



A lifetime of specialist care

**Minutes of the Board of Directors meeting held on 27<sup>th</sup> April 2016 in the Boardroom,  
Royal Brompton Hospital, commencing at 10 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
	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 Carol Johnson, Director of Human Resources	CJ
	Ms Joanna Smith, Chief Information Officer	JS
	Ms Jo Thomas, Director of Communications and Public Affairs	JT
	Mr Piers McCleery, Director of Planning and Strategy	PMc
	Ms Joanna Smith, Chief Information Officer	JS
In Attendance:	Mr Anthony Lumley, Corporate Governance Manager (minutes)	AL
	Mr Richard Hunting, Chairman Royal Brompton & Harefield Hospitals Charity	RH
	Ms Gill Raikes, Chief Executive Royal Brompton & Harefield Hospitals Charity	GR
Apologies:	Mrs Lesley-Anne Alexander, Non-Executive Director	LAA

2016/30 DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING  
None.

NL paid tribute to Sir Robert Finch, lately Chairman of the Trust. He said that everyone in this room had the greatest affection for Robert both because of his complete dedication to the Hospitals and their patients and because of his kind and gentle personality. He was generous with his time on the Trust's business beyond any reasonable expectation and always had time to listen to someone's problem whether they were the Chief Executive or a shift nurse. Robert had steered the Trust through some very difficult times of which the Safe and Sustainable Review stood out. Whilst he would of course have liked to have seen more progress in the redevelopment of both sites he had left a sound legacy of plans on which to build. He left an enormous hole and would be sorely missed by everyone in this room as well as the wider hospital community.

2016/31 MINUTES OF THE PREVIOUS MEETING HELD ON 30<sup>th</sup> MARCH 2016  
The minutes were approved.

2016/32 REPORT FROM THE CHIEF EXECUTIVE  
BB gave an oral report on the following matters.

### **Biomedical Research Centres (BRCs) Designation**

The Trust has been successful in negotiating the Pre-Qualification Questionnaire (PQQ) stage of the application process which is being overseen by the National Institute for Health Research (NIHR). Four themes have been applied for and teams are working on the detail of the submissions. Designation would be effective from 2017.

### **Imperial College Academic Health Science Network (AHSC)**

BB reported on the first meeting of this new collaborative group which includes Imperial College London, Imperial College Healthcare NHS Trust (ICHT), the Royal Brompton and Harefield NHS Foundation Trust (RB&HFT) and the Royal Marsden Hospital (RMH). The BRC applications were discussed.

KF said the Trust had applied for more money this time (£9m) when other Trust had been guided to apply for less, which was encouraging for RB&HFT. He congratulated Pr Eric Alton on his work on the bid. He asked if RMH had signed up to the AHSC. BB confirmed that letters had been exchanged and a mutual agreement between the all parties (including RMH) was being finalised.

### **Visit from Lord Prior of Brampton**

Lord Prior of Brampton, Minister for NHS Productivity, had visited the Trust earlier in April 2016. He was given a tour of the facilities and was shown the 'good' and the 'bad'. BB added that Lord Prior had been energised by his visit and had written to thank him.

### **Letter from NHSE**

BB tabled a letter from Anne Rainsberry Regional Director (London) NHS England (NHSE) dated 25<sup>th</sup> April 2016 in which she had said she noted the pause to the development of a Strategic Outline Case for the Trust and RMH and that she would now write to the Royal Borough of Kensington and Chelsea to confirm her understanding of the process. BB reminded the Board that in the letter of 30th April 2014 to the Royal Borough of Kensington & Chelsea, NHSE had made a commitment to produce a plan in six months. He added that he would be meeting with RBK&C on 24<sup>th</sup> May 2016 and he would be stating that the SPD had moved on and the Trust would like RMH to withdraw the planning application it had made on the Fulham Wing. BB said that while the Trust welcome this (current) letter it was a disappointing state of affairs. The Trust would continue to collaborate with anyone to progress the interests of RB&HFT but endorsement by NHSE was not required as they had no legislative mandate in these issues.

2016/33

CLINICAL QUALITY REPORT FOR MONTH 12: MARCH 2016

NL thanked RCo for the quality of the report and invited questions. He went on to note a minor comment with regards to statement that the review of cancer services undertaken by Dr Shah and Dr Popat would be presented to the Risk and Safety Committee meeting on 26<sup>th</sup> April 2016. This had not happened but would be discussed by members of that committee in the next few weeks.

