

AUCKLAND DISTRICT HEALTH BOARD

**Minutes of the meeting of the Board held on Thursday 7 August 2003
in the Marion Davis Library, Auckland City Hospital, Grafton
commencing at 1:15pm.**

1. ATTENDANCE AND APOLOGIES

Board Members

Wayne Brown (Chair)
Margaret Horsburgh
Crystal Beavis
Harry Burkhardt
Dame Susan Devoy
Di Nash
John Retimana
Vicki Salmon
Ian Scott
Pat Snedden

Management in Attendance

Garry Smith – Interim Chief Executive
Marek Stepniak – Chief Operating Officer
Nigel Murray – GM Building Programme
John Woods – GM Human Resources
Brenda Saunders – GM Communications
Ian Bell - Board Administrator

The Chairman declared the meeting open at 1:50pm and welcomed Harry Burkhardt to his first Board meeting.

2. CONFIRMATION OF MINUTES 3 JULY 2003

Moved John Retimana, seconded Susan Devoy

That the minutes of the meeting of the Auckland District Health Board held on 3 July 2003 be confirmed as a true and correct record.

Carried

3. ACTION POINTS 3 JULY 2003

John Woods tabled a table of trends in staff turnover noting the decrease in turnover of nursing staff. The trends would be provided on a quarterly basis.

Garry Smith would take responsibility for an analysis of the Aitken and Anderson reports and a plan forward to be brought back to the Board.

It was agreed that it was too difficult to organise a training day for all Board members and members were requested to advise training requirements to the Board Administrator who would obtain information from the Institute of Directors.

Item 5.3 was taken next.

5.3 Human Resources Plan 2003/2004

John Woods presented to the Board noting that the recruitment and administration centre (RAC) was now operational. The RAC had had some difficulties with technology but was now getting acceptance throughout the organisation. Better planned relationships with a number of unions was noted. The new Health and Safety Committee structure would be implemented by October. A business case for a HRIS system would be brought forward in October for implementation in 2004 for deliverables in 2004/2005 as part of a business solution. The business case would require sign off by the MoH and they are to be engaged early on the question of this being a regional project.

It was noted that the HR Vision should include a bullet point for integrity. Organisational values were being progressed through the Executive Team. A considerable amount of HR work was being undertaken through the Change Programme.

4 CHAIRMAN'S REPORT

4.1 Report

Wayne Brown advised that activities undertaken in the month had been:

- Attended a way finding and naming meeting with the Building group.
- Attended a meeting on alternatives for the Greenlane land.
- Attended a court hearing concerning C J O'Neil where a restraining order for harassment had been obtained.
- Attended the NDSA presentation where ADHB staff had presented well.
- Attended to a number of senior management issues and appointed Garry Smith as Interim Chief Executive Officer.
- Met with Fletcher Construction and advised them to live within the construction budget. The Building team is well engaged on end of project work although there were concerns at the way the contingency fund was being disclosed.
- Met with the Clinical Director of ED, and Stephen Munn who had obtained \$1m for cost of liver transplants and conveyed to him that the Board appreciated his initiative.
- Met with the Dean of Medical School on a number of matters including delivery of Junior Doctor training.
- Met with the Chairman of the Starship Foundation to agree a win/win situation and enhance a working relationship. Both sides were well informed and there was work being done on clarifying national services provided at Starship Hospital.

4.2 National Capital Committee

Auckland Chairs had agreed a number of principles including support for handing back hard assets to a central capitalised agency. Concern was also expressed at the effects on this years results of mandated changes to accounting rules.

4.3 Joint Statement on Auckland Collaboration

Progress was being made by focusing on points of agreement. The three CEOs and Chairs meet each month and a work plan for going forward had been developed.

5 CHIEF EXECUTIVE'S REPORT

5.1 Report

Garry Smith spoke to the report noting the excellent financial outcome for the year. A full analysis of how this was achieved was being undertaken to be used for review and revision of the 2003/2004 budget.

Volumes had been delivered with revenue released as volumes were achieved being a good financial tool measure of performance. Building and Change was coming to a milestone for occupation of the new buildings and migration. Resolution of the regional Orthopaedic services was a timing difference which could impact on the 2003/2004 year. Work was progressing well on a regional IS alignment. Human Resources were looking at objectives for staff for 2003/2004.

The District Annual Plan (DAP) had been sent for the Minister's signature but had been delayed due to an overall sector review of funding. The Board wished the signing to be expedited and requested that the reasons for delay be identified and this be escalated to the Chair if necessary.

