



AUCKLAND DISTRICT HEALTH BOARD

Minutes of the meeting of the Board held on Thursday 30 May 2002
in the Marie Hosking Room, Level 7, Building 14, Green Lane Hospital, Auckland
commencing at 1:00pm.

The Chair declared the meeting open at 2:09pm.

Board Members

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

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

Apologies were received from Vicki Salmon and ReesTapsell.

2. RESIGNATION OF COMMITTEE MEMBERS

Moved Susan Devoy, seconded Pat Snedden

That the ADHB accepts the resignation of Dr Toni Ashton and Lita Foliaki as members of the Community and Public Health Advisory Committee.

Carried

Representation on C&PHAC was discussed with agreement that John Retimana and Julie Helean identify representatives from the Asian/Chinese and Pacific Island communities with broad standing in those communities to be invited to join the Committee.

DEAS would be invited to nominate a representative to the DSAC.

3. CONFIRMATION OF MINUTES 30 APRIL 2002

Moved Pat Snedden, seconded Charles Lowndes

That the minutes of the meeting of the Auckland District Health Board held on 30 April 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.

A report on Board Directives Status of Action/Implementation was tabled. Restricting private specialist's patients having free access to publicly funded laboratory tests would require a process to obtain the Minister's approval. Graeme Edmond estimated that this accounted for 9% of tests. Charles Lowndes raised the point that this may move other costs to the public sector i.e. through higher admission rates. Further information was to be obtained.

An evening with the new senior management and clinical teams will be arranged at a convenient time.

The Board requested the immediate review of the cogeneration proposal as it is related to the steam for the Medical School agreement. The cogeneration proposal had been approved subject to the review supporting the Boot proposal. The reviewers brief was amended to include looking at alternatives means of security of supply and load shed bidding options.

5. CHAIRMAN'S REPORT

Wayne Brown reported on the naming and topping off of Auckland City Hospital Main Building as the first step in a journey with an emphasis on quality before speed. Other points of note were the DSAC meeting with DEAS at RehabPlus, the Tahiti contract generating some publicity and protocols that would be built around access, the signing of the CFA for 2001/2002 and that the next years CFA had not yet been concluded or signed.

The previous Board had approved the research project by Professor Michael Powell on the HSDP change programme, partly funded by a grant of \$45,000 pa for three years from ADHB. This was an academic research reviewing processes, scope, decision making, best practice and did it achieve its objectives that would be of benefit to the health sector world-wide.

He and Graeme Edmond had attended a greater Auckland meeting. Letters to and from the MoH had been distributed to members.

Wayne Brown spoke to the Bancorp report on the comparison of 2000 and 2002 forecasts, site specific adjuster, definition of 'capital charge' and equity requirements to ensure that capital inputs were at the right level and timing. He would be attending a meeting with Officials with the CE and CFO in the following week. Sets of the presentation were to be distributed to members.

He advised that the Audit Committee recommended items 8.3, noting that existing equipment would be transferred if possible, and 8.4 to the Board.

Wayne Brown left the meeting at 3:30pm. Margaret Horsburgh assumed the chair.

6. CHIEF EXECUTIVE'S REPORT

6.1 Report

Graeme Edmond advised that finalisation of the 2002/2003 budget was progressing with \$13m of the required \$25m saving being identified with a further \$6m estimated for FTE savings.

A planning workshop with managers would be held on 13/14 June 2002 focussing on what need to be done and what their roles were to achieve this.

The Clinical Board would be operating from 1 July 02 with election of members presently being held.

The Theatre System Business Case would be distributed to all Board Members.

Moved Ian Scott, seconded Di Nash

That the ADHB delegates authority to the Building and Change Committee to approve the Theatre Systems Business Case.

Carried

Graeme Edmond brought to the Board's attention the significant issue relating to the District Annual Plan volumes approval and the CFA for 2002/2003 which if not approved by the 30 June 02 would have payment to ADHB at 1/12 of 2001/2002 funding per month.

6.2 Sale of Shares in Health Support Limited

The Audit Committee had considered this on Monday 29 April 02 and supported the recommendation to the Board.