NL said it was his understanding that a graph on cancelled operations as a percentage of completed surgical spells should be a standard part of the Clinical Quality Report given that the number was something the Trust was focused on. RCr said a report on cancelled operations was due to come to the Board meeting on 25<sup>th</sup> May 2016 and a trend graph could be included. It was agreed that this graph would be reviewed at the next meeting.

RJ asked about infection. AVO said the Risk and Safety Committee would be examining this. RCo reported that NHSE had completed its review of all of the remaining cases of *clostridium difficile* reviewed and found one lapse of care. This was the only case against the Monitor de minimis of 12, so the target was met for 2015/16.

NL said overall there was very good progress from last year.

The Board noted the report.

2016/34

FINANCIAL PERFORMANCE REPORT FOR MONTH 12: MARCH 2016

RP presented the M12 report which summarised the financial performance of the Trust to 31<sup>st</sup> March 2016.

The Board noted that the headlines were an underlying deficit of £0.8m for the month but, after taking account of year-end adjustments, a surplus of £2m. This brought the results for the year as a whole to a deficit of £9.7m, marginally better than the planned deficit of £10m. He further reported 85% achievement of Cost Improvement Programmes (CIPs) (100% after discounting the impact of the block contract), cash and Capex in line with forecast, and a Financial Sustainability Risk Rating (FSRR) rating of 2 for the fourth quarter. He thanked RCr and his team and his own colleagues in the finance and procurement teams for the Trust's CIP performance.

NL said that the Board would be holding a strategy session after this board meeting to look at what was clearly not a sustainable position. He noted that the main reason for the deterioration of the Trust's finances in 2015/16 was the withdrawal of Project Diamond funding (additional funding for complex procedures).

BB said the planned deficit had resulted from the loss of £13m of Project Diamond funding with no compensating uplift in tariff. He added that the National Audit Office (NAO) had published today a critical report on NHSE on its strategy with regard to specialised services. NL suggested that the Executive Summary of the NAO's report be circulated to all Board members. This was agreed.

AVO congratulated the Trust in achieving plan.

The Board noted the report.

**Action: circulate Executive Summary of NAO report 'The commissioning of specialised services in the NHS' (JT)**

2016/35

STAFF SURVEY REPORT

Introducing the report CJ said the survey was a very positive story with strong scores in the main. The number of incidents reported was up which was good and suggested a transparent organisation. For appraisals the score for quality was good. The percentage of appraisals completed had improved, not as much as was wished for but the Trust was continuing to focus on this issue. CJ added that the Trust was looking at different styles of appraisals for different staff areas to make them more relevant.

KO asked if some areas were worse than others in conducting appraisals. CJ said facilities was not as strong as other areas. Nurses and doctors completion rates were good.

CJ said that another area where a lot of attention was focused was bullying and harassment. The environment in certain areas could be described as high pressured. CJ added that options being considered were a mandatory training programme for all managers and e-learning. The Board recognised that this was an issue which had seen a great deal of focus in this and previous years and noted that the Trust saw that this was about peer to peer bullying as well as managers.

PD said bullying could not be condoned and the circumstances must be investigated to establish what was happening.

BB assured the board that the Management Committee had drilled down the issue and that it could identify locations and specific staff. There was also no causal link between low levels of appraisals and bullying. While the Care Quality Commission (CQC) was likely to flag bullying when it carried out the inspection, the Trust should highlight the overall very positive picture of staff engagement described in the report. AVO suggested NEDs were given a brief prior to the CQC inspection. This was agreed.

The Board noted the report and welcomed the steps being taken to address areas that could be improved. It noted the low response rate and that the ambition should be to exceed the national average or at least get as close to it as possible.

**Action: provide NEDs with a briefing on bullying and harassment for handling queries from CQC inspectors (JG)**

2016/36

FINAL OPERATIONAL PLAN 2016/17

RP said the Board would recollect that it had delegated authority to the Finance Committee for approval of the Final Operational Plan (FOP). This had been signed off and submitted on 18 April 2016. It showed a deficit of £22m before the £9m investment property sale with a net deficit of £13m. This did not include £4.8m of S&T funding subject to achieving a £3.7m deficit for 2016/17. The Trust had counter-offered a deficit of £9m. Therefore NHS Improvement (NHSI) had withdrawn the offer of £4.8m S&T funding. Nonetheless, the Trust was still in discussion with NHSI. RP said that informally he been told that they would accept a £9m deficit for S&T funding purposes and had indicated that the Trust would have a formal response around the end of April 2016. If the Trust did receive the S&T funding this would reduce the net deficit to £8m. RP added that the plan had reasonable levels of contingencies to cover any unexpected downsides.

