

MINUTES
SOUTH EASTERN SYDNEY LOCAL HEALTH DISTRICT
BOARD MEETING
7 AUGUST 2013
16:00 – 19:00
THE MULTIPURPOSE FUNCTIONS ROOM
SUTHERLAND HOSPITAL

PART A.	MEETING OPENING	
	Item 1 1.1 1.2	WELCOME Introduction by new Chairperson The new Chairperson, Mr Michael Still introduced himself and thanked the Deputy Chair for his work during the interlude between Chairpersons. Apologies Members: <ul style="list-style-type: none"> • Mr Michael Still (Chair) • A/Prof Peter Gonski • Dr Ingrid Van Beek • Ms Patricia Azarias • Dr Gorur Harinath • Mr Robert Boyd-Boland • Ms Deborah Cansdell • A/Prof Robert Farnsworth • Mrs Janet McDonald • Ms Kate Munnings • Ms Kristin Stubbins • A/Prof Peter Smerdely • Prof Jeanette Ward In Attendance: <ul style="list-style-type: none"> • Mr Terry Clout – Chief Executive • Ms Kim Olesen – Director Nursing & Midwifery Services • Ms Karen Foldi – Director of Finance (present for items 1-8) • Prof James Colebatch – Chair Medical Staff Executive Council (present for items 1- 8) Secretariat: <ul style="list-style-type: none"> • Ms Melissa Angelucci– Board Secretary
	Item 2	DECLARATION OF PECUNIARY INTEREST, CONFLICT OF INTEREST AND DIRECTOR RELATED TRANSACTIONS There were no potential conflicts of interests declared at the meeting on 7 August 2013.

	<p>Item 3</p> <p>3.1</p>	<p>CONFIRMATION OF MINUTES</p> <p>Minutes of the SESLHD Board meeting held 8 May 2013 The Board approved the minutes (excluding items 8-15) of the SESLHD Board meeting held 3 July 2013 as an accurate record of proceedings.</p> <p>Resolution 217 “That the Board approves the minutes (excluding items 8-15) of the SESLHD Board meeting held on 3 July 2013 as an accurate record of proceedings.”</p> <p>Moved: J Ward Seconded: P Azarias Carried</p>
	<p>Item 4</p> <p>4.1</p> <p>4.1.1</p>	<p>ACTIONS ARISING</p> <p>Action Log The Board noted the action log (excluding items relating to 8-15), for information.</p> <p>Accreditation Standards – 6 monthly update The Board noted the Accreditation Standards – six monthly update report as provided by the Clinical Governance Unit.</p> <p>The Board noted that it is familiar with the accreditation cycle and processes within SESLHD.</p> <p>Action – Board Secretary to re-send process documentation for accreditation outlining where each facility is in the accreditation cycle and to ensure it is available on the Board only website</p>
<p>Part B</p>	<p>CHAIR AND CHIEF EXECUTIVE REPORT</p>	
	<p>Item 5</p> <p>5.1</p>	<p>CHAIR’S REPORT</p> <p>Letters from the Minister re- Chairperson The Board noted the letters from the Minister re-Chairperson to the former Chair, the new Chair and the Deputy Chair.</p> <p>The Board agreed to write to the former Chair to thank him for his term with the SESLHD Board.</p> <p>Action – Chair to draft a letter to the former Chair and circulate the draft to the other Board members for their review, before it is signed by the Deputy Chair.</p>
	<p>Item 6</p> <p>6.1</p>	<p>CE’s REPORT</p> <p>Organisational KPI Report – June 2013 The Board noted the Organisational KPI Report for June 2013.</p> <p>It was noted that the agreed, revised KPI reporting format will commence as of the July 2013 reports.</p> <p>The Chief Executive provided a verbal summary report of the 2012/13 financial year:</p> <ul style="list-style-type: none"> • Unfunded activity in excess of approved targets was a major