Four PHOs were now operating with the possibility of one more. The original estimation of numbers of PHOs was between three and seven. 50% of the ADHB population is now enrolled with a PHO.

The Greenlane Call Centre business case had been delayed. Vicki Salmon advised her interest as Acting CEO for Restaurant Brands Ltd but advised the Board that they may be able to provide a call centre solution.

The Cabinet had approved devolution of funding for 65+ to occur on 1 October 2003. At the DSAC meeting concerns were raised at the risks to volume and dollars. The three DHBs and Northland had agreed to manage the devolution regionally. The focus was on a integrated continuum model of care based on the Older Peoples Strategy but submissions to Wellington had emphasised that no business case rigor had been applied due to the difficulty in obtaining information in respect of the past three years or forward projections for the next three years. This information was not available from the Ministry of Health who only had information at a very consolidated level. Funding would devolve to where the providers reside rather than based on population which created a major risk for ADHB who had 50% of the providers in the Auckland region. Funding associated with the region would be in the vicinity of \$250m to \$280m. While there had been a 93% increase in home support providers over 5 years there had not been a relative drop in residential care provision. The Region was advocating for a risk pool arrangement with the Ministry. A business plan would be provided at the next meeting. There were a number of risks including underpayment of workforce and means testing and a risk schedule was being developed with strategies to mitigate these. Quality indicators and audit procedures were being developed regionally.

The Board requested an update on work in the Support Building for the Building Committee meeting in August.

The reduction in lost time injuries was noted.

5.2 Change Programme

Marek Stepniak spoke to the report advising that the major issues were the finalisation of configuration of bed numbers at the time of migration, scheduling of consultation clinics

for the Greenlane Clinical Centre and achieving a four hour turn around through Sterile Supplies.

Each service would be allocated a number of beds but there would be flexible capacity with outliers and seasonal demand managed on a daily basis. The ability to flex resources up and down as required involved a different way of working. The decrease in waiting lists for inpatients but an increase in waiting lists for outpatients was noted.

5.4 Spectrum Care Trust Trustee Appointment

Moved Susan Devoy, seconded Vicki Salmon

That the ADHB endorses the appointment of Deborah Mudgway as a trustee of the Spectrum Care Trust.

Carried

Maori Health Advisory Committee

There was discussion on the Chairmanship of the Maori Health Advisory Committee. It was suggested that in its inaugural year Te Rununga Ngati Whatua be invited to nominate the first Chair of the Committee, such position remaining for a year and then rotating on an annual basis to a ADHB nominee. The anniversary for rotation would be in August each year. The Deputy Chair for the year would be nominated by the party not holding office of Chair with a view to succeeding to the Chair position on rotation.

Moved John Retimana, seconded Pat Snedden

That the ADHB appoints Harry Burkhardt, John Retimana, Pat Snedden and Dr Johnathan Koea as ADHB members and Rob Cooper, Aroha Hudson, Mareta Kawharu and Bernard Te Paa as Ngati Whatua members of the Maori Health Advisory Committee.

Carried

A+ Charitable Trust

It was noted that Graeme Edmond and Ian Ward had resigned their positions on the trust.

Moved Vicki Salmon, seconded Ian Scott

That Dr David Sage be appointed a trustee of the A+ Charitable Trust.

Carried

Greenlane Land Strategy

Paul Jepson, Manager Facilities Management, joined the meeting and discussed the Greenlane Land Strategy that had been considered by the Audit Committee. The proposal was to sell two parcels of land with road frontage, retain the remainder of the Greenlane West land but provide additional on-site parking by the demolition of buildings and interspacing with the retained buildings. There is a negative impact on the 2004/2005 District Annual Plan but benefits in outer years.

Moved Ian Scott, seconded Vicki Salmon

That the ADHB accept the Audit Committee recommendation that the Greenlane Land Strategy be approved and in particular that:

- a) the parcels of freehold land marked on the site plan be sold*
- b) vacated National Women's buildings be utilised to accommodate ADHB services relocated from leased premises off site, and any other revenue earning occupancies (e.g. regional shared services), and*
- c) once no longer required for transitional purposes, Buildings 5, 8 and 9 be demolished to create a substantial new parking area along the main Greenlane Road frontage and that the land sale be implemented through RHMU in June 2005 in accordance with the District Annual Plan, with the likely sale date after clearance of June 2007.*

Carried

It was noted that this would change the land revaluation as at 30 June 2003.

5.5 Meeting Plan 2004

Moved Vicki Salmon, seconded Wayne Brown

That the ADHB adopts the meeting plan for the 2004 calendar year.

