

AUCKLAND DISTRICT HEALTH BOARD

Minutes of the meeting of the Board held on Thursday 9 October 2003
in the Marie Hosking Room, Level 7, Building 14,
Greenlane Clinical Centre
commencing at 1:15pm.

1. ATTENDANCE AND APOLOGIES

Board Members

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

Management in Attendance

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

Apologies

The Chairman declared the meeting open at 1:58pm.

An apology had been received from Dame Susan Devoy.

2. CONFIRMATION OF MINUTES 4 SEPTEMBER 2003

Moved Ian Scott, seconded Crystal Beavis

That the minutes of the meeting of the Auckland District Health Board held on 4 September 2003 be confirmed as a true and correct record.

Carried

3. ACTION POINTS 4 SEPTEMBER 2003

Work on the last two years financial results, realigning history and movement in services to get the top variances to develop KPIs to ensure that savings were built into the forward budgets were continuing. This is to be brought to the next Audit meeting.

CME overseas travel requires sign off by the Clinical Director to see that it adds value to the service and the individual and that the meeting/conference is internationally credentialed. Entitlements for those working part time for ADHB were pro rata. There were some concerns that not all CME was being taken which may mean the individual may not maintain credentials.

Management and Board disclosures of interest were available.

4 CHAIRMAN'S REPORT

4.1 Report

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

- First patient day had gone well and he thanked everyone for their support and participation.
- Dinners had been held with senior clinical staff. Senior nurses and nurse leaders would be invited to further dinners. The purpose of the dinners was to listen and learn and they had produced forthright discussion.
- The School of Medicine accommodation had been resolved with an agreement to lease for nine years at \$845k per annum with fit out to be commensurate with the standard open plan fit out adopted by ADHB.

Moved Ian Scott, seconded Vicki Salmon

That the Chairman be authorised to sign a letter setting out the terms of the lease of premises offered to the School of Medicine on Level 12, Building 1 and Level 3, Building 1, Auckland City Hospital for a term of nine years at an annual rental of \$845,022.

Carried

This acknowledged the relationship with the School of Medicine in a positive way. Margaret Horsburgh abstained from debate and voting on the resolution being an employee of the University of Auckland.

- Met with the Project Manager for the NewShare Project, Wayne Williams.
- A group of Board members had visited the immigration centre in Mangere where ADHB provided public health services.
- Smokefree had been introduced on 1 October 2003.
- A meeting had been held with the Minister of Finance, Minister of Health, Auckland DHB Chairs, Graham Aitken and Gordon Davies to address regional issues. This would not be a take over of DHBs or a precursor to the number of DHBs. Wayne Brown is to convene the group of three Chairs to get more regional co-operation on treatment delivery. This was to address inter-district flows, best ways to deliver services to greater Auckland and is to be reported back by 5 December 2003. Papers will be distributed to Board members for comment.

4.2 Audit Recommendations

Moved Wayne Brown, seconded Margaret Horsburgh

Having considered the Internal Audit Reports it is resolved that:

1. *the audit recommendations as detailed in the reports and summarised below be adopted and implemented:*
 - a) *Management must be particularly aware of the lack of organisational history and understanding of all issues by Board members. Papers submitted to the Board need to take this into account.*

- b) *A register of major contracts be maintained at Board level and that the Board be notified three months ahead of proposed roll-overs or terminations, and that Board approval be required to support the necessary actions required.*
 - c) *The substance of submissions to the Board and MFC should be relative to the value and complexity of contracts being entered into.*
 - d) *The Board's "Register of Interests" be extended to include members of the senior management team.*
 - e) *The "Register of Interests" (including all interests) be formally updated at every Board meeting.*
 - f) *All papers submitted to the Board include details of any "interested parties".*
 - g) *In future all directorships be disclosed by Board Members and the senior management team*
 - h) *Board approval is sought for all decisions to not tender on major supply contracts. The level of financial delegations of authority be specifically referenced to the ability to approve to not tender.*
 - i) *The one up principle detailed in the Board Delegated Authority Manual be reinforced with all levels of Management.*
2. *For level 1 and 2 managers all external directorships must be approved by the Board.*
 3. *All policy and procedure manuals must be updated to reflect the requirements contained in 1 and 2 above.*

Carried

This direction is to be distributed widely within the organisation.

