

## **AUCKLAND DISTRICT HEALTH BOARD**

**Minutes of the Auckland District Health Board meeting  
held on Thursday, 2 August 2007, in the Marion Davis Library,  
Building 43, Auckland City Hospital, Grafton  
commencing at 1:30 pm**

The Chair declared the meeting open at 1:13pm.

### **4. AUCKLAND CITY COUNCIL ISSUES**

The Chair welcomed His Worship the Mayor, Dick Hubbard, and CEO of the Auckland City Council, David Rankin.

The Chair advised of the improved financial position, the deficit being reduced by some \$35m to almost breakeven which had been achieved by significantly improving health services with 7% more elective surgery and 17% more Ophthalmology, which was good news for Auckland city's population. Auckland City Council was represented on the CPHAC and both organisations served the same people. Issues were Safe Kids, Building 5 and the 30 metre area around the heritage classified Costley Block and car parking which has been agreed to some 10 years ago but now was being delayed forcing use of the Starship parking which was 5 floors below the main entrance.

The Mayor responded advising that there was pressure from the electorate as well as from Government to improve design in Auckland. The carpark design submitted did not meet the Urban Design Standards which had been signed up to by the Ministry of Health. ACC was also putting pressure on the private sector for design improvements using a stick and carrot approach. The architectural concerns were the strategic location at the entry to the Domain, the building style and the need to understand inter-relationships with transport. The Council rejected the argument concerning dollars coming off the health budget, as that would be a matter between ADHB and Government not the ratepayers of Auckland. The Council sought to engage to find solutions in partnership offering some urban design expertise.

The Mayor advised that the pricing of water was to provide an appropriate return on capital so that the ratepayer was not subsidising Metrowater. Ross Keenan declared an interest as Chair of Metrowater. The CFO and CEO of Metrowater would be meeting with a view to improving use of water and communication. The Council maintained that its position was defensible and did not wish to set a precedent which could be applied to other public bodies i.e. schools.

The Chair responded that Health was a free service to every Aucklander and the ADHB did not get a return on funds per se. Increased costs of building did reduce health dollars with the majority of funding coming from transfer payments from other DHBs and that to get to breakeven this was achieved through increased production and payment for services. He also pointed out that the other buildings at Grafton were monolithic slab construction as this was most economic construction and the Board had offered to green the parking building. There were no alternative sites for car parking and that site had been agreed some 10 years previous.

The Auckland City Council CEO pointed out that parking was subject to a charging regime but did accept that there needed to be a parking facility on site and offered to

work in partnership to get a win/win solution which the ADHB Board supported. Barry de Geest pointed out that there needed to be reserved area for disabled parking and access.

The ADHB Board accepted the heritage merit of the Costley Block. The site master plan, including the demolition of Building 5, had been previously accepted by the Council and a demolition permit issued. The Council responded that heritage protection rules had been strengthened, this being a priority of the Council, and suggested that the Board go through the processes again.

There was agreement to work more co-operatively at a practical level and to try and establish a similar relationship that the Council have with the University. The ADHB Chief Executive and ACC CEO were to nominate lead relationship people.

The Chair thanked the Mayor and CEO for coming to discuss issues with the Board.

## **1. ATTENDANCE AND APOLOGIES**

### **Board Members**

Wayne Brown (Chair)  
Harry Burkhardt  
Barry de Geest  
John Retimana

Ross Keenan  
Dr Chris Chambers  
Dr Di Nash  
Dr Ian Scott

### **Management in Attendance**

Garry Smith – Chief Executive  
Roger Jarrold – Chief Financial Officer  
David Sage – Chief Medical Officer  
Taima Campbell – Executive Director Nursing  
Janice Mueller – Director Allied Health  
Ian Bell – Board Administrator

### **Apologies**

Apologies had been received from Dr Virginia Hope and Denis Jury.

The interest register was tabled and was updated with Ian Scott advising that he was no longer employed by Waitemata DHB.

The Chair suggested that there should be some research directed at health management on process changes and improvements for health outcomes and was advised that new funds for research from A+ Trust would be contestable available for such research.

## **2. CONFIRMATION OF MINUTES – 5 JULY 2007**

Moved Ian Scott, seconded Barry de Geest

*That the minutes of the Auckland District Health Board meeting held on 5 July 2007 be confirmed as a true and correct record.*

Carried

### **3. ACTION POINTS – 5 JULY 2007**

#### **Antifraud**

Progress was being advanced by the Regional Internal Auditor in having a regional approach to antifraud.

#### **Director General of Health**

An invitation had been extended for the Director General to visit and it was a matter of co-ordinating a suitable date.

