ANNUAL GENERAL MEETING HELD ON WEDNESDAY 15th SEPTEMBER 2010 IN
THE LECTURE THEATRE, ROTHERHAM HOSPITAL

Present: Margaret Oldfield, Chairman
Brian James, Chief Executive
John Hoskin, Chief Financial Officer
Tim Cutler, KPMG

Public Governors: Sylvia Bird, Public Governor for Rotherham North
Peter Brader, Public Governor for Wentworth South
Anna Chester, Public Governor for Rotherham South
Jean Dearden, Public Governor for Wentworth South
Ann Flack, Public Governor for Rotherham South
Jan Frith, Public Governor for Rest of England
Anthony Hayne, Public Governor for Wentworth Valley
Val Lindsay, Public Governor for Rotherham North
Cynthia Shaw, Public Governor Wentworth North
Sandra Waterfield, Public Governor for Rother Valley South
Anthony Wilkinson, Public Governor for Rother Valley West
Dennis Wray, Public Governor for Rother Valley West

Staff Governors: Firas Al-Modaris, Staff Governor for Medical and Dental
Beverly Doane, Advisor Governor for Other Staff Class
Jill Ward, Staff Governor for Other Health Professionals

Partner Governors: John Doyle, Partner Governor for RMBC
Jean Flanagan, Partner Governor for Sheffield Hallam University
Michael Jennings, Partner Governor for Sheffield University
Caroline Rollitt, Partner Governor for South Yorkshire Police
John Wainwright, Partner Governor for Barnsley and Rotherham
Chamber of Commerce
Janet Wheatley, Partner Governor for Voluntary Action Rotherham
Taiba Yasseen, Partner Governor for REMA

In attendance: Jackie Bird, Chief of Quality and Standards
Giles Bloomer, Non-executive Director
Graham Briggs, Director of HR
John Cartwright, Director of Facilities
Anthony Hercock, Non-executive Director
Julie Hickton, Non-executive Director
Andy Irvine, Chief of Community Services
Neil MacDonald, Non-executive Director and Chair of the Audit and Assurance Committee
Mike Pinkerton, Chief of Business Development
Kerry Rogers, Director of Corporate Affairs & Company Secretary
Nigel Ruff, Non-executive Director
Mark Trumper, Chief of Transformation

Approximately 15 members of the public & staff
1. **WELCOME AND INTRODUCTIONS**

Mrs Margaret Oldfield, Chairman, welcomed members of the Council of Governors, Board of Directors and members of the audience to the 5th Annual General Meeting of the Trust since it was established as a Foundation Trust.

The Chairman indicated that she was proud to share the achievements of the Trust with those present in the presentations which were to follow. However, she reflected on the challenging future for the NHS.

2. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 9th September 2009 were agreed as a correct record.

3. **PRESENTATION OF THE AUDITORS REPORT**

Mr Tim Cutler, KPMG, the Trust’s external auditors presented the auditors opinion. An electronic copy of the presentation is available on the Trust’s website:

www.rotherhamhospital.nhs.uk

In conclusion KPMG were satisfied that The Rotherham NHS Foundation Trust had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2010.

4. **APPOINTMENT OF THE EXTERNAL AUDITORS**

It was reported that the Council of Governors had received and approved at the last Council of Governors meeting a recommendation that KPMG be retained as the Trust’s External Auditors for a further year, which was RATIFIED at the AGM.

The current contract came to an end in 2011 and a tendering exercise would be considered, with the Council of Governors to be involved in any evaluation and decision making process.

5. **PRESENTATION OF THE ANNUAL REPORTS AND ACCOUNTS**

Mr Brian James, Chief Executive and Mr John Hoskin, Chief Financial Officer, provided a presentation outlining the review of the 2009/10 financial year and also provided an insight into the future direction of the Trust. An electronic copy of the presentation is available on the Trust’s website:

www.rotherhamhospital.nhs.uk

Areas for particular note were:

**Key Achievements in 2009/10:**

- Second Double-Excellent rating from the CQC (top 10*)
- Double green rating from Monitor and 4 for Finance (out of 5)
- CHKS 40Top Hospitals
Health Investor Magazine’s Foundation Trust of the Year
The shortest waiting times in the UK (National IP Survey)
Amongst the lowest rates of HAI in the UK
Mortality rates reducing faster than most others (98)
Grown our R&D activity from £25k to £1m+
Increased our Consultant workforce by 33% since 2005/6
Increased staff satisfaction significantly over the 2008/9
Financially sound within a financially stable local economy
Full CPA accreditation for all Labs
Reduced falls in hospital
Reduced incidences of pressure sores
Shorter waits to access emergency theatres
Further improved waiting times (10 days OP; 16 days IP)
Increased nurse staffing levels across the Hospital
New £1m robotic pharmacy
Implementation of InterQual (UK first)
Commenced implementation of £30m Paperless EPR
New combined heat and power plant uses 13% less energy
Second gamma scanner introduced
Refurbishment and occupation of Woodside by Corporate Services releasing the site for a new Mental Health development
Major £50m investment and refurbishment under Healthcare of Tomorrow Project commenced
New additional Theatre and Theatre Admissions Unit opened
New front entrance designed (due 12/2010)
SDS 2 launched
More Foundation units established
New contracts won to deliver Dermatology in Doncaster and Obesity services in Rotherham
GP referrals from outside Rotherham have increased by 300% since 2005/6
Discussions commenced on the future of Community Services with NHSR

