



A lifetime of specialist care

**Minutes of the Board of Directors meeting held on 21st May 2014 in the Concert,
Royal Brompton Hospital, commencing at 10 30 am**

Present:	Sir Robert Finch, Chairman	SRF
	Mr Neil Lerner, Deputy Chairman & Non-Executive Director	NL
	Mr Robert Bell, Chief Executive	BB
	Pr Timothy Evans, Medical Director & Deputy Chief Executive	TE
	Mr Robert Craig, Chief Operating Officer	RCr
	Pr Kim Fox, Professor of Clinical Cardiology	KF
	Mr Richard Paterson, Associate Chief Executive - Finance	RP
	Dr Caroline Shuldham, Director of Nursing & Clinical Governance	CS
	Mr Richard Hunting, Non-Executive Director	RH
	Ms Kate Owen, Non-Executive Director	KO
	Mr Andrew Vallance-Owen, Non-Executive Director	AVO
	Mrs Lesley-Anne Alexander, Non-Executive Director	LAA
	Mr Richard Jones, Non-Executive Director	RJ
	Mr Richard Connett, Director of Performance & Trust Secretary	RCo

By Invitation:

	Ms Carol Johnson, Director of Human Resources	CJ
	Mr Nick Hunt, Director of Service Development	NH
	Mr Piers McCleery, Director of Planning & Strategy	PM
	Mr David Shrimpton, Director	DS
	Ms Joanna Axon, Director of Capital Projects and Development	JA
	Sian Carter, Interim Director of Communications & Public Affairs	SC
	Lorraine Campbell, Senior Nurse / Service Manager	LC

In Attendance:

	Mr Anthony Lumley, Corporate Governance Manager (minutes)	AL
	Ms Gill Raikes, CEO, Royal Brompton & Harefield Hospitals Charity	GR

Apologies: None.

2014/42 DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING

None.

SRF reported that the Governors had re-appointed Richard Hunting and Kate Owen as Non-executive Directors for one year and three years respectively. They had also noted the appointment of Andrew Vallance-Owen as Senior Independent Director. He added that pay issues had been resolved and that Nick Hunt's appointment as Director had been agreed subject to due process.

2014/43 MINUTES OF THE PREVIOUS MEETING HELD ON 30 APRIL 2014

The minutes were approved.

2014/44 REPORT FROM THE CHIEF EXECUTIVE

BB noted that he had circulated a written summary of his report.

Chelsea & Westminster Collaboration

BB said his summary had included correspondence with Tony Bell (TB), Chief Executive of the Chelsea & Westminster Hospital (C&W) in response to his email of 14 May 2014. BB said he was open to both Boards meeting to understand the basis on which this collaboration could go forward. TB had expressed some surprise with respect to the Trust's brochure on redevelopment of the Royal Brompton Hospital (RBH) campus, but BB feared there was a more fundamental discrepancy in each Trust's understanding of the proposed collaboration. TB had referred to a 'transfer' of Children's Services to C&W whereas a joint venture between the two Trusts was what was under discussion. TB's term recalled the proposed 2009 collaboration with Great Ormond Street Hospital, who had simply expected RBH to 'transfer' its services to them.

Following his meeting with the Chairman of C&W, BB and TB, and now that C&W had secured Doughty House, SRF felt it was clear that C&W wished to proceed with the joint venture. RCr said that when this was discussed by the Board in April 2014 it was apparent to all that, however compelling the vision, the initial financial analysis did not look promising. C&W had requested a Board-to-Board discussion and did not want to commit material further resources to the project before the Boards had met.

NL said he supported a Board-to-Board meeting but the timing in relation to the project teams' work was crucial. It should only take place when there was greater clarity about the proposed joint service. BB said the Trust's Board still had not seen an Outline Business Case. It might be prudent not to go into this until the figures were produced. NL said he felt little would be achieved by a Board-to-Board if, before that happened, the Trust's Board had looked at the figures and could not support the proposal.