Maori Health Advisory Committee

Moved John Retimana, seconded Harry Burkhardt

That the ADHB appoints Puawai Rameka, instead of Mareta Kawharu representing Ngati Whatua to the Maori Health Advisory Committee.

Carried

Pat Snedden advised that he, Di Nash and Sam Su had visited the refugee centre where services are provided by ADHB by a small group with limited resources doing an inordinately good job. There was a need for more resources to respond to new migrants needs. New migrants were very resourceful people and some had health backgrounds. There were two classes of migrants, those that came under the quota system who got entitlements to Government Support and those seeking asylum which did not. There was a suggestion that funding may be available by accessing the Public Health budget which is under spent or some of the ring fenced Mental Health funding as there was enormous need for Mental Health support for migrants.

5 INTERIM CHIEF EXECUTIVE'S REPORT

5.1 Progress Against ADHB's Key Goals and Key Issues

5.2 Operation Report

5.3 Shared Services Report

5.4 Communication and Public Consultation

Garry Smith spoke to his reports:

Control of Finances

- Provider volume management to catch up to budgeted costs.
- Benefit realisation, tracking and monitoring to lock in benefits.
- Devolution DSS risk pool. ADHB was operationally geared to handle DSS but the quality of information was poor and it was difficult to get the risk pool agreed to.
- PHO funding issues, across boundary PHOs funding being resolved.
- Collective employment contracts, SMO mediation on 22 & 23 October 2003 and negotiation of stenographers and laboratory agreements.
- Air retrieval and transfers being addressed through MoH.
- Banking and funding facilities.

Building Programme

- Building hand over and migration.
- The sign off process was excellent from a governance point of view and was a credit to the planning and detail address by the teams. The work of Allan Johns was acknowledged.
- Support Building tender process on track.
- Open days and communication. Wide coverage had been achieved with Board very supportive of events of the blessing, open days and first patients. 6,500 people had attended the open days.
- Sterile Supply Services (SSS) was an area of major change and was under intensive monitoring with contingency plans developed. The IAG was keeping a watching brief on the area with weekly reports to the Chief Executive Officer. Key activities and systems were being tested and monitored. This project had been affected by the timing of receipt of instruments from overseas, IS changes, up-skilling of staff and moving from a decentralised to centralised theatre model.
- Power outage at Children's Emergency Department. A report had been commissioned as the UPSs did not work. This was a technical problem which had now been rectified. The UPSs did start but did not stay on as the lights drained more power than specified. Back up generators also had not activate.

Change Programme

- Locking in the operational gains was challenging.
- The bed management/production model of flexing beds was a key task to get operating.
- Principles/philosophy of new infrastructure i.e. 85% occupancy and all admissions through ED.
- Management reporting to value and measure gains.
- Regional shared services work plan covering HR, Finance, IS and Supply Chain/Materials Management being targeted to begin in December.
- Change in processes being implemented in Maori Mental Health relating to Manawanui. Reaffirming the change in practice was the right direction.

Lifting the Health of Aucklanders

- ADHB had become smoke free on 1 October 2003. The lead role taken by Taima Campbell was acknowledged.
- Disability Support Services regional plan to interface with other health services.
- Confirmation of pharmacy consultation.
- PHO developments. 70% of the population is enrolled and Waiheke PHO expected to start 1 January 2004. PHOs are key for initiatives to improve the population's health.
- Population health status indicators being progressed and adding to the health needs analysis.

The reaction to the change in pharmacy dispensing had only been from the pharmacies not consumers. Meetings had been held with the Pharmacy Guild on the Section 88 consultation with a need for pharmacies to move from dispensing to being part of the integrated primary health services.

5.5 Appointment of Trustees A+ Charitable Trust

Vicki Salmon advised that she, Susan Devoy, David Sage, Bob Large and John Henley were present trustees of the Trust. The Trust represents 80 sub trusts and reports to the ADHB Board. It was hoped to expand the Trust so work was being undertaken on the Trust Deed so that it became more proactive covering all adult care both in hospitals and the community. Garry Smith and Michael Boersen attended Trustee meetings and reports were furnished quarterly. Present funds administered were \$7.1m.

Richard Frith was very active and had raised money for the Clinical Education Centre.

The Board supported fund raising by way of bequests rather than large social events.

