7        | 5/5              | 4/4              | 2/2              |

**Note** - The Chief Executive and the Executive Directors, although attendees at Board Committee meetings, are not formally members of those Committees.

The table on page 27 demonstrates that Executive and Non-Executive members shown above have also been in attendance at meetings of the Governors’ Council in order to understand the views of governors. Non-Executive Directors also attended the Annual Members’ Meeting at which the views of members were expressed. It should also be noted that some of the Governors are frequently present at meetings of the Trust Board.
Directors’ Interests

The Trust has an obligation under the Codes of Conduct and Accountability for NHS Boards to compile and maintain a register of directors’ interests, which might influence their role. The register is available to the public, in accordance with the Freedom of Information Act, through written application to the Trust’s Chief Executive. The Trust is also required to publish in the report for the accounting period the directorships of any member of the board in companies that are likely to, or seek to, conduct business with the NHS. In this context declarations of the directors of Royal Brompton & Harefield NHS Foundation Trust are as follows:

Chairman

Sir Robert Finch
Nominated Member, Council of Lloyds of London
Director, F F & P Russia Ltd (and associated companies)
Director & Chairman, Aviva Mall Fund
Governor, College of Law
Trustee, LSO Endowment Trust
Trustee, Chichester Harbour Trust
Alderman, Ward of Coleman Street City of London and as such;
Member, various City of London Corporation Committees including in particular:
   (i) Member Property Investment Committee
   (ii) Member Hospitality Working Party
   (iii) Member Resource Allocations Sub Committee City of London
   (iv) President, Coleman Street Ward Club
Hon Colonel, Inns of Court City and Essex Yeomanry
Vice President, King Edward’s School, Witley
Governor, Christ’s Hospital
DL, City of London
Magistrate, City of London Bench (non active)
Trustee, NHLI Foundation

Senior Independent Director

Mrs Jennifer Hill
Consulting Director, Echelon Ltd
Non Executive Director, Mintec Ltd (Mintec is the principal independent source of global information for commodities and raw materials)
Member, Modernising Nursing Careers Steering Group, NHS London
Non-Executive Directors

Mr Nick Coleman
Consultant, Risk Reputation Consultants Ltd
Trustee of the Friends of Richmond Park (Charity)

Mr Richard Hunting
Chairman, Hunting Plc
Chairman, CORDA, preventing heart disease and stroke

Mr Neil Lerner
Royal National Lifeboat Institution (RNLI),
Finance & Investment Committee
Governor, School of Oriental & African Studies
Board Member, LMS Capital Plc

Professor Sir Anthony Newman Taylor
Principal, Faculty of Medicine, Imperial College
Director CORDA, preventing heart disease & stroke
Chairman, Colt Foundation
Member, Medical Honours Committee
Trustee, Rayne Foundation
Member, Bevan Commission
Member, Independent Scrutiny Group, Armed Forces Compensation Scheme (AFCS) Review, MOD
Chairman, BOHRF Research Committee
Chairman Independent Medical Expert Group of the Armed Forces Compensation Scheme (AFCS), MOD.

Ms Kate Owen
Governor, Imperial College
Non-Executive Director, BIOSS International
Fellow, Windsor Leadership Trust (Charity)

Executive Directors

Mr Robert J. Bell
Board Member, CORDA, preventing heart disease and stroke
Board Member, NHS Innovations, London

Mr Robert Craig
Trustee, QAL Advanced Cardiovascular Network (UK Charity)

Dr Caroline Shuldham
Tour Leader, Master Travel Ltd
Trustee of the Foundation of Nursing Studies

Professor Timothy Evans
Academic Vice President, Royal College of Physicians
Advisor, Grant Reviewer and Advisory Board Member for multiple organisations

Mr Richard Paterson
KPMG Provision of ad hoc Consultancy Services
Director, Hurlingham Court Ltd
Directors’ Resumes

Chairman
Sir Robert Finch was appointed by the Appointments Commission as the Trust’s chair for a term of four years, effective from 1 January 2009. Sir Robert brings significant board experience to the Trust, both in the business and not-for-profit sectors. He has a legal background, having qualified as a solicitor in 1969. He spent his career at the City law firm Linklaters, latterly as a head of real estate. He is a former Lord Mayor of London and has been a member of a number of City Corporation committees. In 2005 Sir Robert joined the board of Liberty International plc, a FTSE 100 London-based property company, becoming Chairman in mid 2005 until he resigned in 2008. He now, in addition to his responsibilities at the Royal Brompton & Harefield NHS Foundation Trust, is the Chairman of the Aviva Mall Fund, a director of 2 FF&P Russian Property Companies, and is on the Council of Lloyds of London. He remains an Alderman of the City of London and a Trustee of various charities.

Non-Executive Directors
Mr Nicholas Coleman is an experienced business executive with a background in sub-surface numerical simulation and analysis, business administration and corporate governance. He has worked in the international oil, gas and petrochemicals arenas, mainly with BP and most recently as a Vice President in their finance and control and corporate social responsibility areas. He left BP in 2007 and is now engaged in various not-for-profit organisations. He has a BSc in Physics with Geophysics from Imperial College London.

Mrs Jenny Hill is founder and consulting director of Echelon Learning Ltd – where she advises on strategic planning and service development issues. She has worked with clients such as Bupa, Tussauds Group and Channel Tunnel Rail Link. Previously, she worked for the NHS for 10 years, having joined through the graduate training scheme. She has an honours degree in Politics and History is a Fellow of the Chartered Institute of Personnel and Development.

Mr Richard Hunting is chairman of Hunting PLC, the international oil services company. He is also Chairman of CORDA: Charity; preventing heart disease and stroke, a court member of the Ironmongers’ Company, one of the 12 principal livery companies of the City of London; chairman of The Battle of Britain Memorial Trust. He has an engineering degree from Sheffield University and an MBA from Manchester Business School.

Mr Neil Lerner is an experienced accountant specialising in all aspects of risk management. He has played a key role in the development of ethical standards for the accountancy profession, globally and in the UK. After becoming partner at leading international provider of professional services, KPMG, in 1984, Mr Lerner held a number of senior positions, including head of privatisations, head of corporate finance and head of transaction services business for KPMG UK, and chairman of the KPMG Global Professional Indemnity Insurance Group. He retired from the firm in 2006 and currently holds a number of non-executive posts.

Professor Sir Anthony Newman Taylor CBE, FRCP, FFOM, FMed Sci is Principal of the Faculty of Medicine, Imperial College, having been Head of Imperial College’s National Heart and Lung Institute between 2006 and 2009. He is also head of the Department of Occupational and Environmental Medicine at Imperial College. He was appointed consultant physician at Brompton Hospital in 1977 and became medical director of Royal Brompton Hospital when it became a Trust in 1994. When Royal Brompton merged with Harefield Hospital in 1998, he was appointed medical director of the new organisation and Deputy Chief Executive. Professor Newman Taylor was, until January 2008, chairman of an expert scientific advisory committee to the government (the Industrial Injuries Council). He is currently chairman of the Colt Foundation charity, and of the Independent Medical Expert Group of the Armed Forces Compensation Scheme, MOD.

