

## AUCKLAND DISTRICT HEALTH BOARD

Minutes of the Auckland District Health Board meeting  
held on Thursday 5 May 2005 in the Marion Davis Library  
Building 43, Auckland City Hospital, Grafton  
commencing at 1:30 pm

### 1. ATTENDANCE AND APOLOGIES

#### Board Members

Wayne Brown (Chair)  
Tony Bierre  
Jackie Blue  
Virginia Hope  
Ian Scott

Ross Keenan  
Harry Burkhardt  
Chris Chambers  
Di Nash  
John Retimana

#### Management in Attendance

Garry Smith – Chief Executive Officer  
David Sage – Chief Medical Officer  
Denis Jury – Chief Planning and Funding Officer  
Warwick Russell – Acting Chief Financial Officer  
Nigel Murray – General Manager Auckland City Hospital  
Andrew Norton – General Manager Human Resources  
Ian Bell – Board Administrator

#### Apologies

The Chair declared the meeting open at 2:04 pm.

An apology had been received from Barry de Geest and John Retimana advised that he would be leaving early.

### 2. CONFIRMATION OF MINUTES – 7 APRIL 2005

Moved John Retimana, seconded Di Nash

*That the minutes of the meeting with the Auckland District Health Board held on 7 April 2005 be confirmed as a true and correct record.*

Carried

### 3. ACTION POINTS 7 APRIL 2005

The revised integrated management structure diagram was distributed to members.

#### 5.4 SALE OF GREENLANE LAND

Paul Jepsen, Manager Facilities Management, was in attendance. The Board was committed to selling the land to the west of the dividing road as the land to the eastern side of that road was subject to restrictions. The Claude Road Lot was clear for sale, the question was the sale of Lot 1 as to whether it included the car park marked A which was

worth \$500k. Car parking at present can go across to the Trotting Club area. The proposal to sell the larger Lot 1 was supported by the CEO.

Moved Ian Scott, seconded Tony Bierre

- 1. That the ADHB gives delegated authority to the Chair on their behalf to declare surplus the land on Greenlane site indicated on the revised Site Plan 3 tabled on 5 May 2005 as Lots 1 and 2, subject to clarification on the total site parking requirements and emergency fire access easement to Building 14, and the Chairman sign the letter seeking the required Ministerial approval to dispose of this land.*
- 2. that, subject to Ministerial consent being obtained, the properties be sold to the Residual Health Management Unit (RHMU) for a total purchase price of \$7,450,500 inclusive of GST .*
- 3. that the CEO be delegated authority to execute sale and purchase agreements with RHMU for these two Lots with the settlement dates to be 30 June 2005*
- 4. that the Chairman (or Facilities Manager) sign the joint letter from RHMU and ADHB to the Auckland City Council, undertaking to make application to change the Greenlane site Concept Plan before the Lots are on-sold by RHMU*

Carried

The Board requested that the entrances to Building 10 be clarified and enhanced.

#### **4. CHAIRMAN**

##### **4.1 Report**

Wayne Brown reported to the Board:

- The conclusion of the Select Committee concerning age care funding had not been correct so he had contacted the Chairperson, Steve Chadwick and pointed out that ADHB received funding for 4% of its elderly population but incurred costs for 6% of the elderly population with 3% being in the other two DHBs. There was a response to the report which would correct a number of inaccuracies.
- He and the Chair of the Audit Committee had met John Hagen of Deloitte. It was an aggressive meeting with no concept of value being given to ADHB. The Audit Committee had recommended he write an appropriate letter to Deloitte.
- He had attended the DSAC meeting chaired by Barry de Geest which proposed that the meeting rules be adopted by ADHB. They also considered in the wording of the District Annual Plan that a more aggressive approach with regard to disability issues be taken.
- He had lunched with the Ministry of Finance, Dr Cullen giving him 8 points on ADHB. He had also attended a number of meetings with Gordon Davis and Graham Aitken.
- He had met with the Associate Minister, Pete Hodgson explaining the impact of the Capital Programme and Health of Older People issues. This had been followed by a tour with John Henley and a visit to SSS which had been useful. He thanked those involved.

He wanted the organisation to ensure that the right advice was given to the Board with no subsequent changes.

## **4.2 Meeting Rules**

Moved Ian Scott, seconded John Retimana

*That the meeting rules recommended by the DSAC be adopted for all Board and Board Committee meetings.*

Carried

## **4.3 Disability Support Advisory Committee Meeting Dates**

Moved Virginia Hope, seconded Ian Scott

*That the ADHB adopts the following dates for its DSAC meetings:*

*19 May 2005*

*21 July 2005*

*15 September 2005*

*17 November 2005*

Carried

## **4.4 Disability Support Advisory Committee Appointments**

Moved Virginia Hope, seconded Wayne Brown

*That the ADHB appointments Marie Hull-Brown as a member of the Disability Support Advisory Committee.*

Carried

## **4.5 Health Select Committee Report**

This had been discussed under the Chairman's report.

