

Wednesday 27 July 2016 at 4.30pm | Worrall Theatre, Sydney/Sydney Eye Hospital

## SESLHD Board Minutes

### Board Members:

- Mr Michael Still (Chair)
- Ms Patricia Azarias
- Ms Deborah Cansdell
- Mr Jonathan Doy
- A/Prof Robert Farnsworth
- A/Prof Peter Gonski
- Dr Debra Graves
- Janet McDonald
- Ms Kate Munnings
- A/Prof Peter Smerdely
- Prof Jeanette Ward (*via teleconference*)

### In Attendance:

- Mr Gerry Marr – Chief Executive
- Ms Karen Foldi – Director of Finance
- Dr Theresa Jacques – Chair, Medical Staff Executive Council
- Dr James Mackie – Medical Executive Director
- Ms Kim Olesen – Director of Nursing and Midwifery Services
- Mr Mark Shepherd – Director of Programs and Performance

### Apologies:

- Dr Harry Harinath
- Ms Kristin Stubbins (Advisor)

### Secretariat:

- Ms Nicole McGregor – Executive Officer to the Chief Executive

## STANDING ITEMS

### 1.1. Minutes of the SESLHD Board meeting held Wednesday 25 May 2016 and Wednesday 29 June 2016

#### *Resolution 305*

That Board resolved to approve the minutes of the SESLHD Board meetings held on Wednesday 25 May 2016 and Wednesday 29 June 2016 as accurate records of proceedings.

### 1.2. Minutes of the Finance and Performance Committee meeting held 27 June 2016

The minutes of the meeting of the Finance and Performance Committee held on Monday 27 June 2016 were noted.

**1.3. Minutes of the Healthcare Quality Committee meeting**

Nil minutes to note this month. The next meeting of the Healthcare Quality Committee is in August 2016.

**1.4. Minutes of the Community Partnerships Committee meeting**

Nil minutes to note this month. The next meeting of the Community Partnerships Committee is in September 2016.

**1.5. Minutes of the Audit and Risk Management Committee meeting held 31 May 2016**

The minutes of the meeting of the Audit and Risk Management Committee held 31 May 2016 were noted.

The Board discussed information technology (IT) risks, which remain among the top risks identified by the Board at their recent risk workshop. A work plan is underway to address IT risks.

The Board was advised that a new independent member of the SESLHD Audit and Risk Management Committee has been selected.

It was noted that a detailed report will be provided to the Audit and Risk Management Committee as a response to the concerns raised in the interim management letter from the recent external audit.

**1.6. Actions**

The Board reviewed and updated the Action Log.

The Board noted that the Aboriginal workforce update is due to be presented at the August Board meeting.

**1.7. Correspondence Register**

The Board noted the correspondence received to Wednesday 20 July 2016.

**1.8. Teaching and Research**

The Board noted this item.

**STANDING ITEMS**

**2.1 Board Chair Report**

The Board noted the verbal update provided by the Board Chair.

**2.2 Chief Executive Report**

The Chief Executive provided a verbal update to the Board.

The following key points were discussed:

- The redevelopments at St George Hospital and Sutherland Hospital are both progressing well and are on time. Visioning workshops are scheduled for the redevelopment of the Randwick campus.
- The Board was advised that an announcement has been made regarding the appointment of a new General Manager for Prince of Wales Hospital and Sydney/Sydney Eye Hospital.

Norfolk Island healthcare

- As of 1 July 2016, Norfolk Island healthcare officially transitioned to the governance of SESLHD. The Chief Executive recently spent two days on Norfolk Island to assess progress and meet with hospital staff and the community.
- Significant investment from the Commonwealth is going into improving the hospital building and into medical equipment.
- In the coming months, the establishment of a multipurpose service (MPS) will be progressed.

**2.3 Finance and Performance Update – Year-end update**

The Director of Finance provided an update on the District’s full-year financial position and results for June 2016, as detailed in the Director of Finance Report provided.

The District’s full year financial position was unfavourable to budget, with the main challenge being revenue.

The Board was advised that the District’s strategies on encouraging staff members to take annual leave and reducing excessive annual leave balances have been very successful. SESLHD was one of only two NSW Health organisations that had a reduction in the financial impact of the award increase on annual leave balances.

Visiting medical officer (VMO) expenses were discussed. The amount of delayed VMO claims to be processed in 2016/17 is forecasted to be significantly less than 2015/16. Accuracy of budgeting for VMO expenses continues to improve each year.

**2.4 Key Performance Indicator (KPI) Report – Year-end update**

The Board noted the report provided in the meeting papers. An overview of KPI performance as at the end of the 2015/16 financial year was provided.

Highlights include:

- Strong transfer of care (ToC) performance, which has been above target for 10 consecutive months.
- Significantly increased HIV point of care testing.

The Board discussed mental health patients staying in emergency departments for extended periods, which is acknowledged as a challenge across the state. The District is looking to initiate a project to trial performing physical and mental health assessments concurrently, to aid in reducing time patients spend in emergency departments.

The Board congratulated the District on achieving a ‘triple zero’ year-end result for elective surgery access performance (ESAP); that is, as at 30 June 2016, there were no overdue elective surgery patients across all three ESAP categories.

The Board resolved to write a letter to the General Managers to acknowledge and congratulate the facilities on the achievements against the non-financial KPIs.

**2.5 Program Management Office (PMO) Report – Year-end update**

The Board noted the PMO Report provided in the meeting papers. An overview of the year-end results for the value improvement plans (VIPs) was provided. As at the end of the 2015/16 financial year, 87% of the savings target was achieved. Recurring savings of \$16 million will continue into 2016/17.

Expense reduction and revenue generation targets have been developed for each facility for the 2016/17 financial year. New VIPs have been submitted by the facilities and services, and are being validated by the Program Management Office. A contingency is being built into expense reduction targets for 2016/17, to ensure sufficient savings are generated.

The Board discussed the importance of ensuring appropriate controls are in place to manage cost pressures throughout the year.

**NEW ITEMS**

**3.1 Corporate Governance Attestation Statement**

The Board approved the SESLHD Corporate Governance Attestation Statement for the 2015/16 financial year, subject to the inclusion of a section on the Board Healthcare Quality Committee. The required amendments will be made, and the final document will be signed off by the Chief Executive and Board Chair, on behalf of the Board.

**FOCUS**

**4.1 2016/17 Service Agreement**

A presentation on the 2016/17 Service Agreement between SESLHD and the Ministry of Health was provided.

The following key points were discussed:

- Overall the SESLHD budget for 2016/17 has increased by \$61 million, or 3.9%, as compared to the previous year.
- Facility and service budget allocations are currently being finalised.
- A comprehensive risk assessment of the Service Agreement in terms of both financial and non-financial requirements is being undertaken by the wider SESLHD Executive, and will be presented to the Board for their consideration.
- The District-wide revenue plan is being developed to address the revenue budget for the 2016/17 financial year, and will focus on both patient fee revenue as well as other revenue sources.

The Board resolved to schedule a special Board workshop to analyse the Service Agreement further.

**CLOSE**

**5.1 Business without notice**

Nil items raised.

**5.2 Noting of Confidential Items**

Parts of Item 3.2 and 4.1 were noted as confidential.

**5.3 Date of next meeting:**

Wednesday 31 August 2016

4pm – 7pm, Board Meeting, Sydney/Sydney Eye Hospital

Meeting closed at 6.51pm.



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**Signature**

Michael Still

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**Name**

31 August 2016

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**Date**