Ms Kate Owen runs a consulting business advising on change and development in organisations. She retired as vice president executive development at BP in 2005 having worked with the company for 24 years. Her 35-year industry career spanned line management, general HR work, training and organisational transformation. Her previous experience was in retail and the public sector. She spent nine years on the Board of HM Revenue and Customs, was chair of the Conference Board
joined the Trust as chief executive in March 2005, from the William Osler Health Centre, Ontario, Canada, where he was president and chief executive officer. He has had over 30 years’ international experience in hospital and health services management. He is a member of the Board of Directors of NHS Innovations London and the heart charity CORDA. He has previously held positions as vice president, Health Care and Life Sciences Market Sectors, Cap Gemini, Ernst & Young Canada Inc; partner, KPMG (Peat Marwick), Toronto; vice president, Hilton Universal Hospitals UK Ltd, London; vice president, International Services, Extendicare Inc (London and Toronto); executive director of District Health Councils in the Ministry of Health, Ontario; Treasury Board officer, Management Board of Cabinet, Government of Ontario; and systems engineer, Hospital for Sick Children, Toronto. He is a Bachelor of Applied Science in Industrial Engineering and a Master of Public Administration.

Mr Robert Craig is the Chief Operating Officer. He joined Harefield Hospital in 1995, having previously worked in community and general hospital services. Following the Trust merger in 1998, he became site director at Harefield and, in 2001, deputy director of operations for the Trust. Mr Craig has also fulfilled the roles of director of governance & quality (2003-2006) and director of planning & strategy (2006-2009) – in the latter post, he was responsible for the Trust’s Foundation Trust application. He was appointed to his current role in mid-2008.

Professor Timothy Evans BSc MD PhD DSc FRCP FRCA FMedSci is medical director of the Trust and was appointed deputy chief executive on 31 March 2006 and director of research and development in 2008. He was made responsible officer in 2011. In addition to his clinical roles within the Trust (professor of intensive care medicine and consultant in thoracic and intensive care medicine), he is head of the unit of critical care at Imperial College (National Heart and Lung Institute) and honorary consultant in Intensive Care Medicine to HM Forces, He is Academic Vice President of the Royal College of Physicians (from September 2009) and Vice Dean, Faculty of Intensive Care Medicine (from 2011).

Mr Mark Lambert was the Trust’s director of finance and performance until October 2011. He joined the Trust in November 2006 from The Royal Bank of Scotland, where he was finance director of specialised lending services. Mr Lambert began his career at Deloitte Haskins & Sells – which subsequently became PricewaterhouseCoopers – and spent a total of 13 years with the firm. He qualified as a chartered accountant in 1991 and worked for a wide range of clients in both commerce and financial services. Mark began a period of sickness absence in October 2010, he returned to work during the summer of 2011. Sadly, he suffered a relapse of his illness and following a further period of sickness he died in February 2012.

Dr Caroline Shuldham, director of nursing and clinical governance, has worked in the Trust since its inception, having previously been employed at the Royal Brompton Hospital. She has a background in cardiac and intensive care nursing, nursing education and research. In addition to leading nursing, she is responsible for clinical governance, and patient and public involvement. Dr Shuldham is an honorary clinical senior lecturer at the National Heart and Lung Institute and a nurse fellow of the European Society of Cardiology. Dr Shuldham was recognised with an OBE on the Queen’s Birthday Honours List in June 2009.

Mr Richard Paterson joined the Trust as interim director of finance in January 2011 for a six-month term. He subsequently rejoined the Trust as associate chief executive - finance and was appointed to the Board on 26 October 2011. He worked at KPMG, accountants and business advisers, for 40 years, appointed to the partnership in 1986 and retiring in 2010. In addition to client responsibilities for listed companies and public interest entities, his management roles included: six years in charge of KPMG UK’s infrastructure, government and healthcare division; head of markets for KPMG’s Europe, Middle East and Africa region; and executive chair of the global professional indemnity insurance committee, a committee of the international board of KPMG. Mr Paterson continues to provide ad hoc consultancy services to KPMG.
**Audit Committee**
The Audit Committee (composed of Non-Executive Directors) met on 5 occasions during 2011/12, each time under the Chairmanship of Mr Neil Lerner. The Audit Committee has discharged its responsibilities to provide the Trust Board with an independent and objective evaluation of the establishment and maintenance of an effective system of integrated governance, risk management and financial and non financial internal controls that support the achievement of the organisation’s objectives. The Audit Committee has been supported in its work by internal auditors from KPMG and counter fraud specialists from the London Audit Consortium and also by the external auditors, Deloitte LLP. The minutes of the Audit Committee have been submitted to the Trust Board and the Chairman of the Audit Committee has reported the business of the Audit Committee to the Trust Board after each meeting of the Audit Committee.

**Risk & Safety Committee**
The Risk & Safety Committee (composed of Non-Executive Directors) met on 4 occasions during 2011/12, each time under the Chairmanship of Mr Nicholas Coleman. The Risk & Safety Committee has discharged its responsibilities to provide the Trust Board with an independent and objective evaluation of Trust risk and safety governance systems and processes. The minutes of the Risk & Safety Committee have been submitted to the Trust Board and the Chairman of the Risk & Safety Committee has reported risk and safety matters to the Trust Board after each meeting of the Risk & Safety Committee.

**Performance Evaluation of the Board of Directors, The Audit Committee and the Risk & Safety Committee**
An annual evaluation of the performance of the Board is a requirement of the NHS Foundation Trust Code of Governance, and good practice recommends that such evaluations are conducted by independent experts at least every three years. The Trust was authorised as a Foundation Trust on 1st June 2009 and the Board underwent extensive evaluation as part of the Foundation Trust assessment process. The 3 year external review is therefore due by 31st May 2012. In January 2012 the Trust commissioned an independent external evaluation of the Board in order to ensure that good practice is observed.

DAC Beachcroft LLP and the Foresight Partnership were selected to conduct the evaluation which has examined the governance of the Board and its principal Committees, namely the Audit Committee and the Risk & Safety Committee. The evaluation has consisted of interviews with Directors, observations of Board and committee meetings in March and April 2012, gathering of views from focus groups of staff and governors and a comprehensive review of board documentation. Typical matters of the Board that are being examined include strategy, risk, operational performance and quality management. In addition, a skills inventory is being compiled for Board members, to assist with succession planning.

The evaluation began during 2011/12 and will be concluded during 2012/13. The conclusions were presented to the Board in May 2012. Once the Board has considered the evaluation, key recommendations and action plans to take them forward will be developed.
Nominations & Remuneration Committee of the Trust Board

The Nominations and Remuneration Committee of the Trust Board (composed of Non-Executive Directors) met on 2 occasions during 2011/12, each time under the Chairmanship of Mr Richard Hunting. The Nominations & Remuneration Committee of the Trust Board has discharged its responsibilities to appoint executive directors, and to oversee the remuneration of the executive directors.

Mr Richard Paterson was appointed as an executive director in October 2011. He was nominated by the Nominations & Remuneration Committee, and his appointment was then ratified by the Trust Board.

Remuneration Report

The policy on the pay of senior managers during 2011/12 was that there would be no general uplifts of salaries in terms of cost of living payments. This has continued into 2012/13.

Each of the senior managers undergoes appraisal by the Chief Executive. The Chief Executive is in turn appraised by the Chairman. The Chief Executive undertakes an objective setting exercise with each senior manager and performance against these objectives is kept under review by the Chief Executive. The system used was developed by the Trust HR Director and has been tailored to the requirements of the organisation.

The Nominations & Remuneration Committee of the Trust Board has been advised in the past (during 2010) by the Hay Group in respect of benchmarking rates of pay for senior managers across London. The Hay Group are not connected to anyone at the Trust in any respect, and do not provide any other services to the organisation.

