A lifetime of specialist care

Royal Brompton & Harefield NHS
NHS Foundation Trust

Minutes of the Board of Directors meeting held on 25th May 2016 in the Concert Hall, Harefield Hospital, commencing at 10 30 am

Present:	Mr Neil Lerner, Deputy Chairman & Non-Executive Director	NL
	Mr Robert Bell, Chief Executive	BB
	Mr Richard Paterson, Associate Chief Executive - Finance	RP
	Dr Richard Grocott-Mason, Interim Medical Director/Senior Responsible Officer	RGM
	Mr Robert Craig, Chief Operating Officer	RCr
	Mr Nicholas Hunt, Director of Service Development	NH
	Ms Joy Godden, Director of Nursing	JG
	Dr Andrew Vallance-Owen, Non-Executive Director	AVO
	Mr Luc Bardin, Non-Executive Director	LB
	Mr Philip Dodd, Non-Executive Director	PD
	Ms Kate Owen, Non-Executive Director	KO
	Mrs Lesley-Anne Alexander, Non-Executive Director	LAA
	Mr Richard Jones, Non-Executive Director	RJ
	Pr Kim Fox, Professor of Clinical Cardiology	KF
	Mr Richard Connett, Director of Performance & Trust Secretary	RCo
By Invitation:	Ms Jan McGuinness, Director of Patient Experience and Transformation	JM
	Ms Jo Thomas, Director of Communications and Public Affairs	JT
	Ms Carol Johnson, Director of Human Resources	CJ
	Mr Piers McCleery, Director of Planning and Strategy	PMc
In Attendance:	Mr Anthony Lumley, Corporate Governance Manager (minutes)	AL
	Ms Gill Raikes, CE Royal Brompton & Harefield Hospitals Charity	GR
	Mr Dominic Conlin, Director of Strategy Chelsea & Westminster NHS FT	DC
Apologies:	None.	

2016/43 <u>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING</u>
None.

2016/44 <u>MINUTES OF THE PREVIOUS MEETING HELD ON 27th APRIL 2016</u>
The minutes were approved subject to

Page 6, item 2016/37, first para., third sentence: after " He invited Richard Hunting, Chairman of the Charity and present in this meeting as a member of the public to … " and before " … speak.", delete " make a comment".

The actions were reviewed and it was noted that they were all complete. NL asked if full information on outcomes of Serious Incidents was now included in the Clinical Quality Report. RCo confirmed that the outcome was either given, or if the investigation was continuing, this was stated.

2016/45 <u>AN UPDATE ON COLLABORATION WITH CHELSEA AND WESTMINSTER AROUND PAEDIATRIC CRITICAL CARE</u>
PMc gave a presentation on progress made by Chelsea and Westminster Hospital (C&W)

and the Trust in developing a collaboration in children's services. He introduced Dominic Conlin (DC), Director of Strategy from C&W. PMc highlighted the three questions for the Board to consider: what is our long-term ambition; is a joint critical care service the right next step; and has this feasibility study overlooked or misrepresented anything.

PMcC set out the context for the collaboration, explaining that there had been a Board to Board meeting in September 2014 to explore integration of Children's Services on one site. Capital requirements for this scheme had been £50m, which had not been forthcoming.

Before committing resources to a full business case, PMcC, DC and RCr had undertaken a feasibility study to look at whether proposals were valuable, viable, affordable and acceptable. Creation of a joint critical care service would provide capacity in a level 2 environment for patients currently being looked after in level 1 beds in other hospitals in North West London (NWL). Two additional private patient beds would provide the income to offset the capital and revenue costs.

NL asked if the Trust needed to be sure what the long term ambition was at this stage or whether it would emerge from further feasibility work or on-going discussions. PMc said there was a reasonable level of confidence in the proposal as both organisations knew each other quite well through the work streams that were already established such as nursing rotations, PDA Ligation cases at C&W and LTV patients managed in at C&W's Paediatric High Dependency Unit.

DC said he thought that the proposition would succeed moving from loss to profit making; and the collaboration would become what we want it to be provided the right people were involved. RCr added that it was difficult to define the end point but the joint critical care service would not be the end of the collaboration. NL noted that three to four months, when plans had been worked up and the Board could see what was being done in practice, would be a good time to debate the long term goal.

PDd asked, given the Trust's cradle to grave model, how would the collaboration impinge on adult care. PMc said that joining up of services such as imaging would benefit adults as well. RGM said this would be part of the integration of clinical teams which would benefit the cradle to grave model.

