ANNUAL GENERAL MEETING
Held on Thursday 15 September 2011 at 3 pm in the Dinwoodie Lecture Theatre,
Shropshire Education & Conference Centre, Royal Shrewsbury Hospital

PUBLIC SESSION MINUTES

Present:  
Dr J Davies  Chairman  
Mr M Beardwell  Vice Chair/Non Executive Director (NED)  
Mr D Jones  Non Executive Director (NED)  
Dr Peter Vernon  Non Executive Director (NED)  
Mr B Simms  Non Executive Director (NED)  
Mrs S Assar  Non Executive Director (NED)  
Dr S Walford  Non Executive Director (NED)  
Mr Adam Cairns  Chief Executive (CEO)  
Mrs Tina Cookson  Chief Operating Officer (COO)  
Mrs V Morris  Chief Nurse/Director of Quality & Safety (DQS)  
Dr A Fraser  Medical Director (MD)  
Mr N Nisbet  Finance Director (FD)  
Mrs D Vogler  Director of Strategy (DoS)  
Mr A Osborne  Director of Communications (DoC)  

In attendance:  
Mrs B Graham  Committee Secretary  

Apologies:  
Mrs J Clarke  Director of Compliance & Risk Management (DCRM)  

WELCOME : The Chair welcomed everyone to the meeting. Apologies were noted from Julia Clarke, DCRM who was recovering from surgery.

CHAIR’S INTRODUCTION
The Chairman said that 2010/11 had been a very challenging year and a lot of changes had been made in the organisation since the arrival of Adam Cairns, Chief Executive, including the appointment of:

- Mrs Tina Cookson, Chief Operating Officer (commenced 20 December 2010)
- Mrs Vicky Morris, Chief Nurse and Director of Quality & Safety (commenced 17 January 2011)
- Dr Ashley Fraser, Medical Director (commenced 16 March 2011)
- Mr Neil Nisbet, Finance Director (commenced 1 April 2011)

In addition Dr Simon Walford was appointed on 1 October 2010 as Non Executive Director. The Chairman said that Dr Walford’s appointment had brought new skills and knowledge to the Board as he had extensive experience in the NHS, having been Medical Director at the Royal Wolverhampton Hospitals NHS Trust, and a senior Medical Advisor for the NHS.

The Chair was confident that the new Board would move the organisation forward to achieve its goal of becoming a Foundation Trust by December 2013.

In terms of reconfiguring services, an Outline Business Case was approved by the Board on 25 August 2011 and has been submitted to the Strategic Health Authority. It was stressed that there was a need for a realistic financial strategy to achieve a balanced position by the end of the financial year.

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Chairman
27 October 2011
The Chairman said the Board recognised the contributions from all stakeholders including the two PCTs and West Mercia Cluster, Powys Local Health Board, Local Authorities, CINCH, LINks and Montgomery CHC. There was also thanks to the League of Friends at both RSH and PRH for their work and support and also the Lingen Davies Charity who continue to be a major contributor and have made possible the commencement of building the new Cancer Centre at RSH which is expected to be completed in 12 months time.

He wished to place on record the Board’s thanks to all staff in the organisation for their hard work, enthusiasm and willingness to adopt new ways of working in order to make improvements and placed on record his thanks to Adam Cairns for his leadership to enable significant steps forward to the future.

It was noted that the following documents were available to the general public:
- Annual Report & Summary Financial Statements for 2010/11
- Annual Report 2010/11
- Quality Account 2010/11

The minutes of the Annual General Meeting held on 5 August 2010 were ACCEPTED as a true record.

The Chief Executive introduced the Annual Report and Summary Financial Statements for 2010/11 and gave a PowerPoint presentation (copy of slides attached to the minutes). It was noted that it is a requirement for all NHS Trusts to publish an Annual Report.

The CEO said that “Putting Patients First” is the focus of the Trust and he described the organisation as a work in progress. The aim is to deliver excellence through four areas:
- Financial strength – developing and delivering robust plans that generate surpluses to invest in quality;
- Provide Services for Patients, GPs and Commissioners – understanding what our patients and GPs need from us;
- Quality and Safety – provide the right care for our patients at the right time, in the right place and with the right professional;
- Learning and growth – ensure we develop our staff and our internal processes to sustain our ability to change and improve.

There was a lot of activity taking place across the organisation to bring those values to life and make sure we are making progress. The CEO said the aim was to have a healthy future for the Trust and he was confident with the right people skills and resources for the right patient this would be achieved.

Looking to the Future:
The Board approved the Outline Business Case (OBC) on 25 August 2011 and the PCT Boards gave approval on 13 September 2011. The Strategic Health Authority (SHA) was to receive the OBC on 27 September 2011 and subject to SHA approval a Full Business Case would be prepared ensuring that the Trust’s financial position was sound enough to take out a capital loan. The CEO said he believed that the Trust was on course to achieve this by the end of the financial year.
He said the good news was that there was a plan in place to lower our costs across the trust e.g. £10.3 million is spent on locum agency doctors which is not an appropriate.