The contracts of senior managers are normally awarded on the basis of a substantive contract, although it should be noted that the contract for Richard Paterson is for a period ending 30th June 2014 at his request.
The following Table shows the date of appointment of directors, together with the type of contract issued and the unexpired term of appointment where applicable:

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Date Appointed</th>
<th>Contract / Unexpired Period at 31st March 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sir Robert Finch</td>
<td>Chairman</td>
<td>01 Jan 09</td>
<td>9 months</td>
</tr>
<tr>
<td>Robert J Bell</td>
<td>Chief Executive</td>
<td>28 Mar 05</td>
<td>Substantive contract no end date specified</td>
</tr>
<tr>
<td>Mrs Jennifer Hill</td>
<td>Senior Independent Director</td>
<td>01 Dec 05</td>
<td>8 months</td>
</tr>
<tr>
<td>Mr Neil Lerner</td>
<td>Non-Executive Director</td>
<td>01 Feb 10</td>
<td>10 months</td>
</tr>
<tr>
<td>Mr Nicholas Coleman</td>
<td>Non-Executive Director</td>
<td>01 Jan 08</td>
<td>0 months*</td>
</tr>
<tr>
<td>Mr Richard Hunting</td>
<td>Non-Executive Director</td>
<td>01 Jan 07</td>
<td>21 months</td>
</tr>
<tr>
<td>Prof Sir Anthony Newman-Taylor</td>
<td>Non-Executive Director</td>
<td>01 Apr 06</td>
<td>3 months</td>
</tr>
<tr>
<td>Ms Kate Owen</td>
<td>Non-Executive Director</td>
<td>06 Oct 10</td>
<td>18 months</td>
</tr>
<tr>
<td>Timothy Evans</td>
<td>Medical Director &amp; Deputy Chief Executive</td>
<td>1 Apr 06</td>
<td>Substantive contract no end date specified</td>
</tr>
<tr>
<td>Richard Paterson</td>
<td>Associate Chief Executive - Finance</td>
<td>26 Oct 11</td>
<td>27 months</td>
</tr>
<tr>
<td>Robert Craig</td>
<td>Chief Operating Officer</td>
<td>22 Oct 08</td>
<td>Substantive contract no end date specified</td>
</tr>
<tr>
<td>Caroline Shuldham</td>
<td>Director of Nursing &amp; Governance</td>
<td>1 Apr 94</td>
<td>Substantive contract no end date specified</td>
</tr>
</tbody>
</table>

* Contract extended for the duration of the Board Evaluation

The standard notice period for a senior manager is 3 months. No termination payments have been made during the reporting period and none are planned during 2012/13.

Details of the salary and pension entitlements of directors are set out in note 36 of the Accounts, Annex 1 of this document.

.............................. Robert J Bell  
Chief Executive  
On behalf of the Board of Directors  

.................................................. 30th May 2012
3.3 **Membership**

New members of the Trust are assigned into a constituency and geographical catchment in line with the criteria for membership set out in our constitution. There are three constituencies: patient/carer, public and staff. As the Trust is a national provider of specialist cardiac and respiratory services, the geographical catchments span across the whole of the UK. They consist of: North West London, Bedfordshire & Hertfordshire, South of England and UK (patient members) or Rest of England & Wales (public members). The eligibility requirements for the membership constituencies are as follows:

*Patients’ Constituency* – an individual who has attended the Trust’s hospitals, in the last three years immediately preceding the date of an application to become a member, as either a patient or as the carer of a patient and who has reached a minimum age of 16 years.

*Public constituency* – an individual must reside in one of the four geographical constituencies and have reached the minimum age of 16 years.

*Staff constituency* – the trust has employed an ‘opt out’ system for staff membership. Staff who are eligible are those that are employed by the Trust under a contract which has no fixed term, or has a fixed term of at least 12 months or has been continuously employed by the Trust under a contract of employment for at least 12 months. Individuals who exercise functions for the Trust but do not hold a contract of employment e.g. those employed by a university or who hold an honorary contact, a contractor or those employed by contractors may also become members of the staff Constituency. Volunteers to the Trust do not qualify for membership under the Staff Constituency.

Members of staff who are eligible to be members are informed about the Trust’s status as a Foundation Trust and membership at monthly new staff inductions. Members of the staff constituency may opt out of staff membership through notification to the Membership & User Involvement Manager.

**Membership Numbers by Constituency and the Trust Strategy for Ensuring a Representative Membership**

The Trust’s plan in 2011-12 included a stretch objective to increase its membership from 10,230 to 12,000. The figure of 12,000 was set by the Membership Steering Committee who applied a rational approach to determine its membership size as opposed to setting an arbitrary figure. The rationale used for the 12,000 target was derived from a calculation based on 10% of the total number of patients who had used our services in the last three years. Another exercise undertaken by the Committee, was to identify areas of under-representation in its patient and public constituencies. These have been identified and methods used by the Trust to recruit new members have targeted these groups.

Overall, the Trust has experienced a very slight increase in its membership size between 2010-11 and 2011-12 (Table 1) from 10,230 to 10,241, a net increase of 11 members. Further analysis of the numbers of new members recruited and leavers for each constituency highlight the following movements of members. The patient constituency has experienced the highest growth in new members. The Trust recruited 329 new members but had 257 leavers. The overall membership size for this constituency increased from 4615 to 4687 during this period. In relation to public members, the Trust recruited 63 new members but lost 99 and as such the total number of public members decreased from 1775 to 1739 during this period. In relation to staff membership, the Trust has an ‘opt out’ system in place. For the staff constituency, there were 880 new members and 905 leavers. Therefore there was a decrease in membership from 3840 to 3815. The reduction in staff membership size can be attributed to a number of initiatives taking place to reduce the number of staff in particular areas in the Trust such as the mutually agreed resignation scheme (MARS).
Although the Trust has notably increased its patient members, with 329 new members and 61 public members, it experiences the continual challenge of attrition of members due to a number of factors.

The Membership & User Involvement Manager in conjunction with the Membership Steering Committee has been trialling a number of methods to recruit members (see section below ‘Increasing members’).

**Analysis of Membership at 31 March 2012: Membership size and movements**

**Table 1**

<table>
<thead>
<tr>
<th></th>
<th>2010-2011</th>
<th>2011-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At year start (April 1)</td>
<td>+ve</td>
<td>1929</td>
</tr>
<tr>
<td>New members</td>
<td>+ve</td>
<td>18</td>
</tr>
<tr>
<td>Members leaving</td>
<td>+ve</td>
<td>172</td>
</tr>
<tr>
<td><strong>At year end (31 March)</strong></td>
<td></td>
<td>1775</td>
</tr>
<tr>
<td><strong>Staff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At year start (April 1)</td>
<td>+ve</td>
<td>3484</td>
</tr>
<tr>
<td>New members</td>
<td>+ve</td>
<td>889</td>
</tr>
<tr>
<td>Members leaving</td>
<td>+ve</td>
<td>533</td>
</tr>
<tr>
<td><strong>At year end (31 March)</strong></td>
<td></td>
<td>3840</td>
</tr>
<tr>
<td><strong>Patient</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At year start (April 1)</td>
<td>+ve</td>
<td>5135</td>
</tr>
<tr>
<td>New members</td>
<td>+ve</td>
<td>21</td>
</tr>
<tr>
<td>Members leaving</td>
<td>+ve</td>
<td>541</td>
</tr>
<tr>
<td><strong>At year end (31 March)</strong></td>
<td></td>
<td>4615</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>10230</td>
<td>10241</td>
</tr>
</tbody>
</table>
Membership Strategy and Engagement
The Membership Steering Committee was established in June 2011. It is chaired by a patient governor and has representation from both public and staff governors. Its remit is to develop and implement a membership and communication strategy that details the Trust’s plan for recruitment, engagement and communication with members. The Committee reports to the Governors’ Council.