### **5. CHAIRMAN**

#### **5.1 Report**

Wayne Brown acknowledged the good result and production for the year ended 30 June 2007 and he had advised the Minister on the achievement of ESPI compliance. Regional meetings were taking place and local collaboration was going well. He was going to write to the Minister on concerns over the national procurement moves. He noted that there had been a shift in views on DHBNZ towards the ADHB position.

It was suggested that Auckland City Council be asked to designate Park Road as disability parking (and enforce it) until the carpark building is built.

#### **5.2 Regional Report**

Ross Keenan reported on the Chairs and CEO's meeting that had been held on Tuesday, where there had been a stocktake of regional matters and with new CEOs in place, a better allocation of work. Other matters discussed were equity of access, management of regional programmes, future regional structure and community laboratories and utilisation of hospital laboratories.

#### **5.3 2007- 08 District Annual Plan**

The Minister's letter advising signing of the District Annual Plan on 9 July 2007 was noted.

### **7. AUDIT COMMITTEE**

#### **7.1 Report**

The Chair of the Audit Committee, Harry Burkhardt, reported on the previous day's meeting where items discussed had been the land and building revaluations which could be further restricted by the Auckland City Council planning restrictions that reduced values, the Office of the Auditor General's review of the SOI, review of the Aged Residential Care contract and the financial report.

## **Aged Residential Care Contract**

This was a nationally negotiated annual contract which providers had agreed with until the additional clauses had been inserted concerning the methodology for paying low paid workers so they had signed under duress to continue their cash flow. They were now seeking a judicial review. DHBNZ was unable to deal with legal claims against individual DHBs and had suggested withholding the funds, but ADHB had not agreed with this and were paying the new rates and seeking a mirrored CFA to the requirements proposed in the contract. The Audit Committee's approach was to protect providers and clients receiving services, mitigate the risks of judicial review and ensure that decisions were based on the right advice.

### Moved Harry Burkhardt, seconded Ian Scott

*That the ADHB approves the Chief Funding and Planning Officer being delegated authority to approve 2007/2008 Aged Residential Care contract of variations.*

### Carried

## **7.2 ADHB Travel Plan**

The Board supported the Board, Auckland City Council and Auckland Regional Transport Authority having a joint approach in preparing a Travel Plan for patients and staff. The Plan must take into account disabled and car parking needs.

## **6. DISABILITY SUPPORT ADVISORY COMMITTEE**

The Chair of the Committee, Barry de Geest, advised that the Social Services Select Committee would be holding a hearing on 15 August 2007 at Waipuna Lodge starting at 3:45pm, to which the Committee would be making a submission.

## **10. CHIEF EXECUTIVE OFFICER**

### **10.2 2006 – 2007 Highlights**

The Chief Executive tabled a summary of achievements for the year ended 30 June 2007 which contained an impressive list of numbers and statistics. The Board acknowledged the open honest approach taken concerning CJD and the team effort. The report would provide some of the basis of the State of the Nation presentations and the achievement against objectives would be provided to the Board next month.

#### **10.1 Report**

Garry Smith spoke to his report noting that the clinical governance triumvirate reports were now included in his report. There were risks in the next year related to wage settlements. A tender had been issued for the lithotripsy services and the current provider will continue to December. CMS was continuing to be upgraded and was being reviewed.

The Board asked that the Management Grand Rounds be notified to Board members and that there be an update on the Domain Car Park for the next meeting.

The Board recorded its thanks to the CE and CFO and team for the year's results, both financial and in production achieved without cuts to services.

## **11. FINANCIAL REPORT – JUNE 2007**

The Chair of the Audit Committee had received an answer to his query concerning increase in creditors this being principally related to staff provisions. The move to bring outsourced work back in-house was to increase profitability as the only cost increase was direct treatment costs, which therefore gave a high gross profit. The final result of a \$10.9m deficit was a fair representation of the results for the year. The risks in 2007-08 were pay increases above the budgeted FFT of 3% and interruptions to productivity. The Operational Efficiency Programme should, however, produce improvements. A further risk was pricing as the model being used was an old model which continued to apply an efficiency adjuster which therefore did not fully price IDF received by ADHB. This would be further discussed at the regional level and directly with MoH.

The drop in WIES production per day in January was being reviewed with planning to review Christmas and January production with a view to maintaining WIES. This is to be advised to the October Board meeting.

## **12. GENERAL BUSINESS**

There were no items of General Business.

## **13. NEXT MEETING**

The meeting closed at 3:31pm

The next scheduled meeting is  
1:30pm, Thursday 6 September 2007  
Marion Davis Library  
Building 43  
Auckland City Hospital  
Grafton

**CHAIR:** .....

**DATE:** .....