Moved Pat Snedden, seconded Susan Devoy

That the ADHB:

- a) *Instructs Biomed Investments Limited to exercise its put option as at 30 June 2002 and sell its remaining 26% shareholding in Health Support Limited to EBOS Limited;*
- b) *Instructs the directors of Biomed Investments Limited to liquidate the company as at or immediately after 30 June 2002*

Carried

6.3 Delegation of Powers – Fraudulent Claim

Moved Ian Scott, seconded Crystal Beavis

That the ADHB delegates the following powers to the Director General of Health solely in respect to matters relating to claims for payment by Dr Philipiah between 1 July 1994 and 30 June 2000 pursuant to the Section 88 Notice:

- *The power to refer a complaint to an Advisory Committee under clause 7 of Schedule 6 of Part B of the Section 88 Notice*
- *The power to appoint an Advisory Committee under clause 11 of Schedule 6 of Part B of the Section 88 Notice*
- *The power to exercise any other powers, rights and duties contained in the Section 88 Notice (including in particular those powers pursuant to clause 7.2 of Schedule 6 of Part B of the Advise Notice)*

And authorises the Chief Executive, Graeme Edmond, to sign the Delegation of Authority on behalf of the Board.

Carried

7. FINANCIAL

7.1 Report

The Financial Report was noted. The CFO stressed to the Board of the urgency required to address the 2002/03 equity requirements.

7.2 Bancorp Report

This had been discussed under item 5.

7.3 Steam Agreement – Medical School

The impact of the cogeneration review is to be considered before finalisation of the agreement.

Moved Margaret Horsburgh, seconded Susan Devoy

That the agreement to supply steam from the Auckland City Hospital boilers to the School of Medicine for 10 years be approved.

Carried

7.4 Stress Liability on ADHB

Shane Burke, Occupational Health Manager, spoke to this item explaining the step by step process.

Moved I Scott, seconded Charles Lowndes

That ADHB:

- 1. implements a specific "stress" policy.*
- 2. where risks relating to stress are reasonably identifiable, then these risks must be identified and managed using the existing hazard management process and controlled in a manner commensurate with that of a reasonable employer.*
- 3. implements competency based manager training in health and safety process and requirements.*
- 4. ensures that all managers are accountable for providing a healthy and safe workplace for employees and that these accountabilities are part of regular performance reviews for the organisation.*

Carried

8. BUILDING AND CHANGE COMMITTEE

8.1 Report

This had been raised under item 5.

8.2 Change Programme Report

This was noted.

8.3 Centralised Sterile Supply Department (CSSD) Equipment

This had been considered by the Audit Committee on Wednesday 29 May 02 and they supported the recommendation to the Board.

Moved Ian Scott, seconded Di Nash

That the ADHB approves the purchase of CSSD Equipment, for use in the Sterile Supply Services in the new Auckland City Hospital at Grafton and in the new Greenlane Clinical Centre at Greenlane, for a total of \$6,334,622, of this \$6.3m is to be funded from the already approved HSDP Budget. The balance is to be funded from the baseline capital in line with the '01/02 – 04/05' baseline Capital Plan.

Carried

8.4 Proposed Procedure for Purchase of HSDP 'Baseline' Capital Equipment

Moved Susan Devoy, seconded Di Nash

That the ADHB approves the proposal for the Purchase of HSDP 'Baseline' Equipment subject to satisfactory outcome of the equity support debate with Government and consequentially that commitments to outer years budgets cannot exceed 65% or \$20m (40% of \$51m) and that HSDP Delegated Authorities be amended:

For the purchase of equipment items

*GM HSDP up to & including \$500k**

CE up to & including \$750k

Board (via Building and Change Committee) >\$750K

For substitution of equipment items

*GM HSDP up to & including \$250K**

CE up to & including \$375k

Board (via Building and Change Committee) >\$375K

For access to contingency

*GM HSDP/PWCC up to & including \$100K
CE up to & including \$500k
Board (via Building and Change Committee) >\$500K*

For write-off assets

*For asset replacements where the estimated useful life is >50% and book value >\$10k,
the CFO must approve the write-off**

**Authority may be sub-delegate.*

Noting the management requirement of agreed reporting.

Carried

9. QUALITY COMMITTEE

Margaret Horsburgh advised that the Committee had received the Terms of Reference of the Clinical Board. A Quality Manager from each service would present to each meeting the first having been Sarah Devine of Women's.

10. AUDIT COMMITTEE

Issues had been address elsewhere in the meeting.

11. GENERAL BUSINESS

Ian Scott advised a disclosure of interest in that he was involved in a small project on Alcohol and Drugs at Auckland Hospital.

Di Nash advised that she was standing for election to parliament in the forthcoming elections.

11. NEXT MEETING

The next monthly meeting is scheduled for Thursday 27 June 2002.

The meeting closed at 4:08pm.

CONFIRMED

CHAIR

DATE