Managing Membership - The Trust procured an external membership database from Capita Membership Services (CMS) in April 2010. CMS support the Trust in managing its membership and in April 2011 the Trust migrated to a new version of the database. The day-to-day administrative management of the database is overseen by the Membership & User Involvement Manager.

Increasing Members - Our membership profile is different compared to most other trusts because as a specialist trust we do not have a ‘local community’. Instead our community is essentially our patients. As we are unable to target our local community, our main strategy for recruitment of new members is to target our current patients before they are discharged. This process automatically ensures that our patient membership is reflective and representative of our patient profile. We also encourage our patient members to recruit public members such as family and relatives. Work to recruit current in-patients is mainly undertaken by hospital volunteers. There are a myriad of methods that have been used and are in progress to increase the number of members and gain a representative membership. These are: mail-outs to specific under-represented groups, use of hospital volunteers to recruit new members on wards and governors. More recently, we are using membership stands at main hospital and social media, for example Twitter.

Engaging Members - The Trust held its second Annual Members’ Meeting on 12th October 2011 and approximately 90 members attended. The next meeting will be held on the 10th October 2012 and once again all members will be invited. The Trust has engaged its members in a number of ways during 2011-12. These have included engagement in the development of the Quality Account where members were able to vote on priorities for 2012-13. They have also been invited to a number of patient open days organised by clinical teams and our research departments. Others have been engaged via volunteering, participating in national and local patient surveys and voting for governors in elections and putting themselves forward as governor.

Communication with Members - The Trust’s Human Resources Department send out a ‘welcome letter,’ in their correspondence, to new staff. During monthly induction training for new staff, the Membership and User Involvement Manager, covers the role of a Foundation Trust and the ‘opt-out’ system for staff members. For new patient and public members, a welcome letter is sent to new members.

The Trust maintains contact with its members through a newsletter that is sent out twice a year. Members are sent this in the post/email and it is also available through accessing the trust website.

Contact details for members who wish to communicate with governors and the Membership & User Involvement Manager

There is a generic email address available for members to communicate with governors: governors@rbht.nhs.uk

and for members to contact the Membership & User Involvement Manager: members@rbht.nhs.uk
4. Disclosures in the Public Interest

Monitor guidance indicates that a set of key indicators on the Trust’s affairs be incorporated into the Annual Report.

**Countering Fraud and Corruption**
During 2011/12 the Trust engaged an accredited Counter-Fraud specialist as part of the internal audit service provided by London Audit Consortium. Investigations are carried out as required and outcomes reported to the Audit Committee. The provision of Counter-Fraud services transfers to a new provider, Parkhill, effective from 1st April 2012.

**Remuneration - salary and pension entitlements of directors**
Details of the salary and pension entitlements of directors are set out in note 36 of the Accounts, Annex 1 of this document.

**Accounting Policies for Pensions and Retirement Benefits**
Accounting policies for pensions and retirement benefits are set out in notes 1.7 and 9 of the Accounts, Annex 1 of this document.

**Better Payment Practice Code/Interest Paid under the Late Payment of Commercial Debts (Interest) Act 1998**
Information regarding these is disclosed in note 10 of the Accounts.

**Staff Consultations**
During 2011/12 there were organisation change proposals for Microbiology, Therapies, Research and Estates. These changes had fairly minimal effects on staff, and there were no large scale redundancies.

**Public Consultations**
Details of consultations with stakeholder groups engaging with the Trust are given in the Quality Report.

**Ill-health Retirements**
Details of ill-health retirements during the period are disclosed in note 8.3 of the Accounts.

**Other Income**
Details of Other Income are disclosed in note 5 of the Accounts.

**Data Loss/Confidentiality Breach**
There were no serious incidents involving data loss in the period.

**Cost Allocation and Charging Requirements**
The Trust has complied with HM Treasury and Office of Public Sector Information guidance with regard to cost allocation and charging.

**Value of Fixed Assets**
The Trust’s Land and Buildings were valued by the Director of Capital Projects and Development at 31 March 2012. In the opinion of the directors, there is no material difference between the reported holding value and market value of those assets at the balance sheet date.
Donations
The Trust has made no charitable or political donations during the period.

Events since 31 March 2012
There have been no disclosable post balance sheet events, other than the outcome of the appeal hearing in relation to Children’s Congenital Heart Services as disclosed on page 2 of this Annual Report.

Financial Instruments
The extent to which Trust employs financial instruments is set out in note 28 of the Accounts.

Occupational Health Service
Staff Seasonal Flu Campaign
The data reported for September 2011 to January 2012 by the Strategic Health Authority on the uptake of seasonal flu vaccinations of Health Care Worker Vaccination is as follows:
- London 35.0%
- England 44.7%
- Royal Brompton and Harefield 57%

The data differential clearly indicates the RBHFT occupational health team planned and conducted a successful campaign to achieve a 57% uptake.

Hillingdon Community Health Services Reconfiguration impact on Royal Brompton & Harefield NHS Foundation Trust Occupational Health Service
In February 2012 Central and North West London NHS Foundation Trust (CNWL) took over the management of Hillingdon Community Health. CNWL also manage Camden Community Health which operates its own occupational health service. In order to align these services the CNWL management team terminated the contract for occupational health services delivered by Royal Brompton & Harefield NHS Foundation Trust via the Harefield site and the service transferred to Camden Community Health on February 1st 2012.

Safe Effective Quality Occupational Health Service (SEQOHS)
During 2011/12, the occupational health service registered to take part in a programme which will lead to achievement of SEQOHS accreditation. The assessment and accreditation process takes up to two years. It is anticipated that RBHFT will be accredited by January 2013. Accreditation will only be granted following a process of assessment that measures performance of the occupational health service against rigorous standards that were developed by the Faculty of Occupational Medicine and the Society of Occupational Medicine. The occupational health team has undertaken a preliminary assessment against the standards, and an action plan is in place to ensure that they are achieved.
**Health and Safety**

The Trust recognises that providing a safe environment for its patients and staff underpins all its other activities. The Trust therefore provides Health and Safety training to all staff on their commencement with the organisation, and then ongoing throughout their employment to ensure safety awareness and good practice is maintained. This may be supplemented by additional training dependent on the specifics of the staff member’s role. Site based Committees have been established to ensure that concerns relating to safety can be raised through local Safety Representatives. The Trust also supports staff well-being in their work through a comprehensive Occupational Health service to ensure our staff and, through them, members of the public and of course, our patients enjoy a safe environment where occupational and safety risks are minimised. Health and safety is supported from the Chief Executive down to all levels.

**Staff Sickness**

In common with all other NHS Trusts, the Trust provides quarterly data on sickness absence to the Cabinet Office.