The Board discussed the extent to which a vision had been set out and there was agreement that while operationally and tactically the collaboration did make sense, it would be necessary to look at how this linked with the overarching vision for the Trust. DC confirmed that there was a 'fit' with C&W's vision. He went on to say that NWL's Clinical Commissioning Groups serve a much younger population than the London average and C&W would like to position themselves and RB&HFT to serve this population. He noted that the service would be different to that offered by Great Ormond Street Hospital (GOSH) and Evelina London Children's Hospital, but on the same scale.

BB said that as a long serving Chief executive, he remembered the history and that RB&HFT had looked to develop a collaboration with Great Ormond Street Hospital in 2007/2008 but this had foundered as a result of the divergent visions of the Boards. Since then, the 2011-13 Safe and Sustainable review had highlighted the need for collaborative arrangements for Children's Services and this had led to the existing work with C&W. BB also noted the other collaborations with which the Trust was involved including with regards

to lung cancer and the Royal Marsden Hospital and vascular services, now with Northwick Park Hospital and St George's.

KF asked if RB&HFT and C&W should be engaging with St. Mary's respiratory service provided in their PICU (part of ICHT) as part of a bigger collaboration. NL acknowledged this was a valid point but there would be the added tensions if more partners were included as complexity would increase exponentially. BB said the history of this was that the Trust had made a proposition which was not taken up by ICHT. At the most recent senior meeting between C&W and RB&HFT this had been discussed and an open door policy had been agreed as both parties were open to dialogue with St. Mary's. KF observed that discussions with ICHT might be more fruitful now the Trust has joined the AHSC.

It was agreed that PMc and DC would came back in three to four months' time addressing the points raised including the possibility of another board-to-board meeting. DC said C&W's Board were meeting on Thursday 2nd June 2016 and he would provide the Trust with a post-meeting note.

Action: update report to be submitted to the Board in three to four months' time (RCr)

Action: produce a post-meeting note following C&W's Board meeting on 2nd June 2016 (DC)

(DC left the meeting).

2016/46 REPORT FROM THE CHIEF EXECUTIVE

BB gave a verbal report on the following items:

Biomedical Research Centre (BRC) Application

This was being finalised and would be submitted to the National Institute for Health Research in the week commencing 31st May 2016. The interview before an international panel would take place on 21st July 2016. BB said the Trust had formulated a strong proposal.

Letter from NHSE

BB reported that Anne Rainsberry Regional Director (London) NHS England (NHSE) had sent the letter to the Royal Borough of Kensington and Chelsea (RBK&C) as she had indicated she would do in her earlier communication with the Trust. BB said that it was disappointing that the Supplementary Planning Document (SPD) had been delayed for two years on the premise that NHSE would come up with a solution, which had not been forthcoming. BB said that on 24th May 2016, with RP, he had met with Cllr Tim Coleridge, Cabinet Member for Planning Policy and RBKC's Director of Planning. This had been a very positive and progressive meeting. The Trust had informed RBK&C that it was continuing with its preparations for planning applications covering Chelsea Farmers Market and a 90 bed extension to Sydney Wing for submission on 23rd June 2016.. BB added that the issues around the Trust's estate would be factors during the inspection by the Care Quality Commission (CQC) in June. RBK&C had been understanding of the Trust's position and had indicated that it would respond to the planning applications before the end of 2016.

2016/47 CLINICAL QUALITY REPORT FOR MONTH 1: APRIL 2016

NL thanked RCo for his very helpful summary in which the Board's attention was drawn to the two missed targets – 62 day cancer and 18 Week Referral to Treatment Time (RTT) for

incomplete pathways – and interactions with the CQC which was the subject of a Board seminar later today.

RCo said that since this report was published, the Trust led by RCr had met with NHSE on 24th May 2016 to discuss agreeing a trajectory for recovery of the 18 week RTT standard. RCr said that NHSE were pushing for compliance by the end of June 2016 when the Trust had said it could be done by March 2017. Previously the Trust had addressed delays by commissioning activity off site but this would not be affordable this time.

RCo reported some better news for cancer. Under the new methodology for national breach allocation where Day 38 is the cut-off date for referral and specialist Trusts then have 24 days to treat the Trust had calculated that it would just meet the target of 85% in month one of 2016/17. NHSI had confirmed that the Trust's methodology had been applied correctly. NHSE had confirmed the accuracy of the calculation, but not their position on the introduction of the new methodology.

The Board noted that the achievement of the cancer target was only for one month and that there was no room for complacency.