## **4.6 Spectrum Care Trust – Trustee Reappointment**

Moved Wayne Brown seconded John Retimana

*That the ADHB endorses the reappointment of Bernadette Doube as a Trustee of the Spectrum Care Trust.*

Carried

## **5. CHIEF EXECUTIVE OFFICER**

### **5.1 Report**

Garry Smith reported to the Board:

- There was a focus on delivering to budget for year end.
- Work was progressing on a plan to implement the 2005/2006 DAP by 20 May 2005.
- He had met with every manager to get them to understand his expectations.

- The previous Friday four DHBs had undertaken an emergency exercise for the region to test that DHBs met requirements.
- The 2004/2005 District Annual Plan had been signed off and the Statement of Intent was being finalised.
- MeNZB programme was progressing with door knocking to improve immunisation rates.
- The BX campaign, which was a partnership between Starship and a Tamaki PHO, had been successfully launched.
- Stage I of the SMO project had had a meeting with Clinical Directors to stocktake and promote effective handling and consistency across the region.
- A meeting was being arranged between IS and possible strategic partners.
- NOVA would be predominately black and white with savings of 2/3 of the present cost.
- Staff flu vaccinations had a record first day uptake.
- Nurses and Midwives National Days were being held and he acknowledged and valued the ADHB staff.
- He had attended meetings with the Chairman, Gordon Davis and Graham Aitken.

The Board noted that salary overpayments were increasing again and were advised that this was a result of continuing data integrity checks being undertaken as part of the HRMS/Payroll project. Effectively two payrolls were now being run side by side and ADHB had been the first DHB to implement the nurses pay increases.

Garry Smith advised that he was planning an inaugural “state of the nation” address in July across the whole organisation in an effort to improve communication to the organisation using multi media.

## **5.2 DHBNZ - Update**

The update was provided for the Board’s information. ADHB had resolved to withdraw from DHBNZ but had given them the opportunity over a 6 month period to show value to ADHB and the Auckland region. A tertiary hospital group had been formed which was doing some valuable work which DHBNZ saw as a negative breakaway group. ADHB did not consider that the governance structure of DHBNZ was robust and the move to withdrawal had evolved from the national pricing book frustration.

John Retimana left the meeting at 3:00 pm.

Moved Ian Scott, seconded Di Nash

*ADHB reaffirms its intention to withdraw from DHBNZ subject to it reviewing the value received from DHBNZ after the 6 month review period.*

Carried

## **5.3 Greenlane Crèche**

The Deputy Chairman requested a review of the Greenlane site plan with a view to maximising the total value of the property to the organisation, its efficiency and appropriateness for the provision of services and achieving an asset/investment base that is appropriate and sustainable.

Moved Wayne Brown, seconded Ian Scott

1. *That the ADHB Board notes and approves the location of the new crèche to be constructed on the Greenlane site as shown on the revised site plan*
2. *the Board approves ADHB entering into the Services Supply Agreement for the Greenlane early childhood education centre with Greenlane crèche incorporated society*
3. *that the Board approves ADHB entering into the Occupation Licence for the Greenlane early childhood education centre with Greenlane crèche incorporated society*
4. *that the Board approves the Chairman signing the letter seeking Ministerial approval for the Occupation Licence*
5. *that the Board notes that the Services Supply Agreement and the Occupation Licence had to be signed by ADHB on 27 April 2005 to meet the deadline imposed by the Ministry of Education for completing all supporting documentation for the Greenlane Crèche's funding application and ratifies the execution of those documents signed by Wayne Brown and Harry Burkhardt on 27 April 2005.*
6. *that management look in to ways to avoid the capital charge on donated funds from the Ministry of Education.* The Board requested that the diagram be put on the agenda of the Clinical Board for them to discuss and understand.

Carried

**5.5 E-Mail and Internet Management Controls**

The paper was provided for the Board's information. The Board emphasised that computer use must be of value and not used to waste time.

**6. FINANCIAL REPORT – MARCH 2005**

March results were to budget with the year to date \$6M ahead but this was only due to timing differences. Adjusting for the timing differences of Pharmac rebates and building programme delays brought the result to budget. Savings performance was expected to be on target. The Board emphasised that it was important to not have a worse result to retain credibility.

**7. DISABILITY SUPPORT ADVISORY COMMITTEE**

The minutes of the Disability Support Advisory Committee meeting of the 13 April 2005 were noted as was the more aggressive stance being taken in the Strategic Plan to disability issues.