<table>
<thead>
<tr>
<th>Staff Sickness</th>
<th>% of staff sickness</th>
<th>Internal target: 3% or below</th>
<th>Apr 11 - Mar 12</th>
<th>2.41 %</th>
<th>Achieved</th>
</tr>
</thead>
</table>

**Policies in relation to disabled employees and equal opportunities**

The Trust has a Diversity Policy which was updated and ratified in June 2010 in order to take into account the requirements of the Equality Act 2010, which became law in October 2010.

The Trust is committed to delivering an equality of opportunity for all patients and staff, to maintain a culture in which all forms of discrimination are considered unacceptable. People are at the very heart of our Trust and the services we provide. Our patients, their carers and our staff deserve to feel respected, valued and empowered. We are committed to eliminating all forms of discrimination on the grounds of people’s age, disability, gender, racial group, religion or belief and sexual orientation.

The current legislation expands the scope of our duty for protection on the basis of not only race, gender and disability but to encompass Religion and Belief, Age and Sexual Orientation and Gender Reassignment.

In particular, the Trust takes steps to ensure that in respect of people with a disability, no discrimination takes place during the recruitment process, and that both for people with a disability, and those who become disabled during our employment, reasonable adjustments are made as required. The Trust Diversity Policy contains clear guidance for managers in respect of training, career development and promotion of people with a disability.

During 2011/12 the Trust met its obligations, under the public sector equality duty, to publish equality information by 31st January 2012.
5. Staff Survey

Introduction

The 2011/12 Staff Survey was conducted in the months of October and November and the results were published by the Care Quality Commission in March 2012.

The Trust recognises that staff engagement and motivation is key to productivity and job satisfaction. For this reason there are several methods in place to enhance communication, opportunities for information sharing and for rewarding staff, established across both hospital sites.

Existing Initiatives

The Trust's Chief Executive holds regular Staff Forums. These are valued opportunities, not just to update staff on recent news and developments from a strategic perspective, but also to take questions and comments from staff. Questions can be submitted beforehand if staff would like to remain anonymous or will be taken directly at the meeting. The contents of the forums are published on the intranet to inform those who were unable to attend.

The Trust also has a staff magazine, ‘in touch’, which is complemented by the monthly ‘What’s New?’ news bulletin, both of which are distributed throughout the Trust. The ‘Trust News’ and ‘Trust Matters’ pages on the intranet are also available to all staff.

The Trust has continued the popular Staff Recognition Scheme which takes nominations for individuals or teams from their colleagues and customers who feel they have made an outstanding contribution to for example, their team, service improvement, or delivering efficiencies. A ceremony is held twice a year where stories are shared, awards are given and successes are celebrated. The results are published for everyone in the Trust to see and these often inspire others.

In the past two years a new appraisal process has been implemented where employees understand behavioural expectations and are assessed against the Core Behaviours and Trust Values which both have the principles of fairness and respect embedded into them.

New Staff Well-being and Stress policies have been put in place and the Trust has introduced Schwartz Rounds which are open and confidential multidisciplinary forums where caregivers discuss challenging social and emotional issues that arise when caring for patients. Their aim is to help reduce staff stress while supporting them to provide compassionate care.

A new Induction programme for Consultants has been implemented to ensure that senior clinical leaders are fully integrated into the Trust and are supported by senior management.
**Initiatives recently implemented**

A number of initiatives have been implemented following the staff survey of 2010/11 to address areas of concern.

Equality and Diversity training completion rates have been significantly improved after the module has been made mandatory and e-learning has also been introduced for the course.

There has also been a great deal of work done to focus on Bullying and Harassment in the Trust, which is evident from the latest staff survey results. Two external courses were held. These related to ‘Impact on others’ and ‘Conflict Handling’ and were attended by a number of senior Consultants and managers across all directorates. The leadership courses run by the Learning and Development department now include sessions covering best management practices relating to the Trust’s Core Behaviours and this has also had a positive effect.

Other programmes such as Stress Management, team building, and mediation have been run regularly, tailored for each departmental or individual need. Appraisal completion rates have also been targeted for improvement along with attendance at Health and Safety training courses. The staff forums, Champions awards, Communications programmes and other employee focussed initiatives will also continue, and it is anticipated that these will contribute to further improvements in employee engagement and motivation.

**Summary of performance - NHS staff survey**

The Trust participates in the annual NHS Staff Survey and the results from the 2011 survey are summarised below.

**Response Rate:**

At the time of sampling, 2657 staff were eligible to receive the survey. Questionnaires were sent to a random sample of 776 staff. This includes only staff employed directly by the trust (i.e. excluding staff working for external contractors). It excludes bank staff unless they are also employed directly elsewhere in the trust.

327 staff at the Trust took part in this survey. This is a response rate of 42% which has remained the same as for the 2010 survey, however is still below average for acute specialist trusts in England.

<table>
<thead>
<tr>
<th></th>
<th>2010/11 (Acute Trusts)</th>
<th>2011/12 (Acute Trusts)</th>
<th>Trust Improvement/ Deterioration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>National Average</td>
<td>Trust</td>
<td>National Average</td>
</tr>
<tr>
<td>Response Rate</td>
<td>42%</td>
<td>51%</td>
<td>42%</td>
</tr>
</tbody>
</table>
Areas of improvement from the prior year and deterioration:

The largest local improvements are for ‘Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months’ and for ‘Percentage of staff having Equality and Diversity training in the last 12 months’

The score for Bullying and Harassment has improved dramatically, now standing at 15% compared with 2010’s 22%. However, this is still very slightly higher than the National average for acute Trusts, which stands at 14%.

The Equality and Diversity training figure now stands at 54% compared with 2010’s 24%. This is now above the National average of 50% showing a great improvement on the 2010 survey results. The score for ‘Fairness and effectiveness of procedures for reporting errors, near misses or incidents’ has also improved slightly from 3.56 in 2010 to 3.68 in 2011’s survey.

One area, the percentage of staff having received Health and Safety training in the last 12 months, has shown some deterioration and this will be addressed during 2012/13.

<table>
<thead>
<tr>
<th>Key finding</th>
<th>Change since 2010</th>
<th>2011 survey result</th>
<th>National Average 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of staff experiencing harassment, bullying or abuse from staff</td>
<td>-7%</td>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>in last 12 months</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of staff having equality and diversity training in last 12 months</td>
<td>+30%</td>
<td>54%</td>
<td>50%</td>
</tr>
<tr>
<td>Fairness and effectiveness of incident reporting procedures</td>
<td>+0.12</td>
<td>3.68</td>
<td>3.53</td>
</tr>
<tr>
<td>Percentage of staff receiving health and safety training in last 12 months</td>
<td>-6%</td>
<td>68%</td>
<td>83%</td>
</tr>
</tbody>
</table>
### Top 4 Ranking Scores:

<table>
<thead>
<tr>
<th>Top 4 Ranking Scores</th>
<th>2010/11 (Acute Trusts)</th>
<th>2011/12 (Acute Trusts)</th>
<th>Trust Improvement/ Deterioration</th>
</tr>
</thead>
<tbody>
<tr>
<td>KF31. Percentage of staff able to contribute towards improvements at work</td>
<td>68%</td>
<td>72%</td>
<td>+4% improvement</td>
</tr>
<tr>
<td>KF29. Percentage of staff feeling pressure in last 3 months to attend work when feeling unwell</td>
<td>36%</td>
<td>18%</td>
<td>-18% improvement</td>
</tr>
<tr>
<td>KF22. Fairness and effectiveness of incident reporting procedures</td>
<td>3.56</td>
<td>3.68</td>
<td>+0.12 improvement</td>
</tr>
<tr>
<td>KF4. Quality of job design (clear job content, feedback and staff involvement)</td>
<td>3.45</td>
<td>3.54</td>
<td>+0.09 improvement</td>
</tr>
</tbody>
</table>

