



AUCKLAND DISTRICT HEALTH BOARD

**Minutes of the meeting of the Board held on Thursday 27 June 2002
in the Marie Hosking Room, Level 7, Building 14, Greenlane Clinical Centre, Auckland
commencing at 1:15pm.**

The Chair declared the meeting open at 1:25pm.

Board Members

Wayne Brown (Chair)
Margaret Horsburgh (Deputy Chair)
Crystal Beavis
Susan Devoy
Charles Lowndes
Di Nash
John Retimana
Vicki Salmon
Ian Scott
Pat Snedden
ReesTapsell

Management in Attendance

Graeme Edmond – Chief Executive
Marek Stepniak – Chief Operating Officer
Ian Ward - Chief Financial Officer/GM Shared Services
Nigel Murray – GM HSDP
Brenda Saunders - GM Communications
Michael Boersen – Financial Controller
Ian Bell - Board Administrator

1. ATTENDANCE AND APOLOGIES

An apology was recorded for Charles Lowndes.

2. PRESENTATION – DISTRICT COMMANDER AUCKLAND CITY POLICE DISTRICT

Superintendent Howard Broad, District Commander, Auckland City Police District addressed the Board on safer Auckland initiatives and collaboration between the police, City Council and District Health Board. He advised that there appeared to be increased mental illness associated with crime with a lack of support within the community. The Board suggested that police have input to the Mental Services Review for greater Auckland being undertaken. It was agreed that there be one point of contact within ADHB. The Chair thanked the Superintendent for his presentation and offered the Board's support.

3. CONFIRMATION OF MINUTES 30 MAY 2002

Moved Susan Devoy, seconded Ian Scott

That the minutes of the meeting of the Auckland District Health Board held on 30 May 2002 be confirmed as a true and correct record

Carried

4. MATTERS ARISING FROM MINUTES

The Board reviewed the matters arising from the previous meeting.

Rees Tapsell left the meeting at 1:48pm.

John Retimana advised that he was still working on identifying potential members of C&PHAC. Pat Snedden offered to assist.

DEAS had not yet responded to the invitation to nominate a member for DSAC.

The Audit Committee had broadened the cogeneration review TOR to include review of coal to gas and the future pricing path of gas.

Wayne Brown advised that the Wellington meeting had obtained agreement to paying a specific site adjuster of \$15m in 2002/2003 with it to be properly instituted in the next year and with an undertaking for it to be included in the Population Based Funding Formula.

5. CHAIRMAN'S REPORT

Items had been raised at the Committee meetings.

6. CHIEF EXECUTIVE'S REPORT

6.1 Report

The Board was critical of the scarcity of information in the CE's report on the major issues and requested more information and background on current issues in future reports.

Graeme Edmond advised that with the addition of the site-specific adjuster this may lead to financial viability in 4 to 5 years.

Savings of \$15m had been identified in seeking the \$25m target with the FTE freeze to March levels still being implemented and there being further possible impacts on staff.

He advised that other Auckland DHBs had not provided to fund increased volumes as a result of population growth of their populations for renal, oncology, respiratory and cardiac services although they had received increased revenue for that growth. Renal and oncology were experiencing 7% and 9% growth rates respectively. A paper detailing the problems and benefits in restricting access for those increased volumes is to be circulated to the Board.

Moved Pat Snedden, seconded Di Nash

That the ADHB approves in principle restrictions on access for increased volumes from other DHBs as a result of their population growth for renal, oncology, respiratory and cardiac services on the undertaking by the CE that the organisation is convinced on the costs and benefits and that these have been discussed with the other DHBs.

Carried

Wayne Brown advised that he was about to sign and send a letter for Crown equity support.

Graeme Edmond advised that greater Auckland planning was underway with a template of work programmes developed. This would be an item for the next Board meeting.

Wayne Brown advised that the result for May of a loss of \$9.937m was the largest monthly loss and this has not yet been explained by management and should be. Revenues had been reallocated between services to adjust for case weight volumes however the Board had not received any pre warning or explanations. Next year revenue would be accounted for on an earned basis not on a 1/12 monthly basis. He advised that the Audit Committee had admonished the CE and Finance for making a major accounting adjustment without prior explanation or consent from the Audit Committee or Board.