In view of C&W's caution, LAA advised against one party developing and shaping positions which the other might not support: the aim should be co-production of a new service. RCr reassured Board members that joint working with C&W

remained constructive and still reflected the enthusiasm of both Trusts since the Memorandum of Understanding was signed eighteen months ago. The Board-to-Board idea had emerged from C&W as their Board wanted to better understand the strategic importance and alignment of the venture for each Trust.

KO said the timing was important but 'forewarned is forearmed' and it was therefore better to know what the Board-to-Board agenda would be. NL said he was concerned that if C&W had stopped work on the project this would not enable the financial analysis to be developed, which was a pre-requisite for a Board-to-Board meeting. RCr explained that C&W was expending significant resources on both their West Middlesex University Hospital proposal and the Shaping Our Healthy Future agenda and was anxious about the time and the commitment it could give to this joint venture before a joint Board discussion on its prospects.

AVO said C&W wanted a strategic discussion which he supported. KF agreed and said it was also necessary to include the financial consequences of not working together.

BB suggested agenda items for the Board-to-Board – defining the integrated vision and reconciling the finances. The latter item would reveal if C&W had similar financial concerns. He added that if C&W's understanding was that this was about a transfer of services and not a different model of collaboration, then this ran counter to the original premise. SRF summarised that the message through BB was to encourage a Board-to-Board discussion with reports from the two Chief Executives on the vision of the joint venture and an understanding of the financial consequences.

RJ pointed out that the nature of C&W's response to BB's most recent letter would be crucial. KF said it would be more appropriate to discuss what the Trusts wanted to achieve through the joint venture and to see if they wanted this proposition. He suggested finances were not looked at until afterwards. LAA agreed.

The Board agreed that revisiting the vision should be the focus of a Board-to-Board. BB would brief Board members before this occurred.

Chelsea Campus Redevelopment

BB recapped for the Board on the Supplementary Planning Document (SPD) process. This was led by the Royal Borough of Kensington and Chelsea (RBK&C), the purpose of the SPD is to agree the framework within which a future planning application would be evaluated. He reported that the Royal Marsden Hospital (RMH) was attempting to derail the SPD process by distributing misinformation online and to the media. Dr Anne Rainsberry, Regional Director (London) NHS England (NHSE) sent a letter to Jonathan Bore (Executive Director of Planning and Borough Development) on 30 April 2014 a copy of which had been circulated to the Board before this meeting. NHSE appeared to be seeking to intervene in order to broker an agreement between RBHFT and RMH. BB said he had been surprised by the letter and he did not understand the basis of the reference point. NHSE had visited the Trust in December 2013 to be briefed on the proposals and the SPD and they had raised no concerns; nor had they raised issues subsequently in two further meetings in January and February of this year. In fact NHSE had stated they would be interested in acquiring 30,000 sq. feet of space in the new development for primary care. The letter said NHSE could 'facilitate a review' and referred to 'the development of specialised services across London'. BB said he had consulted with SRF and the Trust's advisers and they had agreed to examine RB&HFT's legal position. He added that there was an implied threat in the letter to commissioning.

BB gave an update of the latest meeting with the Leader and Director of Planning at RBK&C which had taken place on 20 May 2014. RMH had sent emails on Friday 16 May 2014 seeking to cancel the meeting and asking for a meeting on Wednesday 28 May 2014 between the two Trusts. The 20 May meeting had gone ahead and Cally Palmer (CP), Chief Executive of RMH had attended. At this meeting BB asked the Royal Borough what their understanding of NHSE's letter was and whether they had responded. The Royal Borough confirmed that they had replied and had said that any review would need to be impartial and would only be commissioned if agreed by both of the hospitals concerned. and it must be impartial. BB said he had made clear his view that RB&HFT would be willing to participate in an impartial review in the context of a planning application having been made. BB said that he intended to write to NHS England to set out the Trust's understanding of the constitutional position.