### Bottom 4 Ranking Scores:

<table>
<thead>
<tr>
<th>Bottom 4 Ranking Scores</th>
<th>2010/11 (Acute Trusts)</th>
<th>2011/12 (Acute Trusts)</th>
<th>Trust Improvement/ Deterioration</th>
</tr>
</thead>
<tbody>
<tr>
<td>KF14. Percentage of staff appraised with personal development plans in last 12 months</td>
<td>54%</td>
<td>57%</td>
<td>+3% improvement</td>
</tr>
<tr>
<td>KF12. Percentage of staff appraised in last 12 months</td>
<td>61%</td>
<td>65%</td>
<td>+4% improvement</td>
</tr>
<tr>
<td>KF16. Percentage of staff receiving health and safety training in last 12 months</td>
<td>75%</td>
<td>68%</td>
<td>-7% deterioration</td>
</tr>
<tr>
<td>KF9. Percentage of staff using flexible working option</td>
<td>54%</td>
<td>58%</td>
<td>+4% improvement</td>
</tr>
</tbody>
</table>
Recommendations for addressing areas requiring improvement

1. Aim to improve response rate for the survey to enhance the quality of data received and consider increasing the number of people surveyed and investigate the possibility of appropriate incentives.

2. Continue with the implementation of the ‘Improving Working Relationships’ initiative to address Bullying and Harassment across the Trust, in order to make further improvements.

3. Continue to address the appraisal completion rate, now on course to achieve 90% by the end of 2012, working with managers to make sure these are completed and recorded in a timely manner.

4. Ensure all managers are trained properly in recruitment and appraisals and review our recruitment and promotion practices and policies.

5. Continue to develop the listening forums Trust wide.

6. Continue to support the development of the well-being and stress programme.

7. Flexible working options are widely available for staff, yet can be a difficult area to define, with staff having varying perceptions as to what should come under this descriptor. Many of our staff already work flexibly using the current policies and processes, but seem to use a narrow definition of flexible working when responding to the survey question. Further steps will be taken to promote flexible working and improve understanding of the wide range of flexible working methodologies covered by the question in the staff survey.

8. Improve Health and Safety training completion rates, with the Learning and Development department focussing efforts on achieving this in 2012/13.
6. Regulatory Ratings Report

2011/12 was our second full year of operation as a Foundation Trust.

<table>
<thead>
<tr>
<th></th>
<th>Annual Plan 2010/11</th>
<th>Q1 2010/11</th>
<th>Q2 2010/11</th>
<th>Q3 2010/11</th>
<th>Q4 2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Risk Rating</td>
<td>Q1 &amp; Q2 – 2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Q3 &amp; Q4 - 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance Risk Rating</td>
<td>Green</td>
<td>Amber / Green</td>
<td>Green</td>
<td>Green</td>
<td>Green</td>
</tr>
</tbody>
</table>

During 2011/2012, the Trust delivered the financial risk ratings set out in the Annual Plan as detailed by quarter. A financial risk rating of 3 is anticipated throughout 2012/13.

The Governance rating fell to Amber / Green in Q2 2011/12. This was due to a Monitor override of the Trust’s Q2 declaration attributable to the Clostridium difficile target. The Trust is in dispute with the Department of Health (DH) because of the very low target set by the DH for 2011/12. The disparity between the green governance risk rating contained in the annual plan and the position at Q2 triggered a Monitor requirement that the Trust commission an independent review of self certification. This review was carried out by KPMG. Their report, which was presented to the Trust Board in January 2012, concluded that there were no significant governance concerns.
Annex 1

FINANCIAL STATEMENTS OF THE ROYAL BROMPTON & HAREFIELD NHS FOUNDATION TRUST FOR THE YEAR 1 APRIL 2011 TO 31 MARCH 2012

Accounts for the year 1 April 2011 to 31 March 2012

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| Annual Governance Statement                      | iii - ix |
| Independent Auditor’s Report                      | x - xi  |
| Foreword to the Accounts                          | xii  |

Accounts for the year ended 31 March 2012

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| Statement of Financial Position    | 2 |
| Statement of Changes in Taxpayers’ Equity | 3 |
| Statement of Cashflows             | 4 |
| Notes to the Accounts              | 5 - 34 |
STATEMENT OF THE CHIEF EXECUTIVE’S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF ROYAL BROMPTON & HAREFIELD NHS FOUNDATION TRUST

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by the Independent Regulator of NHS Foundation Trusts (“Monitor”).

Under the NHS Act 2006, Monitor has directed Royal Brompton & Harefield NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Royal Brompton & Harefield NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual 2011-12 and in particular to:

- Observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the NHS Foundation Trust Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in Monitor’s NHS Foundation Trust Accounting Officer Memorandum.

..............................
Robert J Bell
Chief Executive and Accounting Officer

30th May 2012
1. **Scope of responsibility**
   As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation Trust's polices, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

2. **The purpose of the system of internal control**
   The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve polices, aims, objectives; it can therefore only provide a reasonable and not absolute assurance of effectiveness. The system of internal control, is based on an ongoing process designed to identify and prioritise the risk to the achievement of the polices, aims and objectives of the Royal Brompton & Harefield NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Royal Brompton & Harefield NHS Foundation Trust for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts. Full disclosure of governance structures in provided in section 3 of the annual report. The Trust is fully compliant with the requirements of the NHS Foundation Trust Code of Governance.

3. **Capacity to handle risk**
   To ensure that the Board is able to provide the appropriate levels of assurance on effective internal control to the Trust’s patients, its Board of Governors and stakeholders, a committee of the Board, the Risk and Safety Committee, has been established. This committee, with membership of the Trust’s Non Executive Directors and attended by the Executive Directors, oversees and scrutinises the systems for internal control, whether financial, clinical or non clinical, relating to external partners or providers, to seek assurance that risks are identified and adequately managed.

   The Governance and Quality Committee, chaired by the Medical Director and Deputy Chief Executive, provides management scrutiny of the Trust’s risk management issues against an integrated governance and patient safety agenda. It receives reports on clinical and non-clinical issues from each of the clinical divisions, to ensure that it has the opportunity to identify examples of both good and poor practice so as to ensure that these areas are operating to the highest clinical and quality standards. With representation from each of the clinical and non clinical divisions present the Trust is able to share best practice and respond to identified weaknesses. This committee provides regular performance reports to the Risk and Safety Committee and the Trust Board.

   The Quality and Safety department, which is led by the Executive Director for Nursing and Clinical Governance, delivers the Trust’s agenda to put patient safety at the forefront of the Trust’s activities. The Trust is a member of the NHS Institute for Innovation and Improvement’s (NHSIII) Leadership in Patient Safety Programme. To ensure that all Trust
staff are aware of their responsibility for patient safety activity and the management of risk, a range of training, guidance and support is offered to all levels of the Trust’s staff.

To ensure that the Trust undertakes its activities within a safe environment, the Trust has appointed an external specialist contractor to monitor compliance with its health and safety obligations. Additionally this contractor provides specialist advice and training in fire, health, safety and manual handling issues.