A briefing presentation on the HR Strategy would be made to the next meeting. The Board did not understand the information on Accident/Incident presented and sought explanation on what the numbers meant. This should include rolling totals.

The Leadership in Action environment change reflected a simplified structure and standardisation, change of people in roles and communication improvements. Marek Stepniak advised that gaps were now transparent with people being part of the solution not the problem. Ideas would be consistent with the organisation's goals with responsibility taken for the common goals. Communications were being centralised. The video presentation to the workshop is to be made at the next Board meeting.

Parking was discussed with non-shift and clerical staff to be directed to park off site at Grafton. The Greenlane site parking strategy would need to focus on patient access with parking as part of Buildings 1 & 4 contract and the racetrack parking being unavailable.

Rees Tapsell had rejoined the meeting.

Graeme Edmond recommended, to achieve savings required, that the \$3m primary care initiative in the 2002/2003 Annual Plan be reduced to \$1m and that PHO establishment funds be vigorously pursued. Rees Tapsell thought this sent the wrong message to the primary sector and that it be made clear that the Board would consider initiatives with short paybacks.

Moved Wayne Brown, seconded Margaret Horsburgh

That the ADHB agree to the recommendation of the CE to reduce the primary care initiative in the 2002/2003 Annual plan from \$3m to \$1m and that the ADHB vigorously pursue Pacific, Maori and PHO establishment funding sources.

Carried

Rees Tapsell voted against the motion.

6.2 Strategic Plan

Members are to address final wording request to Chris Heilbronn or Julie Helean.

Moved Wayne Brown, seconded Crystal Beavis

That the ADHB:

- a) *Approves the District Strategic Plan subject to final edits and the financial content being updated; and*
- b) *Authorises the Chief Executive to approve the final plan for publication Subject to Wayne Brown and/or Vicki Salmon reviewing the financials.*

Carried

6.3 Prioritisation Framework

Moved Wayne Brown, seconded Margaret Horsburgh

That the ADHB approves the Prioritisation Framework – Accountability Measure GOV-03.

Carried

6.4 Appointment of Director Name Holding Companies

Moved Vicki Salmon, seconded Ian Scott

That the ADHB accepts the resignation of Richard Alan Waddel as a director of Auckland Hospital Limited, Green Lane Hospital Limited, National Women's Hospital Limited and Starship Children's Hospital Limited and appoints Graeme David Edmond as a director of those companies as from 27 May 2002.

Carried

6.5 Addresses and Presentations

Members are to advise Wayne Brown as to those organisations they wish to receive presentations from. Wayne Brown and Margaret Horsburgh will approve presentations and decide what committee or the Board they are to present too.

7. FINANCIAL REPORT - MAY

Wayne Brown advised that the Audit Committee were not happy with the explanations in the Financial Report and sought explanations of what was the cause of big variations to budget and why there were such a large increase last month. An example was that only in one month had employee costs been below budget with no explanation as to why.

A presentation for the Board and management on understanding and how to read financial reports is to be arranged.

8. BUILDING AND CHANGE COMMITTEE

A one page HSDP and Change timeline was distribute to the Board together with a facts postcard.

9. QUALITY COMMITTEE

The Committee had not met in June.

10. AUDIT COMMITTEE

Vicki Salmon advised that the Committee had adopted the Internal Audit plan for 2002/2003. The External Auditors had discussed the end of year audit, which will include the Statement of Service Performance.

11. GENERAL BUSINESS

Wayne Brown introduced the topic of the Charitable Trusts. Ian Ward advised that the A+ Charitable Trust was being wound down with a new trust formed to focus on adult care with the Starship Foundation refocused to women's and children's services. A management company is being formed to support the two trusts and their trustee structures would be the same with 9 external and 6 A+ appointees. Wayne Brown supported the emphasis on health in our city with integration to break down barriers created by brands and sought to use the Trusts for community projects rather than art or building enhancements. The issue of branding needed to be addressed. Crystal Beavis asked for a presentation on branding.

Moved Wayne Brown, seconded Vicki Salmon

That there be no presentation on branding.

Carried

Crystal Beavis voted against the motion.

12. NEXT MEETING

The next monthly meeting is scheduled for Wednesday 31 July 2002.

The meeting closed at 4:40pm.

CONFIRMED

CHAIR

DATE