

AUCKLAND DISTRICT HEALTH BOARD

**Minutes of the meeting of the Board held on Thursday 26 September 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 2.02pm

1. ATTENDANCE AND APOLOGIES

Board Members

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

Management in Attendance

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

Apologies were recorded from Charles Lowndes. Susan Devoy tendered her apologies for having to leave at 3.30pm.

2. CONFIRMATION OF MINUTES 29 AUGUST 2002

Moved Pat Snedden, seconded Crystal Beavis.

That the minutes of the meeting of the Auckland District Health Board held on 29 August 2002 be confirmed as a true and correct record noting that the Phobic Trust proposed a 22 bed facility.

Carried

3. MATTERS ARISING FROM MINUTES

The Board reviewed the matters arising from the previous meeting.

September Financial reports would be based on actual volumes. The Audit Committee on 24 October is to review the results of July and August under the agreed revenue allocation methodology.

A letter from the Ministers of Health and Finance had been received. A response advising that the HSDP scope change was within the HSDP budget and seeking clarification of the Ministers' agreement would be written. The paragraph stating consideration of further capital requests would not be considered until ADHB's financial position was stabilised may affect purchase of the 6th linear accelerator.

Moved Pat Snedden, seconded Ian Scott.

That the ADHB October meeting be deferred to Thursday 7 November 2002 and the November meeting to Thursday 5 December 2002.

Carried

4. PRESENTATION – SMOKE FREE POLICY

John Woods, GM Human Resources, Peter Jenkins, Acting Manager Occupational Health and Tamia Campbell, Acting Director of Nursing and Midwifery, spoke to the item. \$150k was required to build dedicated smoking rooms for patients with other funds for communications both internal and external and smoking cessation programmes for staff.

Graeme Edmond advised that this was one of the Health strategies and that Waitemata DHB was interested in adopting a similar policy.

Moved Wayne Brown, seconded Margaret Horsburgh.

That the ADHB supports the development of a Smoke Free policy for adoption at all ADHB sites and facilities.

Carried

5. CHAIRMAN'S REPORT

The Chairman noted the following:

- PBF discussed at the greater Auckland forum.
- A number of staff had visited Vector to view the open plan offices
- Letter to Minister of Finance on deficit funding versus correct pricing.
- Letter re Annual Plan financial forecasts or Letter of Comfort
- Letter re site specific adjuster
- Mayoral support for Grafton bridge one-way bus and emergency lane.

6. CHIEF EXECUTIVE

6.1 Report

Pat Snedden considered that the CE's report gave good detail on operations, but he sought more focused discussion with the Board on progress against the key goals of progress or slippage strategically. Issues that were still being developed and not appropriate for public or organisational release, could be discussed with the Board outside the meeting.

Graeme Edmond advised that he had financial concerns on the funder side with risks such as the pharmaceutical dispensing fee, solution of the \$10m savings required, management of staff costs and FTE's. He was sceptical of the outcome of RMO/RDA settlement and the effect on ADHB's viability.

There may be a need to come back to the Board to resource strategic initiatives.

The Change programme was being better received and welcomed, although there was a magnitude of tasks to be achieved in a short period. The Building programme was coming under increasing pressure.

CME expenses of \$7,000 pa were payable to approximately 440 SMO's. Patient Acuity – Trendcare is budgeted in 2003/04.

There had been no interaction with Wellington on financials. The Board considered that it was better to have tagged accounts tabled in Parliament than receive a Letter of Comfort. Ian Ward advised that the accounts must be completed by 15 October 2002.

The District Annual Plan and Statement of Intent were in final draft and would be put to the next Board meeting and management was focussing on delivery to the Plan.

The report was received.

6.2 Review of Delegated Authorities

Adrian Lickus, Internal Auditor, spoke to the report. It was noted that the Board had not sought the Minister's approval to the appointment of Trustees.

Moved Pat Snedden, seconded Vicki Salmon

That the ADHB:

- 1. approves the amended Delegated Authority Policy and delegations to the Chief Executive for submission to the Minister of Health for her approval.*
- 2. notes the changes to the Delegated Authority Register.*

Carried

6.3 Provision of Air Travel Services

Moved Wayne Brown, seconded Pat Snedden

That the ADHB approves the provision of Air Travel Services of:

- Air Travel Services sectors for domestic, trans Tasman and international by Qantas Airways Limited, and*
- Where Qantas Airways Limited do not provide a service a "best buy" on the day approach be taken.*

Carried

Susan Devoy left the meeting at 3.25pm

6.4 Rostering Solution

Ian Ward introduced the rostering team of Jurgen Vreeburg of Cap-Gemini, Fiona Brewin-Brown, Tim White and John Childs. Fiona presented to the Board.

John Childs had visited Queensland where at Logan, all staff were on the rostering system. The Queensland Health Authority was rolling rostering out to all its hospitals. This was a tool to support good rostering to give an across the organisation view to enable better quality of care. Gaps could be identified, staff fluctuated as needed and provided a better matching to budget. He supported RMO's being rostered.

Graeme Edmond advised that he was aware of the unsatisfactory history of the project before bringing it to the Board, but he and the CFO were confident that the project would be successfully implemented.

Moved Wayne Brown, seconded John Retimana

That the ADHB approves the expenditure of \$930,000 from the 2002/2003 capital budget and \$71,000 from unbudgeted operating expenditure to implement the rostering solution for Women's Services as Stage 1.