To ensure that a risk aware culture is developed, all staff joining the Trust attend an induction and ongoing training programme to provide them with the essential knowledge on health and safety and risk management.

Risk identification is undertaken at all levels of the Trust activity and is reported through the above committee structure to the Board to ensure that these issues are adequately reviewed. The Trust undertakes regular self assessments against the Quality Governance Framework (QGF) and maintains a risk register (RR) which cumulatively provide an overview of the significant risks to achieving our objectives, together with the controls in place to mitigate these risks.

4. The risk and control framework
The foundation trust is fully compliant with the Care Quality Commission (CQC) essential standards of quality and safety and is registered with the CQC without conditions. Ongoing compliance with registration requirements is managed through the Registration Leads Steering Group. There are registration leads for each of the registration requirements. The registration leads maintain a provider compliance assessment (PCA) for the essential standard for which they are responsible. The PCAs are audited by the Trust’s internal auditor over a 4 year rolling cycle, 4 were audited during 2011/12 and 4 more are included in the internal audit programme for 2012/13. The internal audit conducted during 2011/12 found adequate assurance and this was reported to the Audit Committee in April 2012.

As an employer with staff entitled to membership of the NHS Pension Scheme, control 139 measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer’s contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that all the organisation’s obligations under equality, diversity and human rights legislation are complied with.

The Board approved Risk Management Strategy has defined the Trust’s approach to risk throughout the year. The strategy determines the requirements for the identification and assessment of risks and for control measures to be identified and how risks should be managed and the responsibilities of key staff in this process. As the Trust provides specialist, innovative, tertiary cardiorespiratory services; there are risks to patients and the organisation inherent in the healthcare delivery, clinical innovation and research undertaken. The Trust recognises that not all risk can be eliminated or avoided but specific risks can be effectively mitigated and managed. The level of risk deemed acceptable / tolerable is kept under review by the Trust Board. It is recognised that the Trust adopts a risk aware, rather than a risk-averse culture.
The risk management strategy assigns responsibility for the ownership and management of risks to all levels and individuals to ensure that risks which cannot be managed locally are escalated through the organisation. This process populates the risk register, to form a systematic record of all identified risks. The reporting of incidents and near misses is actively encouraged. These reports are also used to populate the register. All risks are evaluated against a common grading matrix, based on the NPSA model, to ensure that all risks are considered alike. The control measures, designed to mitigate and minimise the identified risks, are recorded within the register. The top risks facing the Trust were reported to the Trust Board in March 2012 and have been presented, along with mitigating actions, in the Directors’ Report section of the Annual Report 2011/12.

The risks detailed within the risk register are aligned to the Trust’s Objectives through the Annual Planning process. The risk register is designed to reflect risks from all aspects of the organisation and provide details of the controls in place to mitigate the risks and identify where assurance can be located. The risk register provides assurance, through ongoing review, to the Board that these risks are being adequately controlled and informs the collation of the Annual Governance Statement.

The risk register recognises and is informed by the Trust's wider role and risk profile, especially as a leading centre for research and development, innovation, translational research and training and the part played by the Trust's stakeholders in its delivery of world class healthcare:

- Monitor, the Foundation Trust regulator, assesses the Trust’s risk profile throughout the year and its ratings inform the risk register and QGF.
- Relationships with the Care Quality Commission for ongoing monitoring of compliance with registration requirements.
- Monitoring meetings with the Trust’s coordinating commissioner, NHS North West London. Monthly Performance Contract Executive (PCE) meetings are held to review the Clinical Quality Report and provide commissioners with assurance that robust plans are in place to address any in year variances.
- The Health, Environmental Health and Adult Social Care Scrutiny Committee of the Royal Borough of Kensington and Chelsea; and the External Services Scrutiny Committee of London Borough of Hillingdon regularly review Trust performance.
- Local Involvement Networks (LINks) in Hillingdon and the Royal Borough of Kensington and Chelsea. The LINks have established a management board and a number of sub-groups focusing on particular health areas. The Trust, through the User Involvement Manager and staff, is working with LINks to ensure that it can support their agenda to engage users and identify potential risk issues so as to improve health and social care services in the boroughs. In particular, LINks are closely involved with development of the Quality Report.
- The Care Quality Commission undertakes a range of monitoring to identify potential risk issues. The CQC has registered the Royal Brompton and Harefield NHS Foundation Trust without restriction and the Trust reviews and responds to the regular updates from CQC which are presented to the Trust via the Quality and Risk Profile.
- Relationships with our health partners and stakeholders in relation to key objectives and future referral patterns.
- The Trust’s continued relationship with the National Heart and Lung Institute of Imperial College London.
One of the major challenges that faced the Trust during 2011/12 was the risk to Children’s Services posed by the review of children’s congenital heart services undertaken on behalf of the Joint Committee of Primary Care Trusts (JCPCT). The Trust sought a judicial review of the JCPCT consultation process. Permission to proceed with the judicial review was granted by Mr Justice Burnett in July 2011 and the full hearing at first instance took place in September 2011. Mr Justice Owen found in favour of Royal Brompton & Harefield NHS Foundation Trust and decided that the consultation should be quashed. The JCPCT decided to appeal this decision. The appeal hearing was held in March 2012, with the result that the judgement at first instance was overturned and the decision was made in favour of the JCPCT. The Trust has decided not to take the matter to the Supreme Court. The JCPCT has stated that the results of the consultation will be announced in July 2012. The Trust will review its options at this time based on the outcome of the consultation.

Maintaining the security of the information that the Trust holds provides confidence to the patients and employees of the Trust. To ensure that its security is maintained an Executive Director has been identified to undertake the role of Senior Information Risk Owner (SIRO). The SIRO has overseen the implementation of a wide range of measures to protect the data we hold and undertaken a full review of personal identifiable information flows to underpin the Trust’s information governance assurance statements and its assessment against the information governance toolkit. There were no serious incidents involving data losses during 2011/12. The review against the information governance toolkit provides me with assurance that these aspects are being managed and identified weaknesses addressed.

The foundation trust has undertaken risk assessments and developed an Adaptation Plan to support its emergency preparedness and civil contingency requirements, as based on the UK Climate Projections 2009 (UKCP09), to ensure that this organisation’s obligations under the Climate Change Act are met.

5. Review of economy, efficiency and effectiveness of the use of resources
Clinical Divisions and other corporate functions are explicitly made responsible for the delivery of financial and other performance targets through a system of annual business planning. A Financial Stability Plan was in place during 2011/12. This plan included delivering a £8.5m benefit from cost improvements. More than 96% of this plan was achieved.

The Finance Committee chaired by a Non Executive Director, provides assurance to the Trust Board as to:
- Delivery of the annual budget
- Monitoring of cash flow
- Tracking of financial performance
- Forecasting, re-forecasting and achievement of declared objectives

Staff sickness and turnover rates are reported to the Trust Board at every meeting and demonstrate that the Trust is meeting its internally set targets for both of these metrics.
6. **Annual Quality Report**

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of Annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

To fulfill this requirement and to ensure that there is an open and informed process for assessment of the Quality Account, the Trust has identified the Director of Performance & Trust Secretary as the management lead for the review process.

Regular reports are prepared for the Trust Board by the performance team and the Quality and Safety department against a range of the indicators providing real time information to ensure any risks to compliance are identified at the earliest opportunity.