Carried

6 FINANCIAL REPORT JUNE 2003

6.1 Financial Report

The financial report had been reviewed by the Audit Committee and had included an explanation of the month of June without the end of year adjustments which showed a result for the month very close to budget. The explanations for the year end were being used to review the budget for 2003/2004.

The result represented a \$25.4m improvement over budget which was a significant achievement while maintaining delivery of all volumes with no cuts in service. The Board congratulated management, clinicians, nurses and everyone at ADHB who, by contributing savings in day to day operations, had achieved the substantial savings.

Moved Vicki Salmon, seconded Margaret Horsburgh

That the ADHB adopts the year end result of \$49.706m deficit against a budgeted deficit of \$74.181 for submission to Audit.

Carried

6.2 Treasury Report

A significant saving in cash had been achieved through control of capex which had resulted in a saving of \$23.5m in cash required from central government. Cash resources would be critical while the Board undertook its refinancing and put its working capital facilities in place.

The Board authorised the Chairman to write to the Ministers advising on the operating improvement and the cash improvements which deserve support.

The Board thanked the Treasury Manager for his clear reports.

7 DISABILITY SUPPORT ADVISORY COMMITTEE

The DSAC had met on Tuesday and members of the Committee had visited the new hospital. There had been discussion on the nature of the Committee particularly in view of the devolution of funding for older people and a focus on the NZ Disability Strategy. The Committee had a role in leading the regional initiative relating to devolution of funding for older people which was being approached on a regional basis as the Committee contained committed consumer representatives.

On the visit of disabled members of the Committee to the new hospital they had found the flushing mechanism in the toilets could not be reached and were concerned at the height of the rail and the gap underneath the rail in the streets. Nigel Murray advised that toilets were not designed in every ward to the disability code but that there was disability toilet on each floor. He also advised that the toilets had in some cases not been built to design specifications with a movement of 300mm to the right. He also advised that the rails exceeded the code height and that the gap under the rails was within code. Tactile numbers in lifts is being reviewed.

Pat Snedden advised that the Board was satisfied that the level of care had been taken in design but that the small matters should be addressed.

8 BUILDING COMMITTEE

The Committee was meeting on Tuesday 12 August.

9 QUALITY COMMITTEE

9.1 Report

The Quality Committee had met on 17 July 2003. At that meeting they had reviewed their terms of reference and recommended the small changes to the Board.

9.2 Terms of Reference

Moved Margaret Horsburgh, seconded Di Nash

That the ADHB adopts the Quality Committee Terms of Reference dated July 2003.

Carried

10 AUDIT COMMITTEE

10.1 Report

Vicki Salmon advised that the Audit Committee had met the previous day. She was to write to the Auditors concerning the Audit partner's resignation, the Committee had requested a paper on the genetic technology issues for further understanding and directorships of the Treaty Relationship Company were still to be considered.

The Audit Committee had also requested that an interest register be instituted for management. The Board interest register is to be included in the Board papers quarterly.

Internal Audit was doing work on clarifying the wording in the Delegated Authorities Policy.

10.2 Logistic Services HSL

Moved Vicki Salmon, seconded Pat Snedden

That the ADHB approves the selection of Health Support Ltd for the supply of existing logistic services. This agreement to take effect on 1 July 2003 for a period of twelve months when the services would be offered by tender.

Carried

10.3 Contract Variation – Diagnostic Medlab Ltd

Moved Vicki Salmon, seconded Ian Scott

That the ADHB approves the 01 variation to the contract with Diagnostic Medlab Ltd effective from 1 July 2002 and authorises the Chief Executive Officer to sign the variation on its behalf.

Carried

10.4 Delegated Authority Policy

Moved Vicki Salmon, seconded Wayne Brown

That the ADHB for the purposes of the Delegated Authority Policy appoints Garry Smith as the nominated Chief Executive Officer.

Carried

10.5 Non Operating Subsidiaries

Moved Vicki Salmon, seconded Ian Scott

*That Garry Smith be appointed as Director of the following non operating subsidiaries:
Auckland City Hospital Ltd
Greenlane Hospital Ltd
National Women's Hospital Ltd
Labplus Ltd
Starship Children's Hospital Ltd*

Carried

Consideration would be given to winding these companies up.

11 GENERAL BUSINESS

NOVA

The Board would like to see more communication about the Board to staff through NOVA.

12 NEXT MEETING

The meeting closed at 3.58pm.

The next meeting will be held on Thursday 4 September 2003,
Marion Davis Library, Auckland City Hospital, Grafton.

CONFIRMED

CHAIR

DATE