Moved Ian Scott, seconded Vicki Salmon

That the ADHB confirms the appointment of Dr Richard Frith and Dr Ian Civil as trustees of the Auckland District Health Board Charitable Trust.

Carried

It was noted that the Starship Trust had not responded to the letter sent or consulted on trustees.

6 FINANCIAL REPORTS – AUGUST 2003

6.1 Financial Report

The report had been discussed fully at the Audit meeting. FTE reporting was being reviewed and the average result for the month was being added to the reports.

The report were received and noted.

6.2 Treasury Report

The report had been discussed at the Audit Committee.

The report was received and noted.

7 DISABILITY SUPPORT ADVISORY COMMITTEE

Margaret Horsburgh advised that she had met with the Chairs of the other DHB DSAC to agree the Terms of Reference for the Regional DSAC. NDSA would manage the administration of that Committee which would meet four times in a year with the three Chairs rotating as Chairperson. It would report on older people services, be involved with the MoH and review need assessments services and needs for under 65s. The regional meeting dates are to added to the ADHB meeting schedule. The ADHB DSAC will focus on the New Zealand Disability Strategy.

8 BUILDING COMMITTEE

The Building Committee would meet next week. Congratulations were given to the HSDP team for their planning and administration of migration. Work was being done on the close off of contracts for both financial and quality hand over. Delegations would be sought to finalise the accounts.

9 QUALITY COMMITTEE

Margaret Horsburgh advised that the Committee had received a presentation on how the complaint system worked. The next meeting would be a tutorial by two members of the School of Medicine concerning Governance and what Board members should address on quality. The meeting will be held on Wednesday 26 November 2003 and all Board members were invited.

10 AUDIT COMMITTEE

10.1 Report

Vicki Salmon advised that the Audit Committee had finalised the signing of the year end accounts and considered policy on gifts and gratuities and disclosures of interest as well as considering the Finance and Treasury reports. The Committee had also received a presentation from Cameron and Co on the refinancing and banking facilities proposals.

The Committee had received Minister's conditions to the Crèche licence that had been submitted and recommended to the Board that the variations be confirmed.

Moved Vicki Salmon, seconded John Retimana

That the ADHB endorses the Minister's conditions and subsequent variation of contract for the occupation licence and service supply agreement with the Auckland Hospital Preschool Society Inc.

Carried

10.2 Refinancing and Banking Facilities

The Audit Committee had considered the refinancing and banking proposals and received a review by Cameron and Co.

Moved Vicki Salmon, seconded Ian Scott

That the ADHB agrees to the proposal for a banking facility of \$65m with ASB Bank Limited, and

That the ADHB continue to undertake its transaction banking with ASB Bank Limited, and That the Chairman and the Chair of the Audit Committee be authorised to sign any related documents on behalf of the Board once being satisfied that they are in order.

Carried

Moved Vicki Salmon, seconded Ian Scott

That the ADHB agrees that the refinancing proposal from the Crown Financing Agency of \$195m be accepted on terms no more onerous than current facilities, and

That the Chairman and the Chair of the Audit Committee be authorised to sign any related documents on behalf of the Board once being satisfied that they are in order.

Carried

Other recommendations from the Audit Committee concerned the restatement of the District Annual Plan (DAP) and approval of a letter of a business case for Oncology.

Moved Vicki Salmon, seconded Margaret Horsburgh

That the ADHB endorses the removal of the impact of the asset revaluation from the District Annual Plan (DAP) and that the Chairman be authorised to sign the changed DAP.

Carried

The National Capital Committee required the Board's approval of a submission for a replacement linear accelerator of \$3.8m and a replacement simulator of \$1.65m, a total of \$5.45m.

Moved Vicki Salmon, seconded Pat Snedden

That the Board approves the letter to the National Capital Committee, Ministry of Health and Treasury advising that a business case for equity funding for the replacement Linear Accelerator and replacement Simulator for 2003/2004 is to be prepared for submission.

Carried

11 GENERAL BUSINESS

There were no items of General Business.

12 NEXT MEETING

The meeting closed at 3.40pm.

The next meeting will be held on
Thursday 6 November 2003,
Marie Hosking Room, Level 7, Building 10,
Greenlane Clinical Centre.

CONFIRMED

CHAIR

DATE