To provide the Trust’s patients and its commissioners with assurance that a robust review process has been undertaken in the reporting of the quality account these are subject to review by our governors, commissioners, local LINks and the Scrutiny Committees at both Royal Borough of Kensington and Chelsea and the London Borough of Hillingdon, as well as review by the Trust’s external auditors, Deloitte LLP. To date no significant gaps or assurance have been identified in this review process.

The Trust has sought to ensure there is a balanced view in the choice of Quality Priorities for 2012-13, through use of a web and paper voting system. This has been open to all staff, patients, families and carers, LINKs, governors, and FT members. The top choices for each key stakeholder group have formed the Quality Priorities for 2012-13.

The data used and reported in the Quality Account has been reported to the Trust Board each quarter. Progress with the Quality Account Priorities for 2011-12 was also reported on at the 6 month point at the Annual Members meeting. The data quality of the information contained within the Quality Report has been the subject of external audit; two mandated indicators have been reviewed, as well as one local indicator for which data has been sampled. Overall, data quality is supported by the use of an Information Assurance Framework which has been developed to support quality governance.
7. **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust that have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit Committee and the Risk and Safety Committee; and actions to address weaknesses and ensure continuous improvement of the system are in place.

My review is also informed by; attendance at the Audit Committee and the Risk and Safety Committee, performance reports to the Board - including the Trust Risk Report, Governance and Quality reports on clinical activity and patient safety, the audit work undertaken by the Trust’s internal auditors and the assessment against the NHSLA’s Risk Management Standards provide me with further assurance. It should be noted that the Trust currently holds level 3 of the NHSLA assessment which is the highest possible level of achievement under this scheme.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the above mentioned processes and through reports from the executives with responsibility for internal control.

The Non Executive Chairs of the Audit Committee and the Risk and Safety Committee provide assurance as to the effectiveness of the system of internal control, through reports to the Board on the committees’ ongoing review of the activities and findings of the Trust’s external auditors, Deloitte LLP and its internal auditors, KPMG, and its Counter Fraud Service provided by the London Audit Consortium. The internal audit provider has delivered against its annual audit plan, which is 'risk based' to reflect potential gaps and control issues identified in the risk register and self assessments against the Quality Governance Framework.
Other means of external review are identified in the areas to which they relate, for example:

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<td>Corporate Governance</td>
<td>Monitor</td>
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<td>Clinical Governance</td>
<td>Care Quality Commission</td>
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<td>Including registration as required by the Health and Social Care Act 2008</td>
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<td>Infection Prevention &amp; Control</td>
<td>Infection Prevention Commissioning Liaison Group - NHS North West London</td>
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<td>Risk Management</td>
<td>NHS Litigation Authority</td>
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<td>External Audit (Deloitte LLP)</td>
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<td>Internal Audit (KPMG)</td>
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<td>Counter fraud service (London Audit Consortium – succeeded on 1 April 2012 by Parkhill)</td>
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<td>Quality Report</td>
<td>London Borough of Hillingdon External Services</td>
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<td>Health, Environmental Health and Adult Social Care</td>
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<td>Scrutiny Committee</td>
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In response to the guidance in the Intelligent Board document, the Board has adopted a comprehensive clinical quality report, which it receives at each of its meetings. These provide me with benchmarking and exception reports on a range of key performance indicators to ensure that key issues are highlighted and receive the appropriate attention.

KPMG have, throughout the year, reviewed elements of the Trust’s internal control arrangements including a review of QGF and Risk Register. This activity has informed the Head of Internal Audit’s Opinion which has provided me with assurance that an effective system of internal control to manage the principal risks identified by the organisation was in place for 2011/12.

Deloitte LLP provides the Trust with its external audit assurance and reports on a range of the organisation’s activities and annual accounts.

The Quality Governance Framework and risk register assessments have to date identified no significant control issues. A plan to address weaknesses and ensure continuous improvement of the system is in place.

**Conclusion**
Appropriate governance structures and internal control measures are in place. They have operated throughout 2011/12. No significant internal control issues have been identified.

..............................  Robert J Bell  30th May 2012  
Chief Executive
INDEPENDENT AUDITOR’S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF ROYAL BROMPTON AND HAREFIELD HOSPITAL NHS FOUNDATION TRUST

We have audited the financial statements of Royal Brompton and Harefield Hospital NHS Foundation Trust for the year ended 31 March 2012 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and the related notes 1 to 36. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts.

This report is made solely to the Board of Governors and Board of Directors (“the Boards”) of Royal Brompton and Harefield Hospital NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the accounting officer and auditor
As explained more fully in the Accounting Officer’s Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Audit Code of NHS Foundation Trusts and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:
• give a true and fair view of the state of the trust’s affairs as at 31 March 2012 and of its income and expenditure for the year then ended;
• have been properly prepared in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and
• have been prepared in accordance with the requirements of the National Health Service Act 2006.

Opinion on other matter prescribed by the National Health Service Act 2006
In our opinion:
• the information given in the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
INDEPENDENT AUDITOR’S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF ROYAL BROMPTON AND HAREFIELD HOSPITAL NHS FOUNDATION TRUST (CONTINUED)

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls;
- proper practices have not been observed in the compilation of the financial statements; or
- the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Certificate
We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts.

Heather Bygrave FCA BA (Hons)
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans United Kingdom

29 May 2012
Foreword to the Accounts

These accounts for the year ended 31 March 2012 have been prepared by the Royal Brompton & Harefield NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

............................                    Robert J Bell  
Chief Executive                     30th May 2012
Annex 2

Quality Report for the year ended 31 March 2012
Independent Assurance Report to the Council of Governors of Royal Brompton & Harefield NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Council of Governors of Royal Brompton & Harefield NHS Foundation Trust to perform an independent assurance engagement in respect of Royal Brompton & Harefield NHS Foundation Trust’s Quality Report for the year ended 31 March 2012 (the “Quality Report”) and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Council of Governors of Royal Brompton & Harefield NHS Foundation Trust as a body, to assist the Council of Governors in reporting Royal Brompton & Harefield NHS Foundation Trust’s quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2012, to enable the Council of Governors to demonstrate that is has discharged its governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Royal Brompton & Harefield NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2012 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- MRSA bacteraemia; and
- Maximum 62 day wait from urgent GP referral to treatment.

We refer to these national priority indicators collectively as the “indicators”.

Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual issued by the Independent Regulator of NHS Foundation Trusts (“Monitor”).

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the Quality Report is not consistent in all material respects with the sources specified in section 2.1 of the Detailed Guidance for External Assurance; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Detailed Guidance for External Assurance on Quality Reports.
Independent Assurance Report to the Council of Governors of Royal Brompton & Harefield NHS Foundation Trust on the Annual Quality Report

We read the Quality Report and considered whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual, and considered the implications for our report if we became aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with the documents specified within the detailed guidance. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the “documents”). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (“ISAE 3000”). Our limited assurance procedures included:

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- Making enquiries of management;
- Testing key management controls;
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- Comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different
Independent Assurance Report to the Council of Governors of Royal Brompton & Harefield NHS Foundation Trust on the Annual Quality Report

measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual.

The nature, form and content required of Quality Reports are determined by DH/Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts. In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Royal Brompton & Harefield NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2012:

• the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;

• the Quality Report is not consistent in all material respects with the sources specified in the detailed guidance; and

• the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Detailed Guidance for External Assurance on Quality Reports.

Deloitte LLP
Chartered Accountants
St Albans
30 May 2012