BB said that the Royal Borough intended to invite NHS England to a meeting and that he hoped that it would be possible for RBHFT and RMH to reconcile their visions for the future.

SRF said that on 1 May 2014 he had attended an informal meeting with Councillor Sir Merrick Cockell (former leader of the Royal Borough), the Chairman of RMH, the Chairman of the Institute of Cancer Research, and Jon Moynihan representing local residents' groups. RH from the Trust had also attended. At this gathering it had been abundantly clear that RMH expected the Trust to sell the Fulham Wing to it and had put its case for space. The ICR had said RBH had a duty to take the public good into account. A clear attempt was being made by RMH to acquire the block as soon as possible and at a value which would undermine RB&HFT's plans for redevelopment. SRF added that at the Council of Governors meeting on 19 May 2014 Governors had expressed the view that the Fulham Wing should not be sold for less than its full market value and they were firmly of the view the Trust should proceed with its development plans. He had also received a five page email from the Chairman of Chelsea Square Residents Association and said that the Trust should borrow to fund the redevelopment. RH confirmed SRF had given an accurate summary of the meeting on 1 May 2014 and added that Ian Molson, Chairman of RMH had admitted that up to December last year RMH had never made their wish to acquire the Fulham Wing known to the Trust.

In answer to a question from NL, BB confirmed that he had asked the Royal Borough for a copy of their reply to NHSE.

AVO said the Governors had also been concerned by the implied threat by the main commissioner and suggested BB included this in his letter to NHSE. BB said CP had conveyed to him her impassioned view that NHSE had a right to lead the review. BB said the Royal Borough had pointed out to RMH that they had a plot of land for which they had not applied to develop. AVO said on the principle of acting in the public good our Governors were clear where their responsibilities lay – they spoke for the members of the Trust of whom they are the elected representatives.

2014/45

CLINICAL QUALITY REPORT FOR MONTH 1: APRIL 2014

RCo said the highlights were.

Monitor Risk Assessment Framework

- *Clostridium difficile*: no cases reported to Public Health England during M1.

- 62-Day Cancer target: the target would be passed subject to agreement of one breach repatriation request.

Key Performance Indicators

- Incidents - Safety SI's (Serious Incidents): None in M1.
- Radiation Safety Incidents: One failure in process was reported to the Care Quality Commission after technetium tetrofosmin was administered to a patient instead of thalium. There was no patient harm and improvements to procedures had been identified.

Standard Contract:

- Cancelled operations – 28 day readmissions: RCo reported that there were six breaches of this standard during M1.
- The 18 Weeks Referral to Treatment (RTT) 'Admitted': the 90% target had not been met at specialty level for the 'other' specialty (which includes cardiac surgery) performance had been 87.03% against a target of 90%. The specialty level target for incomplete pathways had also not been met for the 'other' specialty with performance of 85.9% against a target of 92%.
- *Clostridium difficile*: this was now reported under the NHS Standard Contract in addition to the Monitor Risk Assessment Framework. There were no reviews of cases in M1.

FFT (Friends and Family Test) Results.

- The paper included March and April 2014 reports following the omission of the March figures in the Clinical Quality Report received by the Board on 31 April 2014. In March the Net Promoter Score was 85 and the response rate 29%. In April the Test Score was 84 and the response rate 31%.

NL referred to the breach of the cancelled operations target with respect to re-admission of patients within 28 days. He asked how the 64 cancelled operations in M1 compared to previous performance? RCr referred Board members to the relevant graph in the Clinical Quality report which illustrated the cancellations as a percentage of surgical spells. The figures had reduced from a peak in March 2014. There had been a significant effort to improve performance and processes including thrice weekly scheduling meetings of all relevant parties, although the impact of that was not being seen in the April report. The May figures would reflect an improvement. He

added that the use of capacity off-site (which had started in April) would also have a positive effect on the cancellation rate.