AVO expressed his concern that the cancer services review had not been included in the Board papers. RGM said the report would be emailed to the Board and part of it had been included in the Quality Report. The full report would be on the Board agenda in July 2016. RCr said the section in the Clinical Quality Report on cancellations showed that there had been a considerable improvement in theatre performance at the Harefield Hospital (HH) site. Monitoring and reporting in cath labs had an impact with a material reduction in cancellations. RCr added that capacity as much as process had to be addressed to sustain this improved picture. RGM concurred and said that the problem of the availability of beds on the day remained. When elective procedures were planned if there were emergencies there was still a challenge and this was the main reason for cancellation.

NL thanked RCr for the re-introduction of the Cancellation Trend graph which he had asked to be included in future editions of the Clinical Quality Report. The Board acknowledged that a considerable amount of work on cancelled operations had been carried out.

The Board noted the report.

Action: email Cancer Services Report to the Board (RCr).

2016/48 <u>FINANCIAL PERFORMANCE REPORT FOR MONTH 01: APRIL 2016</u>

RP presented the M01 report which summarised the financial performance of the Trust to 30th April 2016. This was a brief report because during the past month the finance team had been working on the annual report and 2016/17 operational plan. RP reported that the deficit of £3.1m was slightly better than the planned monthly deficit of £3.3m but was nevertheless worse than the deficit for the whole of 2014/15.. The planned underlining deficit for 2016/17 is £28m, but this reduces to £13m, principally as a result of the planned gain on sale of 151 Sydney Street and the contribution from the first six months of the Kuwait initiative. Monthly deficits will be much higher than the Board was used to seeing. The figures do not reflect a possible £4.8m of S&T funding. Negotiations were continuing with Monitor and if the Trust received a positive outcome the 2016/17 plan would be adjusted accordingly. RP said the cash position would be fundamental over the next twelve months and beyond. As of today cash was acceptable and on plan.

LB asked for further information about the third variable after the gain on property sale and Kuwait. RP said this was a surplus on investment property valuation which was a year-end adjustment. There had always been without exception a revaluation surplus although this would not in 2016/17 be for 151 Sydney Street which was planned to be sold. The Trust was now on a cost and volume contract – the more activity we did the more we would be paid. LB asked if there was any news on the issue of tariff. NH confirmed that the Trust's negotiations for 2016/17 were complete.

RJ asked if there was any change in expectation with regards to income from Kuwait. BB said there had been no material changes. A meeting was taking place today between a six person delegation from Kuwait and the Trust's team. He remained hopeful of a positive result as each stage of the authorisation was dealt with.

Noting that Moorfields Hospital had opened a second clinic in Kuwait LAA asked if the Trust had spoken to them about their experience. BB said the Trust had spoken to Moorfields. He added that with respect to the Middle East, the Trust still had a hurdle to pass with NHSI/ Monitor on risk assessment – to date the regulator had still not given the Trust the clearance it needed. The Trust hoped that the NHSI would engage with this when we were closer to a transaction.

BB said that, excluding STP funding, the Trust was projecting a 2016/17 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) of negative 1%. Simon Stevens, Chief Executive of NHS England, had appeared before the Public Accounts Committee recently and had not been sympathetic to the position of specialist Trusts expecting them to break even or achieve a positive EBITDA of 1%. Mr Stevens had also noted that the EBITDA of non-specialist trusts could be -3% to 4%. BB assured the Board that the Trust had a responsible plan.

The Board noted the report.

2016/49 GOING CONCERN

NL said that the Going Concern papers had been reviewed in detail by the Finance Committee then by the Audit Committee two days later. RP referred the Board to the statement in the Annual Report on page 86/279 which had been rigorously examined by Deloitte, the Trust's external auditors. In summary, if everything went wrong, the Trust would be in financial trouble, with the sale of 151 Sydney Street which would bring in between £20m and £24m, being crucial to the achievement of the cash forecast. However, RP added, on the balance of probabilities it was reasonable to conclude that the Trust would be in positive cash territory for the next two years and his recommendation was therefore that the Trust should make the Going Concern statement in the way it had been phrased. Deloitte had accepted the Trust's position.

LB said the Audit Committee considered the three key sensitivities – sale of the investment property, recognition of NHS revenue, the Kuwait project - and had concluded that taking account of potential mitigations, that there was positive cash and on that basis recommended that the Board approved the Going Concern statement.

The Board approved the Going Concern statement in the 2015/16 Annual Report.

2016/50 AUDIT COMMITTEE

(i) REPORT FROM MEETING HELD ON 17 MAY 2016
LB said the committee had reviewed the following items: firstly, internal audit opinion from which it had received substantial assurance; secondly the Annual Report and Accounts which had been approved; thirdly, the Going Concern statement; fourthly, the external auditor's report including the five significant risks which had largely been explored in this meeting today; fifthly, the Quality Report and the RTT and 62 cancer wait; sixthly and finally, a review of the effectiveness of the Audit Committee which had concluded that the committee was effective.

