

ARTHRITIS CARE

Annual General Meeting
held on Saturday, 15 July 2006 at 1:30pm at
the Novotel, 70 Broad Street, Birmingham BH1 2HT

1. Welcome and addresses

The president of the charity, Jane Asher, welcomed everyone to the meeting and informed members of the programme for the day. She informed members that arrangements had initially been made for the annual general meeting to be held at the Novotel, Birmingham Airport to facilitate ease of attendance by members, but had been moved to the city centre hotel due to a refurbishment programme at the original venue.

The meeting noted that this was Terry Oliver's last meeting as chair of the charity and that Rosemary Blair and Anne Chittock had been appointed acting chair and acting vice-chair respectively until the conclusion of the 2007 annual general meeting.

The meeting was addressed by the Northampton Link Group. They presented their various activities which were a mixture of social and business events encouraging social interaction and independent living for people with arthritis including: talks on diet; yoga demonstrations; tai chi displays; improved information points; support for the local rheumatology unit; boat trips; arthritis taster days which allowed members to try a selection of activities to help them with their every day lives and how best to cope; fundraising; and other events.

The president thanked the group for their address which was well received by members.

2. To approve the minutes of the annual general meeting held on 2 July 2005

The president moved that the minutes of the annual general meeting held on 2 July 2005 be approved.

Norman Adams pointed out that the reasons he had suggested that the minutes should be circulated as soon as possible following the annual general meeting was so that matters discussed at the meeting would still be fresh in members' minds.

It was suggested that minutes of general meetings be put forward to the board for approval and that they should be made available to members as soon as possible following the meeting.

It was resolved on a show of hands that the minutes of the 2005 annual general meeting be approved, subject to amendments suggested by Norman Adams and that future minutes of general meetings be approved promptly by the board of trustees and chair of the meeting following which they would be made available to members

3. To receive and consider the annual report and accounts for the year ended 31 December 2005

Report of the chair of trustees

Terry Oliver presented the report of the chair of trustees touching on various activity areas of the charity, but first expressed her sadness at leaving the organisation after 14 years of service.

Members noted that the charity's information services; helplines and website had, during the year, responded very well in dealing with enquiries from members following the withdrawal and concerns about certain drug treatment.

There had also been real achievements in campaigning for change in government strategies to tackle arthritis in order to make sure that the needs of people with arthritis were taken into account. This had seen the recent publication of the musculoskeletal services framework in England. There was ongoing work with the Welsh Assembly and in Northern Ireland and Scotland.

Arthritis Care had played a leading role in a major victory at the European level with a Written Declaration of the European Parliament – calling for arthritis to be made a health priority across Europe. This was signed in its three month 'window' by a massive 406 MEPs and thanks to all our members and supporters who had pressed their MEP to lend their support to the declaration. This would lead to greater research funding for arthritis.

The hotels service, however, had not shown the same positive results as other parts of the charity reporting an operating loss of some £250k with projection of about £1m over the next five years. This had led the board to unanimously reach the difficult decision that the charity should withdraw from directly managing hotels services and that further consideration be given as how best to support members in their holiday accommodation needs.

The charity had established an excellent reputation in self management programmes, now valued by health services across the UK. The training portfolio had been expanded by offering people with arthritis more ways to use the charity's expertise. There was, however, a recognition that there was much more that could be done and in 2005 the organisation refocused by putting in place ways of measuring what and how training services were delivered in order to better respond to changes in the environment.

Information services had also been coordinated in order to meet a rise in demand stimulated by successful by campaign activities.

It was noted that the charity would be celebrating its 60th anniversary in 2007 and this would be an opportunity not only to reflect on what had been achieved so far, but also look forward to the future.

Terry Oliver, on behalf of the board, thanked all the charity's volunteers, elected officers and staff for helping to achieve these successes and wished them well for the future.

Chief executive's address

Neil Betteridge presented his address by first expressing an appreciation to members for the support and warmth he had been afforded since becoming the chief executive of the organisation.

A number of issues from that period relating to communication, the financial health of the charity, and development of member relations had been progressed and there was greater stability and a renewed sense of commitment to the charity. A lot had also been achieved both at the European and UK levels; the Disability Discrimination Act had now been extended in the UK to cover transport as a direct result of the charity's campaign activities with other disability groups. There was ongoing work in Central England to help people with arthritis back to work, which should be commended and should form a platform from which the charity could encourage more action by the government.