LAA said that with regards to the radiation safety incident, she was relieved to hear that there had been no adverse impact on the patient. She went on to say that it would be a good idea to include this kind of information in the report wherever possible. The Board noted the report.

2014/46 FINANCIAL PERFORMANCE REPORT FOR MONTH 1: APRIL 2014

A late addition of divisional analysis was tabled. RP highlighted the following performance in M1:

- I&E account: overall deficit of £1.1m against a planned deficit of £0.9m. The planned deficit had been of that order because of the impact of Easter in April. Elective appointments around Bank Holidays tended to be limited. In May (M02) there were also two Bank Holidays which would have a further impact. RP said he expected a cumulative deficit of around £2m to be reported for Q1. However, the expectation was that this would be recovered – income from Private Patients (PP) outpatient activity in Wimpole Street and the achievement of FSP initiatives would cut in. Funding from the Charity would also catch up.
- Balance sheet/cash: of note was the first £2.5m draw down of the loan from the Independent Trust Financing Facility.
- Continuity of Service (CoS) rating: although not required to report this rating at the end of M1 the Trust would have reported a rating of 4, the best available.
- Risks: Not receiving Project Diamond money in full was now a red risk. A tougher regime with commissioners in relation to fines for CQUINs and QIPP targets was expected and could be characterised as a hardening of the environment.

The Board noted the report.

2014/47 REPORT ON NURSE STAFFING

SRF welcomed Lorraine Campbell, Senior Nurse/Service Manager for Cardiology at RBH. CS said this report was the first to be presented to the Board on nurse staffing as part of the new reporting requirement as set out by NHSE and the National Quality Board. It reflected the call for greater openness and transparency with the public and the underpinning theme was of the Board taking responsibility for staffing. CS said there were two specific requirements – firstly, monthly report on cover (as presented in this paper) and secondly, six monthly reviews of establishments. There was some difficulty in discussing the

monthly report in a timely way. As there was no Board meeting in June 2014, the first two months of staffing in 2014/15 (April/May) would be included in the report presented to the Board in July 2014. This initial report therefore showed an average month for the last year (2013/14) which could be used as the baseline for future reports.

CS said that the prescriptive parts for the report included sections on nursing sickness, turnover and maternity leave. Maternity leave fluctuated from year to year as expected. Tables which showed shift cover (fill rates) illustrated that the Trust was able to fill the majority of shifts using a combination of permanent staff, bank and agency nurses. CS added that in future the Trust was required to present cover by hours.

NL suggested that for the table on nursing establishment and vacancy rates the word 'rate' was taken out and percentage added alongside it.

AVO said it was complicated managing shifts and rotas and asked that the Board's congratulations and its gratitude be relayed to those who manage this and had compiled the data. SRF concurred and said from his personal viewpoint the Trust had magnificent nursing staff.

CS said there was a requirement to publish the first set of monthly data by 10 June 2014, which meant it would be in the public domain before it had been seen by Board members. She assured the Board that the data would be not be inconsistent with the data they had reviewed in this Board report and the Board agreed that the data would be reported externally in the way mandated.

2014/48

AUDIT COMMITTEE (AC)

(i) REPORT FROM MEETING HELD ON 20 MAY 2014

NL gave an oral update. He said that at the meeting KPMG had presented the revised version of the audit plan for 2014/15. The AC approved the plan. The committee had also reviewed the Annual Report and Accounts 2013/14. Members made high level suggestions for changes and it was agreed to forward drafting comments to RCo by email. Deloitte, who are the Trust's external auditors, had given the AC its view on the accounts and Quality Account. NL said that the latter document was an excellent high quality report. He added that the committee, with only Trust staff present in the room, had reviewed the effectiveness of the external audit process (which would be reflected in the AC's report in the Annual Report) and

had discussed the upcoming tender for the appointment of external auditors for 2014/15.