		<p>contributor to the General Fund's budget (adjusted) unfavourably for 12/13. Emergency Department NWAUs were 3% above target and acute inpatient activity NWAUs were 1% above target.</p> <ul style="list-style-type: none"> • The District performed very well in the Patient Safety and Quality indicators (apart from National Emergency Access Targets, NEAT). Significant work was completed during the year in this area. For example, in infection control. • Notwithstanding the above results, the District had come in unfavourably to budget by \$13.5m with underlying unfavorability at the Prince of Wales, St George and Sutherland hospitals. <p>The Chief Executive noted that the risks going into the 13/14 financial year are similar to those from the 12/13 year and include challenges in meeting NEAT targets and balancing the increases in emergency department and elective surgery demand within the allocated budget without compromising patient care.</p> <p>It was reported that the Finance and Performance Committee has been working to better understand the root causes of the budget problems and to drill down to individual levels. It was noted that goods and services is not fully understood.</p> <p>The difficulty in predicting and fully understanding the subtle factors leading to overruns was noted.</p> <p>6.2.1 Northern Sector – Progress Report The Board noted the Northern Sector Financial Recovery Plan – Progress Update. The following points were noted:</p> <ul style="list-style-type: none"> • The Board approved the full Northern Sector Financial Recover Plan at its June 2013 meeting • Once the Northern Sector received its 13/14 budget, it will need to look at cost (and expected escalation of costs) compared to its budget, then reassess whether its recovery plan will be sufficient to close the gap between budget and expected costs • To date, reductions in FTE and some reductions in goods and services can be seen within the Northern Sector <p>6.2.2 Southern Sector – Financial Recovery Plan The Board noted the proposed Southern Sector – Financial Recovery Plan.</p> <p>The Board noted the Southern Sector Clinical Council's reservations regarding Strategy 14: Management of activity to meet activity based funding (ABF) targets. The brief within the agenda pack (Item 6.2.2) outlines the Councils apprehension concerning limiting planned surgical activity as an activity management strategy for any increases in unplanned surgery, medical and trauma work, and the related risks to the National Elective Surgical Targets (NEST) performance, surgical training and sustainability of emergency rosters.</p> <p>The Board also noted the Chief Executive's advice that strategy 14 was not a strategy to align costs to budget, as the Sector was provided a budget to provide only the level of activity being purchased by the Ministry of Health.</p>
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Therefore any activity undertaken in excess of this level was not within the allocated budget.

Elective surgery and NEAT targets were discussed. The Board **noted** that elective surgery is often viewed as being secondary to emergency services. It was reported that, if activity in elective surgery continues to decrease, there is a risk that this will have implications for the ongoing availability of surgery at the Southern Sector including teaching and training, recruitment and retention and on-call rosters.

The following points were **noted** in relation to NEAT targets:

- A number of senior clinicians within the District have serious reservations about the NEAT targets and whether they have negative impacts on patient care.
- A key strategy for improving NEAT targets is to, wherever appropriate; focus on preventing the community from using the emergency department in the first place.

It was reported that, in most part, the Southern Clinical Council:

- Has full ownership of the Recovery Plan
- Is committed to the plan and strategies to realign costs to budget
- Is confident that much of the plan can realistically be prosecuted
- Has the resources it requires to prosecute the strategies

It was reported that the Finance and Performance (F&P) Committee discussed the Southern Recovery Plan at its August meeting. The following points were **noted**:

- While the F&P Committee did not see it was their role to approve the strategies within the plan, it did endorse the processes undertaken, particularly the wide consultation employed, the examination of the costings and the process for determining the timelines for delivery of the cost reductions
- More detailed information (including risk ratings, levels of comfort etc) should be provided by those owning the plan, preferably via a presentation to the Board

Action – At a subsequent Board meeting, following the budget allocation, Southern and Northern Sector Clinical Council Chairs and Co-Chairs are to provide presentation to the Board regarding their respective Recovery Plans. Presentations to include:

- Level of activity to be provided
- Impact of patient care and teaching and training
- Confidence of delivery
- Any additional risks
- Extent to which the Clinical Council is committed to the plan and its implementation

The Board made the following points regarding various savings strategies:

- To ensure cost reductions, the implementation of new models of care and efficiencies should be followed by bed consolidations and reductions in FTE
- Pathology costs are no longer fixed, rather a fee is charged based on the number of tests ordered. This enables pathology savings to be made
- Rather than using agency and overtime staff, SESLHD nursing has