Members noted that there was greater awareness through information booklets on arthritis which were now widely available in Boots chemists through partnership working with the charity. The organisation had also established partnership with the Inter Continental Hotels Group (IHG), which offered a 25% discount to members of the charity as well as providing income opportunities. The meeting noted that IHG had a strong commitment to providing hotel facilities to disabled people and had gone further than the requirements of the Disability Discrimination Act. The group included Crowne Plaza, Holiday Inn and Holiday Inn Express brands.

The strategic review process was under way and this would be done to ensure all members and supporters were given the opportunity to participate in the process of shaping what sort of organisation Arthritis Care should be for the future. Questionnaires would be sent to members with the next edition of Arthritis News seeking their views and a group which included representation from all parts of the charity would be taking some of this work forward.

Treasurer's report

Roy Whithear presented the annual accounts for the year ended 31 December 2005. This showed that although the organisation's finances remained healthy, there was no room for complacency and the real challenge was matching income and expenditure whilst maintaining its reserves. The overall wealth of the charity had remained substantially static at around £8.5m million pounds although the ratio between restricted and unrestricted funds had significantly changed with most of branch funds being restricted. Nonetheless, the key operational measure of success for the charity was the balance between unrestricted income and unrestricted expenditure and for the second year running there had been a net income resource of £361k.

It was noted that for the third year running branches, as a whole, had spent more than they received in the year. Branches undertook activities for the benefit of people with arthritis by collecting just under £1.5m last year but spent nearly £2m during 2005. In terms of treasury management bank balances of the branches enabled the charity to avoid using overdraft facilities. There was therefore a need to balance encouraging branches to divert their accumulated funds into active, wide support with a need to retain sufficient liquidity although the charity had last year put in place an overdraft facility as a back-stop rather than an integral part of the charity's day to day financing.

Trustees had been concerned over the years about the fact that unrestricted expenditure had consistently exceeded income and that reserves were being depleted and had set the objective of creating an organisation that could live within its means and maintain a fitting level of reserves. In setting the level of reserve, trustees had taken a risk based approach in order to ensure that the level of reserves addressed a number of factors that both supported and justified a prudent approach to running the charity. The designation of £3m of current unrestricted reserves of £3.7m was therefore both a demonstration of a turnaround in the charity's fortunes and a prudent provision for the future.

The organisation's activities were expressed in the accounts in the Statement of Financial Activities (SOFA) shown this year in the format recommended in the new Statement of Recommended Practice (SORP) and so codified expenditure according to the organisation's charitable activities – representation and campaigning, information and support, training, voluntary run branch activities and hotels. Just over half of the charity's income came from voluntary donations. Legacies accounted for 66% of voluntary income and 33% of overall income. Legacy income was about y £3½m with a healthy pipeline of nearly £2m, over ½ m of which was confirmed and accrued for. It was noted that the hotels operation was still not meeting a basic objective of at least paying its way.

Trustees had therefore reluctantly concluded that the future of a limited and heavily subsidised hotels' operation did not comfortably fit as a main activity of an all inclusive charity. It was, however, very important to ensure viable alternatives for supportive holiday accommodation were available to members.

The charity's investments had provided a net gain of nearly £200k, but this was more than wiped out by the actuarial losses on the staff pension scheme.

Responding to a question from Norman Adams whether the auditors had specifically drawn the attention of trustees to any part of the accounts, Roy Whithear confirmed that the auditors had confirmed that the accounts showed a true and fair view of the charity's activities.

Val Wilson enquired why there was a difference in the actuarial figures in the accounts for the pension scheme between 2004 and 2005; Elizabeth Lending advised that this was as a result of the value of bonds at the date of valuation.

Val Wilson drew attention to page 21 of the accounts on investment income of over £30k from the sale of Carlisle House, which had been disposed of some eight years ago. Elizabeth Lending advised that this was as a result of the claw back provision which was incorporated into the original sale agreement and had shown a return shortly before its expiry after nine years.

Responding to a question from Norman Adams, Elizabeth Lending confirmed that the organisation had not made donations to other charities during the year.

Val Wilson commended Roy Whithear on the quality of the accounts and extended his appreciation to Elizabeth Lending and her team for the hard work that had gone into producing them.

Pat Field proposed that the 2005 annual accounts be accepted and Val Wilson seconded the motion.