(i) MINUTES FROM THE MEETING HELD ON 28 APRIL 2014
The minutes were noted.

2014/49 ARRANGEMENT FOR EXTERNAL AUDIT TENDER PROCESS
RP said the appointment of external auditors was a matter for decision by the Governors. The process to be followed would be overseen by the Audit Committee. An invitation would be sent to about six firms to submit their proposals. At the Council of Governors meeting it was agreed that a Governor would be a member of audit committee selection panel. NL confirmed he had written to Chhaya Rajpal (Patient Governor North West London) with an invitation to be the representative of the Governors. The final decision on the appointment of external auditors would be made at the Annual General Meeting of the Council of Governors to be held on 21st July 2014.

2014/50 FINANCE COMMITTEE: (I) GOING CONCERN STATEMENT (II) FIVE YEAR STRATEGIC PLAN
RP said that with regards to 'Going Concern' the plan remained cash positive for 2014/15 on both base case and sensitised cases, but on the latter case it would fall into the red in 2015/16. If the Trust were faced with a threat to meeting its obligations as they fell due, a reduction in capital expenditure would occur. It was unlikely that the all the sensitivities (a worst case scenario) would transpire which meant that there was some assurance that the Trust would retain a CoS of at least 3 for the two years. He added that even if PD funding did not materialise in 2014/15 the Trust should retain its CoS 3 albeit by a narrow margin. He recommended that the Board make the going concern statement in the 2013/14 Annual Report.

NL said he supported this. RP said other Trusts were including PD in their forecasts.

The Board approved the going concern statement in 2013/14 Annual Report.

(ii) SRF said the approach to the Strategic Plan had been reviewed by Governors at their meeting on 19 May 2014.

The approach to the Five Year Strategic Plan was noted.

2014/51 APPROVAL OF ANNUAL REPORT & ACCOUNTS INCLUDING QUALITY REPORT 2013/14

Introducing the report RCo said it had been reviewed by the AC on 20 May 2014 and adjustments had been made. Some additional work was also required following comments made by Deloitte. The report would be delivered to Monitor on 30 May 2014. The Board was requested to give delegated authority to NL RP and RCo to finalise the Annual Report 2013/14 for sign off by the Chief executive on 27th May. This was agreed.

The Board approved the Annual Report and Accounts.

2014/52

CORPORATE GOVERNANCE STATEMENT

Introducing the paper RCo said under the Provider Licence board governance statements made in previous years had become part of the Corporate Governance Statement. Monitor have issued certificates for completion and upload to the MARS portal by 30 May 2014 and 30th June 2014. There being no scheduled meeting of the Trust Board in June, both sets of certificates were being presented to the Board today for approval. The accompanying paper set out the matters which required a declaration by the Trust Board as to whether they were 'confirmed' or 'not confirmed'. Each matter included sources of assurance and, where required, risks and mitigating actions and drafts of narrative responses for submission to Monitor.

RCo went through each statement and in each instance the Board was asked if they supported the recommendation. The Board supported each recommendation. For declaration 5, Certification on Academic Health Science Centre (AHSCs) and Governance RCo said the Trust was not part of an AHSC. However, the Board was being asked to consider whether to confirm or not confirm the statement as it was stated that the declaration was also for NHS Foundation Trusts who were considering entering into a 'Joint Venture'. He added that there was no requirement to give any detail. The Board agreed to respond that it confirmed the statement.

Action: RCo to upload self-certification returns to Monitor's Monitoring and Regulatory System (MARS) portal

2014/53

FOUNDATION TRUST CONSTITUTION

RCo introduced the paper in which it was proposed to amend the Constitution to increase the number of Non-Executive Directors that can be appointed by Governors. The existing provision was for 'up to 7' and the proposed amendment now read 'up to 8'. The new version also included a clarification that changes to the standing orders of the Council of Governors and

the Board of Directors no longer required the approval of Monitor and an amendment to show that reports of sealing would be made at least annually and not quarterly. RCo added that the Council of Governors had approved the Constitution at its meeting on 19 May 2014

The changes to the Trust's Constitution were approved.

