

MINUTES

Present:

Ms Ann Brassil	Acting Chair, Board
Ms Diane Flecknoe-Brown	Board Member
Dr Michele Franks	Board Member
Mr Andrew Goodsall	Board Member via Teleconference
Mr Anthony Hollis	Board Member
Ms Betty Johnson AO	Board Member
Professor Sue Kurrle	Board Member
Mr Don Marples	Board Member
Mr Peter Young	Board Member

In attendance:

Adj. Associate Professor Vicki Taylor	Chief Executive
Dr Andrew Montague	Acting Executive Director Operations
Mr Lee Gregory	Director Finance
Ms Judith Hogan-Wright	Secretariat

Apologies:

Professor Carol Pollock	Chair, Board
Professor Annette Schmiede	Board Member
Dr Adam Rehak	Chair Medical Staff Executive Council

Board Discussion

The Board members met in closed session for 50 minutes prior to commencement of the meeting.

The Acting Chair outlined the above discussion covering the requirement by the Board for high level KPIs to be developed. These KPIs to cover Service Agreement results, high level financial achievements, Clinical Quality, Service Delivery, Change Management Process, Compacts for Education, Research, Integrated Care and the engagement by consumers and other items in relation to the Strategic Plan. Periodic reporting would be tabled at set intervals throughout the year at Board meetings to provide assurance to the Board and to open up discussion on areas of challenge within the NSLHD.

Action: The Chief Executive to present to the Board proposed high level KPIs and Reporting Framework noting duplication will be minimised.

1. Presentation: Finance Update

Presented by Mr Lee Gregory, Director Finance.

The presentation was to update the Board on the 2014/15 Service Level Agreement (SLA) (including budget and activity target outcomes) and the Financial Forecast for 2014/2015.

The SLA includes the outcome from activity target negotiations with the Ministry of Health (MoH) across all funding streams. Separate to the SA and still under negotiation with MoH is the required funding for changes to the RNS Private Public Partnership (PPP) arising from the ongoing campus development.

The forecast for 2014/2015 was presented. This outlined the forecast methodology including forecast adjustments, the impact of the OESI Productivity Initiatives and potential risks. The redevelopment to Hornsby Hospital which is currently ahead of schedule has been identified as a

particular risk due to the provision of operating costs from 2015/16 only. This has been discussed with the MoH along with the overall forecast for 2014/15.

The Board questioned when it is likely that NSLHD will be removed from the current level 3 of MoH performance monitoring. The Director Finance reported that the MoH would consider this post quarter one 2014/2015 taking into account the last six months of financial performance i.e. (quarter one 2014/2015 and quarter four 2013/2014). Therefore it is anticipated that a decision on the LHD's level of performance monitoring level may be likely in October 2014.

The Board thanked Mr Gregory for the presentation and requested to be updated on the discussions with the MoH on the above items.

2. Patient Story

Presented by Adj Associate Prof Vicki Taylor.

The patient story centred on the 'Stepping On' Program which is a no-cost falls prevention group program for older, community dwelling people who have had a fall or are fearful of falling. The program is held throughout the NSLHD at various community centres and is designed to provide information on how to reduce risk of falling and maximise independence for the older person.

The Chief Executive received a letter of thanks via the Minister for Health from two grateful participants. The letter of thanks was distributed for the Board's information. The Chief Executive advised the Board that this letter would be forwarded to those involved in the program along with a thank you from the Chief Executive.

3. Attendance / Apologies / Quorum / Conflict of Interest

Attendance and apologies were noted.

Conflict of Interest: Nil, other than those already documented.

4. Confirmation of Minutes

The Board accepted the minutes of the meeting held on 1 July 2014 as a true and accurate record of this meeting with 2 amendments:

Amendment 1

Item 5.1 to be changed from ...The Board **endorsed** the new NSLHD strategic direction being led by the NSLHD Chief Executive to ...*The Board **endorsed** the new NSLHD strategic direction as presented at the Board meeting, understanding that it will continue to unfold and acknowledging that this is a work in progress.*

Amendment 2

Item 5.1 Action Item 2: to be changed from ... The Board to provide to the Chair their comments, suggestions post the distribution of the Change Management Plan / Overview to ... *The Board to provide to the Chair their comments.*

5. Ongoing Business (in conjunction with Action List)

5.1 Financial Modelling of the Clinical Networks

The Acting Executive Director Operations reported to the Board the NSRHS Restructure will result in minimal additional expenses to the NSLHD and the Network Restructure is anticipated to be cost neutral.

