**Minutes of the**

**Extraordinary General Meeting**

**Of Katharine House Hospice**

**Held on 23rd November 2011**

**At Katharine House Hospice, Weston Road, Stafford ST16 3SB**

**at 5.30pm**

**Members attending:**

Mrs Connie Badley Ms Jane Chappell Mrs Libby Dale

Mr John Grant Miss Shelia Green Mr Michael Jackman

Mrs Dorothy Keeling Mr Rene Lamisere Mr Colin Martindale

Mr Norman Potter Mrs Joan Potter Mrs Jane Revell

Mrs Jackie Roberts Mr Richard Soulsby Ms Jennifer Woodyard

**Apologies for absence were received from:**

Mrs Elaine Basgallop Mrs Elizabeth Blood Mr Peter Blood

Mrs Janet Grant Mrs Stella Harris Mr John Heath

Mrs Pat Heath Mrs Noreen Hopkins Mrs Joan Horton

Mrs Anna MacDonald Mr Philip Nicholas Mrs Alison Philp

Mr Paul Revell Mrs Gwyneth Salmon Mrs Renate Thomas

Mr Rodney Thomas Mr Reg Sayers Mrs Myra Sayers

Mr Colin Wilkinson Mrs Cynthia Wilkinson Ms Katie Woodyard

Members who are trustees and connected persons to trustees were asked not to attend this meeting.

The Members elected Dr Soulsby to act as Chairman for the meeting

 Proposed: Jennifer Woodyard

 Seconded: Jane Chappell

The Chairman indicated that all persons present were paid up members of the Association and that as fifteen members were present the meeting was quorate.

The Chairman confirmed that trustees and members connected to trustees had not been invited to attend the meeting.

The Chairman read out the names of valid proxy votes received, as follows:

Proxy forms nominating Mr Norman Potter:

Stella Harris

Joan Horton

Noreen Hopkins

Anna MacDonald

Proxy forms nominating Dr Richard Soulsby:

Rodney Thomas

Renate Thomas

Elaine Basgallop

Proxy forms nominating Ms Jennifer Woodyard:

Mike Carr

Katie Woodyard

Proxy form nominating Mr John Grant:

Janet Grant

Proxy forms nominating the Chairman:

 Pat Heath

 Elizabeth Blood

 Peter Blood

 John Heath

 Phillip Nicholas

 Paul Revell

The Chairman read out the special resolution being that:

1(i) To approve the amendment of Clause 4 of the Memorandum of Association to insert

 a new sub clause (f) to read:

“Of reasonable and proper remuneration to any members of the Council of Management or connected person who may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the Association where that is permitted in accordance with, and subject to the conditions in section 73A to 73C of the Charities Act 1993.”

1(II) To submit the amended Memorandum of Association to the Charity Commission for approval of the amendments by it.

The Chairman invited questions or comments from the floor.

Mrs Revell asked whether this motion could not have been discussed at the Annual General Meeting. Dr Soulsby stated that it could have been, but that it was unclear that the meeting would have been quorate without trustees and connected persons present, and that asking these persons to leave would have been complex to manage within the AGM and Annual Meeting. Further the current meeting was clearly being held without the presence or influence of trustees or any connected persons.

Mr Lamisere asked for clarification on an item in the previously circulated explanation of the proposed amendment, page 3, 4th paragraph, last sentence:

“This called into question where we would stand should there have been a problem in the use of the trustee when there was no reimbursement.”

Dr Soulsby explained that, in the event of a problem, there may be an issue regarding the personal insurance cover for a doctor if they were not being reimbursed.

Mrs Roberts asked if the example given in the explanation had only ever happened once. Dr Soulsby confirmed that this was the case.

Mr Jackman asked if it was standard practice for the industry. Dr Soulsby stated that when Katharine House had been started it had been standard practice but since then the Charities Act had relaxed the requirement, as it was in some cases, preventing charities from getting the best value. He stated that the basic principal of trustees not benefiting from being a trustee still applied.

Mr Potter disagreed stating that at the start of the hospice this had happened with the then chairman. Dr Soulsby clarified that he should have said “while I have been Chief Executive”.

Mr Potter asked why medical cover had not been possible in the example case. Dr Soulsby explained that as medical cover was ‘contracted in’ it could leave holes in the rotas.