RP said that if the Trust moved from a block contract to cost and volume then NHSE's record as a poor payer would exacerbate the cash position if there was over-performance. NHSE could by the end of 2016/17 become a debtor of about £10m. Even if the £4.8m was forthcoming the Trust would not be generating any cash from operations. This underlined the importance of selling 151 Sydney Street. RP added that the Trust would also be producing a five year Sustainability and Transformation Plan (STP) for submission in June 2016.

The Board noted that it was not yet clear whether NHSI or NHSE would instruct the Trust on the STP footprint.

NL commended the enormous amount of work that the Finance team had put into the FOP.

PD asked how the S&T funding (if received) would be paid. RP said it would be paid quarterly in arrears.

The report was noted.

2016/37

#### PROPOSED SALE OF 151 SYDNEY STREET

RP tabled a paper in which the proposed sale of 151 Sydney Street was set out. This was a non-operational property south of the Chelsea Campus. It occupied an area safeguarded by Crossrail 2 with the intention of building a station but this was moot at the moment. In principle the Boards of the Trust and the Royal Brompton and Harefield Hospitals Charity (the Charity) had agreed the sale. The report included an Offer Letter from the chairman of the Charity. The offer was for £24m. The price included £4m to take account of the Charity buying out potential overage. The report also included a letter from Knight Frank stating that the price was reasonable in the circumstances.

The Board noted that achieving a sale remained subject to the resolution of some outstanding issues - on the Charity securing the necessary funding and on the provision of vehicular access – and subject to approval of a contract between the

Trust and the Charity, agreed by the respective Boards and approval by the Trust's Council of Governors. A sale in the summer of 2016 was a realistic target date.

KF asked if there could be an impact on any monies the Trust received each year from the Charity. NL added that the Charity would be acquiring an income producing asset. He invited Richard Hunting, Chairman of the Charity and present in this meeting as a member of the public to speak. Mr Hunting said the purchase of 151 Sydney Street would not affect the level of subsequent Charity donations to the Trust.

KF expressed some concern about the efficacy of an investment sale. NL acknowledged that the Trust would not have a 151 Sydney Street equivalent to sell each year. RP was of the view that the sale was necessary because the Trust performed difficult and complex operations and was insufficiently rewarded through a tariff that did not take account of that. BB concurred but cautioned that there could be a challenge from the Governors. There would be a substantial financial hole if they did object and the sale was halted. The situation would repeat itself until there was an adjustment to the NHS reimbursement model.

The Board noted that the implications of the unrealistic tariff would represent part of the strategy discussion in a seminar immediately following the Board meeting.

The Board noted the report.

2016/38

Q4 NHS IMPROVEMENT DECLARATION 2015/16: (i) GOVERNANCE DECLARATION (ii) FINANCIAL SUSTAINABILITY RISK RATING (FSRR)

The Board agreed that the following governance statements should be made:

For finance:

- a) That the Trust will continue to maintain a financial sustainability risk rating of at least 3 over the next 12 months should be declared 'not confirmed'.
- b) That the Board anticipates that the Trust's capital expenditure for the remainder of the financial year will not materially differ from the amended forecast in the financial return should be declared 'confirmed'.

For governance:

That the board is satisfied that plans in place are sufficient to ensure: on-going compliance with all existing targets (after the application of thresholds) as set out in Appendix A of the Risk Assessment Framework; and a commitment to comply with all known targets going forwards should be declared 'not confirmed'.

Otherwise:

that the Board confirms that that there are no matters arising in the quarter requiring an exception report to Monitor (per the Risk Assessment Framework Table 3) which have not already been reported.

