



Diana Johnson

Labour MP for Hull North

House of Commons

London

SW1A 0AA

Email: johnsond@parliament.uk

Tel: 0207 219 5647



Rt. Hon Jeremy Hunt MP
Department of Health
Whitehall
London
SW1A 2NS

16th July 2015,

Dear Jeremy,

Thank you for your letter dated 23rd June 2015 regarding Mr Morley's suitability to be a Director of a Hospitals Trust and the application of the fit and proper person test. I also write further to our exchange in the Commons on this same issue on Thursday 15th July 2015.

I note that you have declined to meet with me despite your assurances when we met earlier in the year that we would meet again after you had time to consider my concerns about the fit and proper person test and how it applied in the case of Mr Morley.

I was both surprised and disappointed to read that you believe that Mr Morley is a fit and proper person to run a hospital trust and that you have confidence that the process for assessing Mr Morley's suitability is a robust and transparent one. I strongly disagree with you on both of these points.

The CQC guidelines on the fit and proper persons test state that a person should only be appointed to a directorship of a hospitals trusts, if "the individual has not been responsible for, been privy to, contributed to or facilitated any serious misconduct or mismanagement (whether unlawful or not) in the course of carrying on a regulated activity [such as running a hospitals trust]". I do not believe Mr Morley meets this standard.

There are both management and financial concerns about Mr Morley's leadership. His departure from Hull and East Yorkshire Hospitals Trust was precipitated by a highly critical CQC inspection that raised concerns about clinical standards, staffing levels, and most importantly a "culture of bullying".

After his departure, numerous additional accounts emerged that revealed a widespread culture of bullying, which was used to silence those who disagreed with Mr Morley or who raised concerns about clinical standards or financial governance. I have discussed these accounts with you in person and provided your office with additional documents from those

who have worked in the Trust. Furthermore, a report from ACAS confirmed the culture of bullying that existed at the Trust during the time Mr Morley was Chief Executive.

In addition to creating a culture of bullying and residing over inadequate clinical standards, there are significant concerns about the probity of Mr Morley's financial management. As you are aware, Mr Morley spent £50,000 on meals and five-star hotels on Trust credit cards. Concerns about financial management were highlighted by a KPMG report, which set out a number of questionable payments made to senior staff and a serious conflict of interest involving another senior director that Mr Morley had not disclosed. I understand that NHS Protect are now looking at these reports.

Your confidence in Mr Morley, despite this evidence, appears to be based on the findings of the Trust Develop Authority (TDA) that Mr Morley is a 'fit and proper' person to lead a hospital trust. However, I have serious concerns about the TDA's impartiality in conducting this investigation.

The TDA were instrumental in ensuring Mr Morley was appointed at Princess Alexandra Hospital Trust last year. In fact I understand that the TDA were a part of the interview process for the role of Chief Executive at Princess Alexander Trust. Therefore any investigation into Mr Morley should be conducted by an independent body, not one with a clear conflict of interest. By asking the TDA to conduct the investigation you were asking a body to evaluate a decision to which they were a party just months earlier (to appoint Mr Morley). This is an undeniable conflict of interest.

Even if the Trust Development Agency were the right body to conduct an investigation into Mr Morley, it is clear they have not conducted an investigation themselves. Instead, they have asked Mr Morley's new employer's whether they believed he was a fit and proper person.

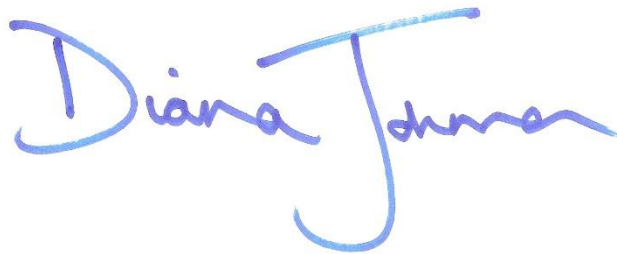
Having recently appointed Mr Morley (alongside the TDA), the Princess Alexandra Hospital Trust would incur significant embarrassment if they were to change their opinion. Moreover, the decision that Mr Morley was a fit and proper person would be taken by the board members who Mr Morley sits alongside at board meetings. No part of this process delivers the independence and transparency that patients of the NHS deserve. I would like to remind you that board-level concerns about Mr Morley's conduct in Hull only emerged once he had departed the trust. Fellow board members, including the Chair of the Audit Committee, admitted that they held concerns about Mr Morley's conduct previously, but were scared of him.

Like you, I believe strongly that we need to put an end to a system that allows a failing trust director to move to another senior position within the NHS to avoid the embarrassment and potential expense of terminating an employment contract. Yet this is exactly the situation the TDA engineered with Mr Morley and it was done before his failings in his previous position were made public. Now, instead of giving independent oversight to this process you are arguing that the two bodies that appointed Mr Morley should also be arbitrator as to whether he is a fit and proper person.

I do not believe that such a process aids the creation of "a more open and honest reporting culture in the NHS", as you claim to be working towards in your letter to me. Rather, I feel it allows management and financial failings to be obscured and failing senior staff to remain in post. None of this is consistent with the important findings of Sir Robert Francis QC.

I would strongly urge you to look again at the processes in place for ensuring that senior hospital managers and hospital trust directors meet the standards necessary to ensure good quality care and, in particular, guarantee the independence of reviews into the conduct of these staff.

Best wishes,

A handwritten signature in blue ink that reads "Diana Johnson". The signature is written in a cursive style with a large, stylized 'D' and 'J'.

Diana Johnson
Member of Parliament for Hull North