Financial Overview 2009/10:

In 2009/10, surplus generated of £2.86m, equating to 1.6% of turnover
Income increased by 8.4% on 2008/09, to £178.7m, fourth consecutive year of income growth
77% of income from Rotherham PCT, 13% from other PCTs (10% from non-PCT sources)
Corresponding increase in operating costs:
  Clinical negligence (NHLSA premium) costs increased by £1.3m, 85%
  8% increase in other operating costs (excluding clinical negligence), primarily staff, drugs and clinical supplies
Deterioration in net finance cost position of £0.6m, due to lower interest rates and financing cost of borrowings
Cash and cash equivalent investments at year end of £27.1m
Capital investment of over £16m in year
Borrowings outstanding £23.75m, against a year-end Prudential borrowing limit of £36.9m
Looking Ahead:

- Update of SDS 2 (SDS 2.5)
- Opening of new Front Entrance December 2010
- Development off a 3 year quality Improvement Strategy by Dec 2010
- The merger of TRFT with RCHS by March 2011
- Completion of Phase 1 EPR by March 2011 in preparation for go-live on 1st June 2011
- Agree plans for the future use of the Mental Health Block
- Implement revised emergency care pathway
- Improve Consultant Job Planning & appraisal processes and introduce systems to support relicensing and revalidation

Financial Challenges 2010/11 & Beyond

- After 8 consecutive years of real terms funding increases, the health service is only now going into recession
- Political reassurances are that “front line services” will not be affected, however:
  - PCTs challenged with making significant cuts -- our main “customer”
  - Cuts already implicit in flat or reducing tariffs and marginal rates for excess non-elective activity, expected to intensify -- PCT simply has to pass this on
  - “No cuts” actually means no reduction in headline payments for front line services but payments will not keep pace with inflation, i.e. real terms cuts
  - Mechanisms to reduce and cap activity levels
  - The health service still needs to take £20bn out in the next 3 years

- NHS has less funding, our main customer wants to buy less and we therefore will have less income
- We continue to have ambitious investment plans and have set ourselves a challenging I&E plan for 2010/11 to fund them
- Tough start to the year, first quarter £0.3m below plan
- July and August improved, income ahead of plan
- Issues include:
  - Structural issues in specific clinical services
  - Non-elective activity levels increasing but not recompensed sufficiently via tariff
  - Constraints on income growth mean we can’t afford to spend as much as we have been
- Plan to rectify:
  - Targeted clinical department actions
  - Cost reduction; only spending what we can afford
  - Ultimately aligning capacity (and corresponding cost) with demand for 11/12 and beyond

Mr James concluded that the Trust had seen another successful year for the Trust. However, the future may be more challenging to the Trust and the NHS in general.
6. QUESTIONS FROM THE FLOOR

The Chairman opened the session to questions from the audience.

The Residents Association for Queensway wished to raise the ongoing impact of vehicles associated with the Trust parking on the nearby estate and questioned the actions being taken by the Trust in order to resolve the position.

The Chairman sympathised with the impact which was being felt by local residents and with the support of the Chief Executive and Chief of Transformation outlined the actions taken to date by the Trust in order to mitigate the position. These had included the transfer of corporate support staff to Woodside, the erection of a perimeter fence to reduce ease of access to the site from the estate, and exploration of other car parking solutions including a single storey car park although this would now not be taken forward due to planning constraints which were being levied by RMBC.

Service integration would enable the Trust to re-look at the hospital site and it was envisaged that there may be opportunities to demolish some existing buildings which could be reused for car parking. Service integration would potentially see more services being provided in the community rather than bringing them onto the site and therefore should not further compound the current parking difficulties.

Car parking charges to staff and patients had been surveyed to the membership who had concurred that charges should be levied but with a longer period of free car parking which had subsequently been implemented by the Trust. This had resulted in the Trust having some of the lowest parking charges in the area. However, should staff, patients or visitors choose not to pay these charges and park on local estates, the Trust was powerless to act.

The Trust would support the local residents to achieve a solution to the problem and suggested that their next steps should be through their local Councillors/MP.

As there will be a 20% decrease in revenue over the next four years and as staffing costs were the main area of expenditure, would the Trust be managing the turnover of staff in future years.

The Trust was proud of what it had achieved to date and wished to maintain the standard of the services it provided. However, the economic climate was such that the Trust had already instigated a process of holding vacancies and appointing on fixed term contracts, while trying to minimise the impact on services. The Trust faced difficult decisions in the future in order to control costs, while maintaining services.

7. CLOSING STATEMENT

Mrs Oldfield closed the meeting by thanking all staff, the Board of Directors and the Council of Governors for their loyalty and commitment to ensuring the success of the Trust in the services in which it provided.
8. **DATE OF NEXT MEETING**

The next Annual General Meeting would be held prior to 30th September 2011, the exact date, time and venue to be communicated in Member newsletters and via the local press agencies.