(ii) MINUTES FROM THE MEETING HELD ON 26 APRIL 2016
The minutes were noted.

2016/51 RISK & SAFETY COMMITTEE (RSC) - UNCONFIRMED MINUTES FROM THE MEETING HELD ON 26 APRIL 2016
The minutes were noted.

2016/52 APPROVAL OF ANNUAL REPORT AND ACCOUNTS INCLUDING QUALITY REPORT 2015/16
Introducing the report NL said it had been reviewed thoroughly, page by page by the Audit Committee on 17th May 2016 and by management. The Board were being asked to consider if there were any significant issues not reflected in the Annual Report or Quality Report. The external auditor's report on the annual accounts had been an 'unqualified opinion'. However, for the Quality Account they had given a 'qualified conclusion' because of 18 Week Referral to Treatment (RTT) data issues, as had happened last year and which appeared again to be an issue affecting many Trusts. An action plan to address this was coming to the Audit Committee in July 2016.

The Board approved the Annual Report and Accounts.

2016/53 CORPORATE GOVERNANCE STATEMENT
Introducing the paper RCo said under the terms of the NHS Provider Licence, Monitor required the Trust to approve two self-certifications and that these were required to be uploaded to the MARS Portal by 31st May and 30th June 2016 respectively. 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 drew attention to Statement 6 Training of Governors – the views of Governors were being sought on the specific issue of training. A considerable amount of training had been provided in 2015-16.

The Board approved each recommendation.

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

2016/54 RECOMMENDATION OF THE APPOINTMENTS COMMITTEE
The Board were presented with a ratification form for the appointment of consultant medical staff. This related to the appointment of a Consultant Cardiologist in Heart Failure, Transplant and Mechanical Circulatory Support at Harefield Hospital by LAA who presented the recommendation for appointment. RGM confirmed that two positions had been

advertised but only one had been filled. The other position would continue to be filled by a locum but would be re-advertised in due course.

The Trust Board ratified the appointments of Dr Owais Dar as a Consultant Cardiologist in Heart Failure, Transplant and Mechanical Circulatory Support at Harefield Hospital.

2016/55 RATIFICATION OF APPOINTMENTS TO TRUST BOARD COMMITTEES

The Board ratified the appointments to committees of the Trust Board.

2016/56 QUESTIONS FROM MEMBERS OF THE PUBLIC

Mr Ken Appel said he was appalled that the Trust had to sell the family silver to compensate for the failure of the government to provide funds and asked if there was any other way avoiding this in future. NL the Board shared his feelings and agreed that it had to find other ways as there was no stock of 151 Sydney Streets waiting to be sold. The 'promise' to make up for the loss of Project Diamond with HRG4+ was less equivocal than previously. The Trust had made some assumptions about what the level of tariff would be, broadly at the same level as Project Diamond funding. There were other plans if HRG4+ was not forthcoming but it was premature to discuss this now.

Mr Appel also asked if the Board agreed that the rise in cancelled operations at HH from 282 to 365 was excessive. NL said we could all agree on this. RCr's report had set out the steps and it was acknowledged that while progress had been made more needed to be done. The Board would continue to hold the Executive to account on this issue.

Mr Appel said he was concerned that some patients from areas local to HH were being referred to ICHT rather than HH for cardiac surgery and asked was the Trust doing enough to build relationships with the local DGH.

RGM assured him that the Trust had a very close working relationship with the Cardiology department at the Hillingdon Hospitals NHS FT, with several joint appointments. The majority of cardiology patients from THH requiring tertiary specialist cardiac treatment were referred to RB&HFT. Watford General Hospital did have cardiology consultants with joint appointments with ICHT, but the Trust was actively discussing joint appointments with the clinical teams there. In addition, one of the cardiac surgeons from HH regularly attended the 'Heart Team' meetings at WGH.

Mr Appel asked whether there were any plans to increase the paediatric services offered at HH.

RGM said there were no plans to have paediatric in-patients at Harefield.

Mr Appel asked if there had been any progress in persuading RMH to cancel their planning application on the Fulham Wing. BB agreed that it was galling to have a planning application against a property the Trust owned. The Trust would continue to request its withdrawal. The Royal Borough could not act on this until it got a formal notice from RMH.

NEXT MEETING Wednesday 27th July 2016 at 2 pm, Boardroom, Royal Brompton Hospital