2014/54

REORGANISATION OF THE ROYAL BROMPTON & HAREFIELD HOSPITALS CHARITY – PHASE II

RP said this report brought an important issue for the Board to consider. The Corporate Trustee of the Trust's linked Charity since April 2012 had been the Royal Brompton & Harefield Hospitals Charity Trustee. The Charity was regulated by both the Charities Commission and the DH. Later in 2012 the DH launched proposals to end the dual-regulation and make the Charities Commission sole regulator. The Charity had been advised by its lawyers and was now in a position to go to Phase 2 to make itself fully independent. The advantages of this were being able to appoint its own directors and being at liberty to restructure its own property portfolio for tax planning reasons. However, this was not a straightforward proceeding. The Charity's lawyers had set out a 17 step process to achieve this. Step one required the Trust to write to the DH to confirm support. Step 2 involved the Trust agreeing to the terms of a Memorandum of Understanding (in the legal form of a deed) between itself, the Charity Trustee in its capacity as trustee and the Charity Trustee as the receiving beneficial owner of the properties. Once the deed was approved it could be submitted to the DH for approval to allow the next 15 steps to be completed.

RP said RCo had spoken to DAC Beachcroft LPP as the Trust needed independent advice. The Board were requested to give RP delegated authority to go through the process with lawyers and a sub group of Board members to draft documents. The Board members must be independent directors. It was agreed that NL and LAA would be members of the sub group.

RH said the lawyer who had drawn up this process did have a tendency to over elaborate. RP said it appeared that DAC Beachcroft did have some knowledge of the subject although this was ground-breaking territory in legal terms.

KF asked if the change of direction would allow the Charity to divert money to other organisations. RP said the objects of Charity were to support the Trust and the NHS. He added that in the deed there was a continuation of the requirement for

Foundation Trust directors (minimum of two, maximum of three). KF said this was reassuring.

RJ asked about the cost of the work? RP said only we and Barts & the London had got so far in the process. The Trust had a capping arrangement with DAC Beachcroft LLP but the length of the process could not be predicted.

2014/55 RECOMMENDATIONS OF ADVISORY APPOINTMENTS COMMITTEE

The Board were presented with one ratification form for the appointment of a Consultant in Respiratory Medicine (With an Interest in Interstitial Lung Disease). SRF said there were two candidates interviewed and the one selected was outstanding.

The Board ratified the appointment of Dr Felix Chua as Consultant in Respiratory Medicine with an Interest in Interstitial Lung Disease.

2014/56 APPROVAL OF BAD DEBT WRITE-OFF

RP said the proposed write off over £50K was recommended by the Finance Committee for approval by the Board.

The Board agreed to the write off the debt over £50k as set out in the report.

2014/57 QUESTIONS FROM MEMBERS OF THE PUBLIC

Michael Gordon said that a number of patients and visitors had complained about the Guest Wi-Fi service at Harefield Hospital and specifically had difficulties either logging in or getting access to the internet.

RCr said lots of improvements to the network and infrastructure were planned but he would bring his comments to the attention of Joanna Smith, Chief Information Officer.

[Note to the minutes from Joanna Smith; CIO: The Trust is currently concluding the procurement process for a £1m investment in the network. This includes a complete redesign and upgrade to the wireless network. This work is expected to be completed over the next 9-12 months and is anticipated to make a very significant improvement to the speed and reliability of both our internal and public wireless services. The Trust has to balance ease of access with security when providing Wi-Fi services to the public. Log-in procedures for guest Wi-Fi require the user to provide details of their identity in order to guard

against inappropriate use, and to protect patients and staff from exposure to inappropriate web content.]

NEXT MEETING Wednesday 23 July 2014 at 2pm in the Board Room, Royal Brompton Hospital