

## AUCKLAND DISTRICT HEALTH BOARD

**Minutes of the meeting of the Board held on Thursday 29 August 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)  
Charles Lowndes  
Di Nash  
John Retimana  
Vicki Salmon  
Pat Snedden

### **Management in Attendance**

Graeme Edmond – Chief Executive  
Ian Ward - Chief Financial Officer/GM Shared Services  
Nigel Murray – GM HSDP  
Brenda Saunders - GM Communications  
Warren Warfield – HSDP Advisor  
Ian Bell - Board Administrator

### **1. ATTENDANCE AND APOLOGIES**

Apologies were recorded from Crystal Beavis, Susan Devoy and Ian Scott. Rees Tapsell's resignation effective from 7 August 2002 was noted.

Item 2, Presentation was taken at the end of the meeting.

### **3. CONFIRMATION OF MINUTES 31 JULY 2002**

Moved Pat Snedden, seconded John Retimana

*That the minutes of the meeting of the Auckland District Health Board held on 31 July 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.

Pat Snedden advised that a recommendation on appointees to C&PHAC was progressing.

The presentation on how to read and understand financial reports is to be held at an informal meeting of the Board.

Names of services in the Auckland City Hospital Main Building were being checked with the public through consultants.

The Leadership in Action slides are to be distributed to members.

## **5. CHAIRMAN'S REPORT**

The Chairman noted that the structure of the \$85m commitment from the Crown was still being developed.

He advised that the rules on treatment of the capital charge were being amended so that it would be a deemed dividend rather than an interest expense and that the rate would decrease to 9%.

He had attended the launch of the Stagecoach Starship Charity bus.

Item 7.2 was taken next.

### **7.2 Annual Accounts to 30 June 2002**

The Audit Committee had reviewed these with the Auditors. The confirmation of a 'going concern' would be best achieved by signing off of the Annual Plan with its three years projections but if this were not possible a letter of comfort would be sought. Any major letters are to have the Internal Audit sign off that the numbers are correct.

Moved Pat Snedden, seconded Margaret Horsburgh

*That the ADHB receives the Annual Accounts to 30 June 2002 and authorises the Chair and the Chair of the Audit Committee to sign the accounts on the Board's behalf when they are satisfied that there are no outstanding audit issues.*

Carried

## **6. CHIEF EXECUTIVE'S REPORT**

### **6.1 Report**

Graeme Edmond advised that the advice concerning 70 staff positions was the last action being taken to achieve a \$15m savings target and he assured the Board that, while this would affect a small number of nurse and clinical positions, the major focus was on clerical and administrative positions. This was the last change affecting positions and would not impact on the level of quality care or patient safety. The ADHB employed some 2,500 nurses and there were pressures with shortages in some key areas. The further \$10m savings required had been budgeted at \$2m per month from February 2003.

He advised that in collective employment negotiations there was emerging a move to differentiation between union and non-union members where as policy is to treat all staff equally. The Board advised that they would act in good faith and meet the union's wishes for differentiation although the Board's policy was confirmed as treating all staff equally.

PricewaterhouseCoopers were being used on the remuneration project as they had worked with other DHBs and have an extensive database.

The IS patient costing project had not been started but this was being discussed with Waitemata and Counties/Manukau to get the right system and same system if possible. Costing was need to back up the pricing arguments being put forward by the ADHB with the MoH and other DHBs as well as providing a tool to measure consistency between clinicians by identifying outliers.

The issue of PAC/CRAME being able to interface with Waitemata and Counties/Manukau éclair system was raised with 40% of ADHB patients from the two Boards. The storage of the clinical record would be in one place with some scanned and some written direct to disc.

The Chair left the meeting at 2:05pm and Margaret Horsburgh assumed the Chair.

Item 9 was taken next.

## **9. QUALITY COMMITTEE**

Margaret Horsburgh tabled a report from the Quality Committee highlighting that the Board were not receiving reports on quality, clinical outcomes and indicators. The IS investment had not reached the budget cut off criteria. Graeme Edmond advised that information was being collected but what was lacking was how this was accumulated and reported to senior management and the Board. Ian Ward advised that the IS investment was in year 2003/04 of the current IS capital plan. This was noted by the Board.

Moved Margaret Horsburgh, seconded Di Nash

*That the ADHB receive the CCMAU customer satisfaction reports on a three monthly basis only.*

Carried

Moved Margaret Horsburgh, seconded Di Nash

*That the ADHB indicates support for the expansion of the customer satisfaction survey to include ADHB questions, which are meaningful, can be targeted and analysed for specific areas.*

Carried

### **6.2 Spectrum Care Trust – Trustee Appointment**

Moved Pat Snedden, seconded Charles Lowndes

*That the ADHB agrees to the reappointment of Mr Tracey Adams to the Board of the Spectrum Care Trust for a further term of one year.*

Carried

### **6.3 Meeting Schedule 2003**

Moved Pat Snedden, seconded John Retimana

*That the ADHB adopts the meeting plan for the calendar year 2003.*

Carried

### **6.4 Disability Support Advisory Committee – 9 July 2002**

The minutes of the DSAC meeting of 9 July 2002 were received. Margaret Horsburgh reminded members that they were all members of the DSAC and encouraged their attendance at meetings.