It was resolved, on a show of hands, that the 2005 accounts be accepted.

4. To appoint Sayer Vincent as auditors and to authorise the board of trustees to fix their remuneration

Roy Whithear proposed that Sayer Vincent be reappointed as auditors and that the board of trustees be authorised to fix their remuneration. Denise Heritage seconded the motion.

It was resolved, on a show of hands, that Sayer Vincent be reappointed as auditors of Arthritis Care for 2006 and that the board of trustees be authorised to fix their remuneration.

5. To re-elect Mr Roy Whithear as honorary treasurer of the charity

The president briefed the meeting of Roy's background as a certified accountant with extensive career experience in the private, public and charity sectors at board level. He was elected honorary joint treasurer of the charity in 2001 following an extensive interview and selection process and had served as sole treasurer since 2004. He also currently served as a trustee for two other national charities.

Mary Cowern proposed that Roy Whithear be elected honorary treasurer for a further term. Graham Tomlinson seconded the motion.

It was resolved, on a show of hands, that Roy Whithear be re-elected as treasurer of the charity for a further term.

6. To re-elect directly elected trustees

The president informed the meeting that there were constitutional issues relating to this item and invited the company secretary, Elizabeth Lendering to confirm the position for members.

Members were advised that in accordance to the charity's byelaws, nominations for election and re-election of three of our elected trustees should have started in February with results being announced at this general meeting. The process for this would, however, just now be commencing and a call for nominations would be mailed out to all members in the next edition of Arthritis News to be completed by the end of the year.

The currently serving directly elected trustees could stand for re-election without further nomination.

The meeting was therefore required to approve that the currently elected trustees: David Doyle, rheumatologist; Marianne Scobie, disability equality trainer; and Richard Hull, rheumatologist, remain on the board until the election was concluded and to vacate the board if not re-elected.

It was resolved, on a show of hands, that the arrangements as outlined by the company secretary for the election/re-election of directly elected trustees be put in place.

7. To note the re-election/election by their respective regions of the following trustees

The president confirmed to members that this item was for noting only and any questions on these elections be raised at national/regional level.

Re-elections

Rosemary Blair Scotland committee

Mary Cowern Wales committee

Elections

David Humphreys Northern Ireland committee

Alan Wilson South West regional committee

It was also noted that a new trustee, Bill Davies, from the South East regional committee had been elected and would be joining the board at its next meeting.

Questions and Answers SessionMembership

Q. There is a continued decline in membership of the charity and if this should continue, how would the trustees implement their aims and duties?

A. Neil Betteridge advised that the issue of declining membership was of concern to the charity and in particular branch membership. This had halted, but not been reversed and there was a recognition of the need to grow members by making the charity as open and as accessible as possible to all those who wished to join the charity. Also as a membership organisation, trustees remained accountable to members, whatever the current or future levels of membership.

Following a further query from Norman Adams about whether the charity's commitment to growing members included a commitment to branch membership, Neil Betteridge advised that this was the case.

Blue badge scheme

Q. There continues to be an abuse of the blue badge scheme particularly in shopping centres. What is being done to address this?

A. Neil Betteridge informed the meeting of his work with the Disabled Persons Transport Advisory Committee (DPTAC), which helped to bring about changes in transport policy for the benefit of disabled people. Following pressure from DPTAC and other organisations such as Arthritis Care, there had been an amendment to the Traffic Management Act, scheduled to be implemented later this year, which would give the police and traffic wardens powers to examine blue badge and crack down on abuse.

It was noted that the way to tackle this issue with private car parks is to bring such abuse to their notice and to actively campaign on the issue, for which the charity could lend support.

Visit to members

Q. Is there a scheme in place whereby volunteers visited a member at pre-arranged times?

A. Elizabeth Lendering advised that there was no such scheme in place. Risk assessment carried out sometime ago concluded that this was too risky an undertaking for the charity.

Helplines

Q. I understand that our helplines has been awarded the Telephone Helplines Association (THA) accreditation – what impact or difference would this have?

A. Glynn McDonald, Arthritis Care's director of publications, informed the meeting that the Telephone Helplines Association accreditation had followed a period of assessment and review of the helplines service and this was a quality mark which had confirmed that the service was of a high standard.