Carried

The meeting broke for afternoon tea at 3.50pm and reconvened at 4.02pm

6.5 Catheterisation Labs

Graeme Edmund advised that he had appreciated the Clinical Board's advice. The Clinical Board had considered opposing clinical views advocated by two senior clinicians. He recommended the proposal subject to the ongoing costs being absorbed, getting the numbers finalised and Paediatrics not expanding.

The Board thanked the Clinical Board for their input to the recommendation.

Moved Wayne Brown, seconded Margaret Horsburgh

The ADHB approves the CE's recommendation that:

- 1. ADHB builds four Cath Labs for Opening Day. (Note: this is predicated on Counties Manukau opening their own Cath Lab by December 03 and the mitigating factors to control ADHB volumes are put in place. Further note that the next Greater Auckland lab will be most likely placed at Waitemata and that this is presently under review).*
- 2. Capital funds to purchase Cath Lab equipment and fitout raised by the Starship Foundation is deployed to fund the fourth Lab. (Half of this lab capacity will be allocated to the Paediatric cardiology service use for heart catheterisations, the other half of this lab will be deployed for the adult cardiology service).*
- 3. In view of the advice from the Clinical Board (see attached) that the fourth lab will be located in the Children's service facility at level one in the new radiology department.*
- 4. Note; that expansion space for a fifth Lab is available also at Level 3 of the main building. Also, that a future technology zone, unfitted, has been designed into Level 3 Main building to accommodate new technology for both paediatric and adult cardiac services with satellite paediatric recovery.*

The above is subject to the following;

- 1. That all net operating and capital costs associated with the split lab solution are absorbed within Children's hospital based services. Explicit detail on how this will be accommodated within the budgets is required prior to final approval by the CEO. Final analysis of total net opex increase is under review for the CEO. Presently the net cost increases are unbudgeted.*
- 2. That the Regional Capital Group, who are presently formulating a combined regional cath lab strategy, formally confirm the Greater Auckland support for this proposal.*
- 3. That a review of the governance of this lab is presented to the CEO.*
- 4. That paediatric use of the future technology zone at level 3 of the main building is confirmed to the CEO for MR and/or CT including paed recovery.*
- 5. Paediatrics to develop an operating plan guaranteeing 50% minimum adult access to 4th Cath Lab.*

Carried

6.6 Relocation and Expansion of ADHB Childcare Facilities

Graeme Edmond advised that size was limited by the MOE. He had modified the Service Agreements to apply only to ADHB staff and a reduced period after resignation of a staff member. Consideration of further subsidy could only be done if the facilities were not filled.

Moved Ian Scott, seconded Margaret Horsburgh

That the Auckland District Health Board:

- (a) Supports and approves the proposed development, relocation and expansion project for the ECEs.*
- (b) Approves the entry into long term Service Agreements with the ECEs for the term of 10 years with one right of renewal of 5 years with ADHB.*
- (c) Subject to the consent of the Minister of Health, approves the granting of long term tenancies for the ECEs to operate on ADHB premises for the same term as the Service Agreements, initially located at the existing premises for the ECEs, until they are required to be vacated for the Building Programme, and then moving to the following new sites for the ECEs :*
 - i) Greenlane ECE: 2000 square metres as provisionally marked out on the attached plan, subject to final agreement with the Building Programme as to location;*
 - ii) Grafton ECE: 1527 square metres in the south-east wing of Building 15, Grafton including adjoining outside area, as marked out and detailed in the attached plan.*
- (d) Endorses the letters to the ECEs signed by the CEO on 30 August 2002.*
- (e) That the Chief Executive be authorised to:*
 - i) Write to the Minister of Health for consent to the long term tenancies by the ECEs, and*
 - ii) Enter into the Service Agreements and to sign the Service Agreements and any other documents incidental to the Project.*

That the Chairman and the Chief Executive be authorised to enter into the lease and/or licence arrangements for each of the premises and to sign the deeds of lease or deeds of licence in respect of each of the premises.

Carried

7. FINANCIAL REPORT – August Report

Ian Ward advised that an equity application had been lodged for \$20.4m made up of \$13.6m for buildings and \$6.8m for equipment.

Standard and Poors would be visiting on 9 October 02. Current Moody's rating was above that required by NBIA. Work was being done on the impact of the site specific adjuster over the Auckland region over the last 3 years. The next equity claim in early December would be for deficit support to rectify a breach of the interest cover banking covenant on 31 December 2002. The Board requested management to provide ongoing reporting on capital as to how claims matched the capital programme and equity support requirements for the Audit Committee.

Di Nash sought clarification of the numbers and reasons for vacancies in Mental Health.

The Financial reports were noted.

8. BUILDING AND CHANGE COMMITTEE

Vicki Salmon advised that the last meeting of the Building and Change Committee considered open plan issues, migration up date, Cath labs and an overall approach to patient clinical IT systems. Open plan planning created 66 additional spaces.

The Board acknowledged that the process had changed from that agreed in 2000.

Issues of confidentiality and access to patient information on IT systems were raised. These issues were being addressed.

8.1 Greenlane Clinical Centre

Nigel Murray gave a presentation on the development of the Greenlane site and the Greenlane Clinical Centre to the Board. Clinicians would be required to go to patients at both sites on a rostered basis. This was a risk identified in the change programme.

9. QUALITY COMMITTEE

No meeting had been held in September.

10. AUDIT COMMITTEE

No meeting had been held in September.

11. GENERAL BUSINESS

There were no items of general business.

12. NEXT MEETING

The next scheduled ordinary meeting is now on Thursday 7 November 2002.

The meeting closed at 5.05pm

CONFIRMED

CHAIR

DATE