## **7. FINANCIAL REPORT**

### **7.1 July Report**

Vicky Salmon advised that the financial reports had been reviewed by the Audit Committee noting that the allocation of actual revenue to volumes had yet to be done. When this was done an improved result was expected. The negative variance in the Funder Arm due to lab expenditure was expected to be reversed in August.

Graeme Edmond advised that a strong line was being held on FTEs, which was causing strain in some parts of the organisation, however the tight control was required to avoid incremental increases.

The reports were noted.

## **8. BUILDING AND CHANGE COMMITTEE**

The Committee had agreed to the Greenlane building contract under delegated authority from the Board. They would be receiving a report on options for the Greenlane site including that area west of Gate 3. The Board requested a presentation on the Greenlane Clinical Centre at the next Board meeting.

The issue of landbanking the Waiheke property had not been resolved but would only come back to the Board if a decision were needed.

### **8.1 Greenlane Clinical Centre**

Graeme Edmond advised that a survey of names, including medical centre or clinical centre, had been done.

Moved Margaret Horsburgh, seconded Vicky Salmon

*That the ADHB confirms the name of the Greenlane site as the Greenlane Clinical Centre.*

Carried

## **10. AUDIT COMMITTEE**

Vicki Salmon advised that the Audit Committee had met with the external Auditors noting that they were complementary of the accounting staff and systems with the best audit in three years. The Committee had gone through the Annual Accounts in detail, reviewed internal audit papers on CReAME, including being updated on Agfa's performance, and the IS Assurance Programme.

### **10.1 ADHB Staff Childcare Facilities Grafton and Greenlane sites.**

Graeme Edmond gave a background to the crèche business case development over 12 months and the need to increase capacity on both sites to assist recruitment and retention of staff. He apologised for the short notice having only known for a short period of the time restriction on the ECEs applying to access funds from the Ministry of Education and the long term lease requirement. ADHB was not running the crèches, both being run by non-profit organisation who were applying for the funding. ADHB would require a measure of control on enrolments to suit its high need employment areas.

That Auckland District Health Board noted that:

- 1.1 Auckland Hospital Pre-school Society Incorporated, or Early Childcare Education Centre ('ECE'), an incorporated society comprised of ADHB staff but legally independent of ADHB, is applying for \$750,000 from the Ministry of Education Discretionary Grants Scheme to assist with development of an expanded ADHB staff childcare facility at Grafton and a similar ECE at Greenlane is applying for \$15,000;
- 1.2 ECEs require a ten year tenure to sustain these applications; and
- 1.3 ADHB management have been negotiating robust, commercially based agreements with the ECEs for that tenure.

Moved Margaret Horsburgh, seconded Charles Lowndes

*That the Chair of the Audit Committee be authorised to review and approve letters from the Chief Executive to the ECEs committing to progressing the ECE's proposals through undertaking the necessary planning and development of appropriate business cases for the Board's approval which will include long term service agreements and a lease/licence with the ECEs for the term of 10 years with one right of renewal of 5 years;*

*And that the consent of the Minister of Health be sought for the long-term tenancies by ECEs.*

Carried

## **10.2 HSDP – Pendants/Booms/Beams**

Nigel Murray explained the functions of pendants/booms/beams.

Moved Vicki Salmon, seconded Pat Snedden

*That the ADHB approves a 5 year contract with Draeger Medical for the supply of Pendants/Booms/Beams which will be installed in the Auckland City Hospital for a sum of \$3,557,316.*

Carried

## **10.3 HSDP – High End Vital Signs Monitoring Equipment**

The Audit Committee had checked the detail of the proposal.

Moved Vicki Salmon, seconded John Retimana

*That the ADHB approves the purchase of Vital Signs Monitoring Equipment, for a total of \$4,452,904, from Case Medical Ltd.*

Carried

## **11. GENERAL BUSINESS**

There were no items of general business.

The meeting broke for afternoon tea at 2:48pm and resumed at 3:12pm.

## **2. PRESENTATION – PHOBIC TRUST**

Marcia Read gave a presentation on the work of the Phobic Trust and their proposal to build a 22 bed hospice.

## **12. NEXT MEETING**

The next monthly meeting is scheduled for Thursday 26 September 2002.

The meeting closed at 4:05pm.

**CONFIRMED**

**CHAIR**

**DATE**