The CEO said that in terms of demographic changes, it is expected over the next 5 years that the population of over 65’s will increase by 18% and if we do not change there would be a need for an additional 87 beds over the next 5 years, and 178 beds over the next 10 years. To prevent this there was a need for faster diagnosis, more rapid treatment, return people to their homes much more quickly. When compared to other Trusts our performance could be improved by reducing the length of stay by 25% requiring 148 fewer beds. The CEO said the Trust is absolutely committed to achieving this over the years ahead.

SaTH has agreed with the DoH to become a Foundation Trust by December 2013. Clearly that gives us a significant timeframe to work to and the requirements are very clear:

- A strong financial position;
- Reconfiguration plans are being implemented;
- Quality and Performance of our services is at the right standard.

In summary the CEO said that the Trust is committed to:

- 11 Centres being fully operational from 1st October 2011 when Centre Chiefs, Managers, Matrons and other staff will be running those services on behalf of the Trust.
- demonstrate that Quality & Safety is measurable. Continuing to improve performance against standards;
- recognise that we still have issues in outpatients and scheduling but there is a plan to resolve these.
- have a clear financial plan and achieve the goals
- have a clear plan for FT status by the required date.

The Board NOTED the Annual Report and Summary Financial Statements for 2010/11.

The Finance Director (FD) introduced the Annual Accounts for 2010/11 and specifically drew attention to:

Page 38, Breakeven Performance
In 2010/11 the organisation delivered a surplus of £26k which compared to a surplus of £712k in 2009/10. He said it was a challenging year as the £26k surplus in 2010/11 was only achieved with £5.5 million financial support through the SHA. This support was necessary because of the underlying position of the Trust. When ongoing income of the Trust for 2010/11 is compared to ongoing expenditure of the Trust there is a substantial deficit that is not seen in these figures but has been independently validated by PricewaterHouse Cooper who described an underlying deficit of £14 million which is the scale of financial challenge for 2011/12 in addition to the existence of negative tariff where the Trust income receives will be reduced by 1.5%.
The FD said the good news was that the Trust expects to achieve a breakeven financial position for 2011/12 but this would require us to deliver those savings targets the CEO referred to particularly around spending on agency nursing and medical staff. The organisation currently employs 4,750 people and approximately 400 of these are temporary staff. It is aimed to move temporary staff to permanent positions to avoid paying premium costs. At the end of 2011/12 this plan will put us back into a recurrent financial position and will be a tremendous achievement as an organisation. In order to continue to survive in that environment the trust will take forward a Cost Improvement Programme (CIP) amounting to £21 million in 2012/13 year. In doing so the organisation is well placed financially to progress successfully through to FT status by 2013.

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- **Capital Cost Absorption Rate** - From 2009/10 the dividend payable on public dividend capital is based on the actual average relevant net assets and therefore the actual capital costs absorption rate was 3.5%.
- **External Financing** - NHS Trusts have a limit on the external borrowing that is allowed to the Trust. That borrowing was used to pay for medical equipment and improving the estate of the organisation. In 2010/11 the Trust achieved the target.
- **Capital Resource Limit** – The Trust was permitted to spend £8.505 million in 2010/11; the Trust spent £8.374 million – therefore the Trust delivered against the capital resource limit target.

**Page 24 – Better Payment Practice Code**

The FD said that due to the serious financial difficulties, one of the consequences was the Trust’s ongoing cash problems which manifested itself into the ability to make payment to our suppliers. In 2010/11 there were two measures, one measure related to the speed within which we made payments to NHS and non NHS suppliers and the other measure was value. The Trust was required to make payment within a 30 day time period. In 2010/11 the percentage achieved by value was 43% of non NHS trade invoices and 36% volume of NHS trade invoices paid within target. The FD said it is pleasing to report that in 2011/12 there is an improved underlying cash position of the Trust and we are presently making around 80% of payments within a 30 day period and our target is to get to 90%. As a sustainable organisation delivering its financial balance it will flow through to improve the cash position and the ability to make payments on time.

In summary, the Trust achieved, with the exception of Better Payment Practice Code, all targets required. However, it did so in a difficult financial year which will carry through into 2011/12 but significant efforts are being made to achieve all these targets.

The Board **NOTED** the Annual Report for 2010/11.

**QUESTIONS AND ANSWERS/COMMENTS**

Comments from Mr Mike Riley from the Community Trust:

(1) He wished to congratulate the Trust in terms of the Award Ceremony and Exhibition which were an enormous credit to everyone. He recognised that there was further progress to be made but an awful lot had been achieved during the last year.

(2) Within the Annual Report a number of references were made to partnership working. He said this was a useful opportunity, as on behalf of the Community Trust, he wanted to confirm that it is open for business and it had already been able to work with SaTH on delayed discharge and emergency services. He looked forward to working with SaTH in the future and he gave the Community Trust’s commitment to working together.

The Chair thanked Mr Riley and said that on behalf of the Board he looked forward to working with the Community Trust in the future.

The Chair thanked everyone for attending the meeting.

The meeting closed