**Action: Upload declarations to the MARS portal before noon Friday 29<sup>th</sup> April 2016 to ensure compliance with NHS Improvement's reporting requirements.**

2016/39

AUDIT COMMITTEE (AC) (i) REPORT FROM MEETING HELD ON 26<sup>th</sup> APRIL 2016  
NL said that within the NHS Foundation Trust Code of Governance there was provision that the Trust chair should not a member of the AC. Following discussions with AC members NL proposed the following for the Board's consideration: recognising that the AC chair needs to be clearly independent and that the committee needs expertise in finance and accounting he would step down with immediate effect and LB will be chair of the AC while he was acting chairman of the Trust. NL said he would continue to attend by invitation. AVO confirmed that the NEDs who were members of the AC supported this proposal.

The Board agreed that LB be appointed as chair of the Audit Committee. The Council of Governors would be notified of this resolution.

NL summarised the business of the AC at its meeting held on 26<sup>th</sup> April 2016. It had received a presentation from Deloitte, the Trust's External Auditor on their audit of 2015-16 to date which was at a relatively early stage. There was an indication that there may be problem again on data. An investigation of what needed to be done was essential so this was the last time it came up in the audit. The Internal Auditor had reported on work during the year. All the outstanding recommendations were cleared and NL thanked those Executive Directors who had achieved that. The draft Internal Audit plan for 2016/17 and a three years' projection had been looked at. The committee had also received the Internal Audit Annual Report which was satisfactory. Counter Fraud presented their report and there were no issues to bring to the Board's attention.

LB suggested that the highlights of the External Audit were circulated with a briefing on the red flags raised in the work on Quality Report indicators ahead of the visit by the CQC. The Board noted the possibility that there may have been a sampling error but acknowledged that Deloitte's comments had to be respected.

2016/40

RISK & SAFETY COMMITTEE (RSC) (i) REPORT FROM MEETING HELD 26<sup>th</sup> APRIL 2016

AVO gave a verbal report and said the CQC visit, which JG was in charge of, was discussed and a useful progress report received. KPMG would be providing a briefing on the well-led assessment following the next meeting of the Trust Board in May. The Committee's quality improvement session covered engagement with parents to improve the paediatric patient journey; the RSC had been impressed with the work done. The cancer review by Dr Shah and Dr Popat was delayed. AVO assured the Board that it would come to the Board meeting on 25 May 2016 and it would be circulated to RSC members before then for comment.

AVO gave an update on the *Candida auris* outbreak in AICU. Thirty six patients at RBH had been colonised. This was extremely unusual and RB&HFT was the only Trust in England to experience colonisation with this fungus. Public Health England and the Communicable Disease Centre (CDC) in the USA were providing advice. It was difficult to know whether people were infected or simply colonised. An executive decision had been taken to empty AICU. A new AICU area had been opened on Elizabeth Ward. A deep clean and refurbishment of AICU would be carried out. The RSC had reviewed the Radiation Safety report and the Health and Safety Report; it had also received a report on end of life care. The Committee considered the results of the National Inpatient Survey; the response rate was 54% against the national average of 45% and 94% of patients had rated care 7+ out of 10. AVO said that this was a good result but the committee had also noted the patient feedback on delays in discharge and was reassured that a lot of work focussing on that area was being delivered.

RJ asked about the radiation incident that had occurred within 14 days of a previous incident. AVO said committee had looked at it; it was found that the Trust had learnt from the first one and was still in the process of putting in place the changes when the second occurred. He confirmed that the changes were now fully in place which should prevent further recurrence. JG added that the lesson was to speed up appropriate changes after such incidents.

2016/41

#### RECOMMENDATIONS OF ADVISORY APPOINTMENTS COMMITTEE

The Board were presented with a ratification forms for the appointment of consultant medical staff. This related to the appointment of a Consultant in Cardiac Surgery with a special interest in the Thoracic Aorta and Mechanical Circulatory Assistance Care and had been chaired by AVO who presented the recommendation for appointment.

The Trust Board ratified the appointments of Mr Cesare Quarto as a Consultant in Cardiac Surgery with a special interest in the Thoracic Aorta and Mechanical Circulatory Assistance Care.

2016/42

#### QUESTIONS FROM MEMBERS OF THE PUBLIC

Mike Gordon (MG) asked what the impact of the Junior Doctors' strike had been. RGM said the Trust had done a lot of work to mitigate the effect of the action and had been able to cope. Some elective cover had been reduced but emergency cover was well provided for.

MG said at Mount Vernon Cancer Centre CQC inspectors had asked probing questions. NL thanked MG for this comment.

NEXT MEETING Wednesday 25<sup>th</sup> May 2016 at 10.30 am, Concert Hall, Harefield Hospital