**8. QUALITY COMMITTEE**

Di Nash reported on the meeting held on the 21 April 2005 which had been extended to 3 hours with Gordon Davis and Grant Pollard of the MoH in attendance. The Complaints Review Committee had resolved to disband with a proposal coming forward on addressing consumer issues with meaningful consumer representation. There had been a report on triage times with the major issue being access blocks with lengths of stay increasing by 24% and attendances at CED increasing by 6% and ED 9%. There had been a presentation on the Performance Improvement Project with Stage 1 involving

planning, organisational performance reporting and induction and training for managers. The aim was to have key information seen at all levels. The Sterile Supply Service had been updated to the Committee who recommended to the Board a change in culture for the organisation from a “blame and shame” culture to an “appreciative inquiry” culture.

Moved Di Nash, seconded Ian Scott

*That the ADHB while supporting a culture of “appreciative inquiry” and consequential actions, expects that evidence based decision making and undiluted individual accountabilities must remain as necessary components of the organisational culture.*

Carried

## **9. AUDIT COMMITTEE**

### **9.1 Report**

The Chair of the Audit Committee reported that they still did not have confidence around the HSDP project and had requested a full integrated report. Internal Audit of two RC centres had identified a number of risks.

The Committee had noted that the Grafton pharmacy had been lobbying a number of people but agreement to take over the tangible assets for \$400k had been reached to ensure continuity of service.

### **9.2 Palliative Care Services**

In considering this item the Committee had raised questions with processes of tendering and using an open book accounting approach.

Moved Tony Bierre, seconded Chris Chambers

*That the ADHB purchasing processes policy be amended to state that when services or supplies, including capital items are being purchased that a competitive tender process be used and if this is not possible due to market conditions the “open book accounting” basis must be established with the supplier.*

Carried

The provider had received a good report from the HealthShare audit.

Moved Ian Scott, seconded Chris Chambers

*That the ADHB:*

- *approves a 2% price increase for the St Joseph’s Mercy Hospice palliative care contract and that this is backdated to 1 July 2004.*
- *approves a further 2% increase for the 2005/2006 year*
- *notes that the 2004/2005 increase is budgeted*
- *notes the ADHB receives 16% (\$390,000) from inter-district flow from Waitemata DHB for services for West Auckland patients*

*Details:*

- *St Joseph’s Mercy Hospice Auckland Ltd*
- *Palliative Care Services*

- Current cost pa \$2,519,543.16 GST ex.
- Term on contract – through to 30 June 2006

*Details of renewal including conditions for exercising those rights – ADHB must give 3 months notice if we are not intending renewal of the contract at expiry.*

Carried

### **9.3 Cardiac Investigation Room (CIR) Consumables**

Savings had been achieved from the competitive process.

Moved Wayne Brown, seconded Harry Burkhardt

*That the ADHB approves the selection of Bard Australia Pty Ltd (Bard), Biotronik Australia Pty Ltd (Biotronik), Boston Scientific New Zealand Limited (Boston), Guidant Australia Pty Limited (Guidant), Johnson & Johnson Medical New Zealand (J & J), Medtronic Vascular (Medtronic) and Technisonic Systems Ltd (Technisonic) as the suppliers of choice to provide a range of Cardiac Investigative Rooms (CIR) Consumables to Auckland District Health Board (ADHB).*

*The estimated annual value of the Contracts is approximately \$3,802,265. The proposed term of the Contracts is one year with one Right of Renewal for one year.*

Carried

### **9.4 ADHB Anaesthesia Monitors Fleet Replacement**

The Audit Committee had advised management that depreciation was to be separated for high speed depreciation which could be used for replacements but that longer based depreciation on the buildings was to be used for debt reduction.

Moved Wayne Brown, seconded Ross Keenan

*That the ADHB approves the capital expenditure of \$969,258 on Anaesthesia Monitor Fleet Replacement Programme*

Carried

## **10. GENERAL BUSINESS**

### **Meeting with Labour MPs**

The meeting was scheduled for the next morning.

### **Integrated Management Structure**

It was noted that the Adult Services team did not have a general manager as part of the integrated management model. Primary Care and NGOs provided services and their visibility would be enhanced through the Planning and Funding team although there was a question of clinical governance. The principle purpose of the diagram was to demonstrate the relationship of the CEO to the Board to allow them to fulfil their governance function through the information flow to reporting. The Board requested that the diagram be put on the agenda of the Clinical Board for them to discuss and understand.



**11. NEXT MEETING**

The meeting closed at 3:52 pm.

The next meeting will be held on:  
Thursday 2 June 2005  
Marion Davis Library  
Building 43  
Auckland City Hospital  
Grafton

**CONFIRMED**

**CHAIR:** .....

**DATE:** .....