	6.3	<p>been building its nursing casual pool as a more cost effective strategy to fill vacancies. It was suggested that, in the style of a recruitment agency, SESLHD may consider opening up its casual pool to other LHD's and private hospitals as a strategy for raising revenue.</p> <p>2013/14 Budget – <i>Noted as confidential</i></p> <p>2013/14 Service Agreement It was agreed that this item would be discussed in conjunction with the Budget at the extraordinary meeting in the week of 22 August 2013.</p> <p>Service Agreement with Lord Howe Island The Board noted that the process for review within the agreement has not yet been amended to indicate that the agreement can be terminated by either parties and both do not have to agree. The item was deferred until the agreement has been amended.</p> <p>Smoking by-laws</p> <ul style="list-style-type: none">• The Board noted the information provided regarding the revised SESLHD by-laws.• The Board approved the amended SESLHD by-laws• Board Secretary to forward the SESLHD by-laws to the Director General for approval <p>Resolution 218 "That the Board approves the amended SESLHD by-laws."</p> <p>Moved: J McDonald Seconded: R Boy-Boland Carried</p> <p>Action : Board Secretary to forward the SESLHD by-laws to the Director General for approval</p> <p>Corporate Governance matrices The Board noted the corporate governance matrices.</p>
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Part C	SUBCOMMITTEE REPORTS/COMPLIANCE ISSUES/PAPERS FOR INFORMATION	
	Item 7	SESLHD COMMITTEE REPORTS
	7.1	Clinical & Quality Council
	7.1.1	Report to SESLHD Board The SESLHD Board noted the report from the Clinical and Quality Council.
	7.1.2	Clinical & Quality Council Minutes - ratified The Board noted the ratified minutes of the Clinical & Quality Council meeting of June 2013
	7.1.3	Clinical & Quality Council Minutes - draft

		<p>The Board noted the draft minutes of the Clinical & Quality Council meeting held on July 2013.</p> <p>7.2 Finance & Performance Committee</p> <p>7.2.1 Finance & Performance Committee Minutes The June Finance & Performance Committee minutes were noted for information.</p> <p>The timeline of the Board meeting and Finance and Performance Committee meeting throughout the month was discussed. It was noted that the Finance and Performance committee has agreed to move its meeting to one week prior to the Board meeting, the last Wednesday of every month. This will allow the Finance and Performance Committee time to prepare a report for the Board each month.</p> <p>The Chair of the Finance and Performance (F&P) Committee provided an update. The following points were noted:</p> <ul style="list-style-type: none"> • The discussion at the August F&P Committee meeting focussed on the end of the 2012/13 financial year result. • The 12/13 end of year result was \$23.5m favourable; however the more accurate figure was \$13.5m unfavourable. This discrepancy is due to \$37m of cash assistance provided by the Ministry of Health with no budget adjustment. This result was within the District's forecast of \$11-15m unfavourable. • The F&P Committee is focussed towards setting up monitoring processes for the 13/14 budget to ensure improved accuracy and indication. • The F&P Committee noted that it may benefit from having clinical membership on its committee. Various options were discussed. <p>7.2.2 SESLHD Financial Narrative The SESLHD financial narrative for the period ending June 2013 was noted and approved by the Board.</p> <p>Resolution 215 "That the SESLHD Board approves the SESLHD financial narrative report for the period ending June 2013."</p> <p>Moved: P Smerdely Seconded: J Ward Carried</p> <p>7.3 Audit & Risk Management Committee</p> <p>7.3.1 Audit & Risk Management Committee Minutes The Board noted the minutes of the Extraordinary Audit & Risk Management Committee meeting held 19 July 2013</p> <p>7.3.2 Corporate Governance Attestation The Corporate Governance Attestation was noted by the Board and the attached Corporate Governance Statement is endorsed for signature by the Chief Executive and the Chairman.</p>
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	7.3.3	Final Accounts The final accounts were noted by the Board
	7.4	Community Advisory Committee It was noted that there had not been a meeting of the Community Advisory Committee since the last Board meeting.
	7.5	Sydney Metropolitan Aboriginal Health Partnerships Agreement It was noted that there had not been a meeting of the Sydney Metropolitan Aboriginal Health Partnerships Agreement Committee since the last Board meeting.
	7.6	Medical Staff Executive Council Minutes It was noted that there had not been a meeting of the Medical Staff Executive Council since the last Board meeting.
	7.7	RHW Transitional Sub-Committee It was noted that there had not been a meeting of the RHW Transitional Sub-Committee since the last Board meeting.
	Meeting close – 18:10	