Mrs Badley asked if it was possible to negotiate an agreement with the hospital to cover such gaps. Dr Soulsby replied that it was not for the following reasons: The person contracted in needs experience in and knowledge of palliative care, that it was on a strictly need only basis and that the hospice built a pool of stand-in doctors, that there were stringent rules that needed to be adhered to and that the need was not regular. Dr Soulsby went on to state that there were a number of steps taken to ensure that any remuneration would be fair and reasonable, that it would not be permitted for regular or salaried work. Dr Soulsby gave an example of an instance when a trustee may offer their labour without cost but needed reimbursement for materials used. Under the present rules the charity would have to decline the free labour. Dr Soulsby said that this type of instance had led to the charities Act being relaxed so that charities could benefit

Mr Grant asked if it was not the case that payments to trustees should be disclosed in the accounts. Dr Soulsby stated that under the Statement of Recommended Practice for the preparation of charity accounts such a disclosure was mandatory. The Association complied with this requirement and over the years of his time working for the Association, there had been a few hundred pounds claimed, mainly for travel expenses related to attending events on behalf of the hospice.

Mr Potter spoke against the proposal, he stated that he felt the duties of the Trustee were being blurred and that there was no need to change the rules. He stated that a trustee should be someone of standing in the community and that they should not need reimbursement for any duties performed.

Ms Woodyard spoke for the proposal and outlined the requirements that needed to be met under the Charity’s Act. She stated that she felt Dr Soulsby had presented a cogent argument for the amendment and she agreed that if, on rare occasions, a charity would benefit from the services of a trustee then that trustee should be reimbursed fairly. Mr Potter stated that he thought that any trustee in that position should resign their post before taking monies from a charity. Mrs Revell stated that she felt the charity, if this were the case, would be the loser in the long term having lost the services of the trustee.

Mrs Roberts asked who decides where business is placed in the market. Dr Soulsby stated that this would rest with the management of the hospice; that the board agreed a budget and that it was then the role of the Chief Executive and the managers to ensure that the budget was adhered to. However, if a trustee was involved, then any decision must be agreed by the board

Mrs Roberts asked if this had to be a majority decision. Dr Soulsby answered that it had to be a majority of a quorate meeting. Ms Woodyard added that in addition the trustee in question could not take part in any discussion.

Mr Grant stated that the trustees were in fact self-policing in that case. He was however in favour of the proposal. He stated that he believed it to be practical move. Mr Grant then asked who the trustees were accountable to. Dr Soulsby replied that they were accountable to the members and were accountable under both company law and charity law. He stated any payments to trustees had, by law, to appear clearly in the accounts and that the auditors, who were appointed by the members, would raise any concerns with the members.

Mrs Revell asked if potentially Doctors would not be covered by insurance if they were not reimbursed. Dr Soulsby replied that potentially they would not, however medical insurance was a murky area and there were added complications.

Mr Grant stated that he would support the amendment as otherwise potential future trustees may be deterred from standing if they could not be paid.

Mr Potter stated that he believed it was all about remuneration now and stated that when the hospice had first started they had received services from a bank associated with a trustee. Dr Soulsby stated that he understood the concerns raised but reiterated that trustees could not benefit from their position and that this remained a principle at Katharine House and within charity law.

Mrs Revell asked if the details would appear anywhere other than in the accounts. Dr Soulsby replied that the normal place would be in the accounts but that they could appear in the trustees report. Mrs Revell said that this would be useful and asked if the minutes of the board meeting would be available to the members. Dr Soulsby answered that he was not sure but that he could check this point but would assume members could view minutes. Mr Potter stated that he believed there would be confidentiality issues if minutes were made available to members.

Mr Lamisere stated that he believed it needed flagging to members if a trustee repeatedly did work for remuneration by the hospice. Dr Soulsby agreed that if this was the case a trustee would have to stand down.

Mrs Badley asked if the frequency would be limited. Dr Soulsby said that charity law stated it must be “reasonable”. Mrs Badley asked if a trustee would be allowed to be on the payroll. Dr Soulsby replied that they would not, that it would only be under a contract for services and any materials provided under a contract for services. Mrs Badley expressed her reservations at the proposals.

Miss Green expressed her reservations and stated that she did not feel this was a necessary relaxation of the current arrangements.

Mr Grant stated that the acid test should be “Will patients benefit?” Dr Soulsby replied that he thought they would.

The Chairman asked the meeting if there were any further points any member would like to raise. There being none, he asked members if they wished to vote on the resolution and this being so votes were cast as follows:

Those members present in person at the meeting:

For the resolution: 12

Against the resolution: 3

Those members holding proxy votes:

For the resolution: 6

Against the resolution: 4

The Chairman’s proxy votes all abstained.

The Chairman declared the resolution passed 18 votes to 7 and that the duly amended Memorandum and Articles would be submitted to the Charity Commission.

The Chairman thanked all members present for their attendance and declared the meeting closed.

**Agreed as a true and accurate record:**

**Signed……………………………………………………………… Date…………………………..**

**Print…………………………………………………………………..(Chair)**