Hotels

Q. Why did the charity not consult members on this issue?

A. The president confirmed to members that constitutionally this was a matter for the board of trustees to reach a decision on. Neil Betteridge advised that from the conclusion that had been drawn on the hotels' viability the question had become what to do next and this had resulted in the decision to withdraw from this service. Roy Whithear added that this matter was wider than the issue of viability as there were issues of: opportunity cost relating to the continued subsidy to hotels service; and whether the service could be better run by a third party whichever way this was achieved. No decision other than that the charity should withdraw from directly managing the hotels service had been made without any firm decision being made yet as to how this would be executed.

Jackie Adams indicated that the membership was upset because they had not been consulted about this issue as it was feasible that the same conclusion would have been reached following such a consultation process with members. The president pointed out that no decision had been made to sell, just that the operation could not continue to be subsidised to such an extent.

Terry Oliver advised that this decision had not been taken lightly by trustees and it was recognised that consideration would need to be given to alternative holiday accommodation needs for members for which there would now be a consultation process.

Neil Betteridge reiterated that the issue of whether there should be a consultation of members on this issue had been fully considered by trustees at its meetings and it had reached the conclusion that given that trustees were elected by the various constituent parts of the charity they were properly mandated by members to take this decision. To have avoided this responsibility would have involved additional resources which could be better utilised for the benefit of people with arthritis.

Roy Whithear outlined to members that a full cost of running the hotels would include a charge for rent. Currently the hotels were also being used more by people with disability other than arthritis. This was a risk for the charity as this was not one of its objectives and would be classified as trading.

Q. What percentage of the fixed assets do the hotels represent?

A. Roy Whithear advised that this formed about 37% of the total asset base of the charity of about £8m, but it should be noted that they were wasting assets and had previously been revalued downwards. He stressed that no decision had been made to sell the hotels, only that the charity should withdraw from directly managing this service.

Dick Oliver advised that the case was not whether the hotels were run at a loss or not, but that they provided a service to members; this was the essence of being a charity. Roy Whithear advised that the board of trustees were of the view that the level of subsidy that was being provided to the hotels service could be better utilised for the benefits of members and people with arthritis as a whole in other ways.

The president enquired whether this should then be put to members for consultation. Roy Whithear advised that the board, following thorough deliberation, had felt that in this particular instance the information available had been sufficient for trustees to safely make this decision; feedback was that members although in some cases upset were not surprised.

The president advised that it would be helpful if members' views were taken into consideration as to how best to take matters forward.

Responding to a member's comments, Terry Oliver informed the meeting that the strategic decision to withdraw from directly managing the hotels service was made by the board of trustees rather than Neil Betteridge as chief executive of the charity and it was inappropriate for a section of the membership to burden him personally with this decision.

Q. What are the alternative leisure facilities that would be offered all people with arthritis as confirmed in previous communication?

A. Neil Betteridge advised that the unique service of Arthritis Care hotels was recognised and that these could not be easily replaced by other providers. The work with other providers was to continue to explore ways of how best to continue to support members with their holiday accommodation requirements.

Q. Why were the hotels not advertised and marketed more effectively and could accommodation prices not be increased?

Norman Webster advised that he would not personally use Arthritis Care hotels as he would not wish to isolate himself from main stream society any further as a person with arthritis and expressed his appreciation for the work being done by the organisation through campaigning, training and other activities in order to ensure that people with arthritis were fully integrated and could achieve independent living e.g. by gaining access to the safest, most effective treatments available.

Responding to a question from Norman Adams about trustees not meeting with hotels staff, Terry Oliver advised that the role of the board was strategic rather than operational and that it would be inappropriate for the board to get directly involved in staff matters. Elizabeth Lendering reiterated comments by Terry Oliver and pointed out that this had always been the standard practice for the charity.

Adrian Adams announced his resignation to the meeting and outlined his understanding of the role of the board on strategic and operational issues.

The president, drawing on her experience as a former trustee of Children in Need, advised that trustees did not get involved in day to day operational management issues.

Close

David Doyle made a presentation to Terry Oliver for her contribution to the work of the charity, particularly as an ambassador for the charity coming through the ranks of Young Arthritis Care.

Jackie Adams presented a bouquet to Pat Field, South East England retiring trustee and thanked her for all her help and support over the years.

Kathleen Peat, on behalf of the charity thanked Jane Asher for the excellent manner in which she had once again chaired the annual general meeting; the treasurer for presenting the annual accounts; the chief executive for his address and members for attending the meeting.