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1910– 19:45
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PART D	BOARD ADMINISTRATION MATTERS (BOARD MEMBERS AND CE ONLY)	
	Item 8	BOARD ADMINISTRATIVE MATTERS
	8.1	<p>Minutes of Board Meeting held 3 July 2013 (items 8-15) The Board endorsed the minutes (items 8-15) of the SESLHD Board meeting held 3 July 2013 as an accurate record of proceedings.</p> <p>Resolution 219 “That the Board approves the minutes (items 8-15) of the SESLHD Board meeting held on 3 July 2013 as an accurate record of proceedings.”</p> <p>Moved: J Ward Seconded: K Stubbins Carried</p>
	8.2	<p>Actions Arising The Board noted the action log (relating to items 8-15) as at 3 July 2013, for information.</p>
8.3	<p>Leave of Absence notifications The Board noted and approved the various leave of absence requests. It was noted that Dr Harinath would also be on leave for the September 2013 meeting.</p> <p>Resolution 220 “That the Board:</p> <ul style="list-style-type: none"> a) Approve the leave of absence of A/Prof Peter Gonski from the 4 September 2013 Board meeting b) Approve the leave of absence of Mr Robert Boyd-Boland from the 4 September 2013 Board meeting c) Approve the leave of absence of A/Prof Peter Smerdely for the 4 September Board meeting. d) Approve the leave of absence of Dr Gorur Harinath for the 4 September Board meeting. e) Approve the leave of absence of Prof Robert Farnsworth from the 2 October 2013 Board meeting.” <p>Moved: J McDonald Seconded: J Ward Carried</p>	
	Item 9	<p>Chair’s Report Nil report</p>
	Item 10	<p>Capital Investment Plan/Planning Cycle The Capital Planning process was discussed. A Capital Investment Plan, which has been prepared by the Chief Executive with assistance from the Director of Population Health and Planning and Health Infrastructure NSW.</p>

	<p>The Plan has been developed and is estimated to cost a total (in 2013 dollars) of \$1.417 billion over 10 years. This Plan has been based on what the District estimates is a reasonable proportion of the State's ten year capital asset budget.</p> <p>The Board noted the investment logic maps and capital investment plan for the District priority capital projects and associated capital investment gates for each of these capital projects.</p> <p>It was suggested and agreed that a meeting between the Director General and Board Chair be arranged, to discuss the SESLHD's priority capital projects and to obtain support for taking forward the Board's 10 year Capital Investment Plan to the Minister with the objective of obtaining a commitment from NSW Government to the 10 year Capital Investment Plan for SESLHD.</p>
Item 11	Board Sub-Committees
11.1	Board Governance Committee
11.1.1	<p>Board Retreat The Board noted that the Board Retreat would be postponed for a few months while the Board Chair better understands the issues and context.</p>
11.1.2	<p>Chief Executive Performance Review The Board Secretary and Chief Executive left the room while the Board discussed the Chief Executive Performance Review process.</p>
Part E	CORRESPONDANCE
Item 12	<p>CORRESPONDENCE RECEIVED The Board noted for information the correspondence received register, as updated on 31 July 2013.</p>
Item 13	BUSINESS WITHOUT NOTICE
Item 13.1	<p>Community Forum It was noted that, at the Community Forum in July 2013, a Mental Health patient presented her health story which described her positive experience within the SESLHD Mental Health service. The Board agreed that it should write to this patient congratulating and thanking her for her courageous presentation.</p> <p>Action - Chief Executive and Board Secretary to prepare correspondence to Mental Health patient, for signature of the Board Chair.</p> <p>It was noted that it would be beneficial for Mr John Fenely, Mental Health Commissioner to attend a future SESLHD Board meeting.</p> <p>Action – Chief Executive and Board Secretary to follow up with invitation to Mr John Fenely, Mental Health Commissioner.</p>
Item 14	<p>NOTING OF CONFIDENTIAL ITEMS Item 6.3, 13/14 Budget was noted as confidential at this time due to the figures being preliminary.</p>

**SESLHD Board
Minutes
Meeting held Wednesday 7 August 2013**



Health
South Eastern Sydney
Local Health District

Meeting closed at: 7:45pm

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Michael Still

Name

M Still

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Signature

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7 September 2013

Date