Action: Updates and costing impact of the Clinical Network Restructure to be presented to the Board as this process evolves.

5.2 Special Purpose Trust – Northern Beaches Budget

The Director Finance advised the Board that this item has been actioned out of session with advice provided to the Board Chair. The issue of a relatively high Special Purpose and Trust Fund Account balance was due to a property bequest in recent years.

5.3 Organisation Restructure Update

The Acting Executive Director Operations NSLHD presented an update on the NSRHS Restructure and the NSLHD Network Restructure.

The presentation covered the timeline of events. Consultation has occurred and it is anticipated that the finalised management structure for NSRHS will be completed this week.

The Acting Executive Director Operations NSLHD also indicated that the Change Management Plan and Communications Plan for NSRHS Restructure are completed and remain working / “dynamic’ documents. A key function currently being undertaken is the review of the NSRHS committees and delegations. A workshop will be held with the NSRHS Executive in August to finalise these and continue work with the Executive regarding accountability and responsibility in the new structure.

The Acting Executive Director Operations NSLHD advised the Board the operational restructure across NSLHD is planned to be completed prior to the Northern Beaches Hospital opening in 2017/18.

The NSLHD Network Restructure was outlined and the Board provided with information regarding the ongoing consultative processes. An updated Discussion Paper will be distributed across the District and to community, consumer and our partners covering the proposed Network restructure and will seek comments and feedback.

Actions:

1. The Communication Strategy and the Change Management documents to be provided to Board members.
2. The Case for Change to be outlined and incorporated within the above two documents.
3. Comments to be provided to Acting Chair for collation.

In addition to the above the Acting Executive Director Operations NSLHD discussed the Cancer and Palliative Care Network and the recent reviews.

Action: Finalised document covering Network Restructure to be disseminated to the Board.

In addition, the Board recommended consultation with active consumers who are members of various committees (as part of National Standard 2).

Action: Consultation with active consumers to seek their input on the Network Restructure.

The Chief Executive reiterated the amount of consultation and disseminated information via regular communications and the information available through the intranet within NSLHD available to our staff members.

The Board also discussed other items that could be affected by the restructuring i.e. cultural change, staff engagement, training, KPI performance, clinical governance and clinical engagement.

5.4 Finance and Performance Report

The Board **noted** the full year Finance and Performance Report year to 30 June 2014.

The Director Finance commented on the above report and the following items were noted.

The final year deficit was below the MoH budget deficit target.

The Director Finance advised that NSLHD will continue to be pressured financially and operationally if unplanned demand increases continue, which has been as high as 8% month on month growth. However there is recent evidence of a moderation in activity volumes.

In outlining the anticipated July results, the Chief Executive reported that the last two weeks have experienced high demand not only at NSLHD but at other LHDs throughout the metropolitan area.

On the announcement of the final results the Board thanked Director Finance and his team for an outstanding effort. Mr Marples noted the Chief Executive and all LHD ELT members should be acknowledged. The Chief Executive advised the Board that congratulations have been distributed throughout the NSLHD to all those involved in this result and in particular to the OESI team. The Chief Executive thanked the Board for their support but added a note of caution that there is still two more years' focus required to achieve the necessary results.

5.5 NSLHD Financial Reports 2013-2014

The Board **noted** the reports and documents as listed below:

- a) NSLHD unaudited financial statements 2013/14
- b) Internal Audit & Risk Management Attestation Statement
- c) HealthShare 2013/14 Representation letter
- d) Audit Office letter 'Observations on early close procedures performed by NSLHD prior to 30 June 2014'
- e) Draft minutes of the LHDs Audit & Risk Management Committee (A&RMC) 18 July 2014
- f) High level variance analysis of 2012/13 audited financial statements and 2013/14 unaudited financial statements (included in the A&RMC papers of the 18 July 2014)
- g) NSLHD Internal Audit Charter

The Director Finance reported that a rigorous process has been undertaken prior to and post Audit & Risk Committee meeting of 18 July 2014 to ensure all questions and comments were addressed in detail and this was confirmed by members of this committee.

In response to a question by the Board to the Finance Director questioning if there were any items that were of concern. The Director Finance indicated that there were no unusual matters of concern. The date for the final reports submitted is 18 September 2014.

Actions:

1. Accounts Payable figures were higher than normal and the Board requested investigation by the Director Finance.
2. Questions by the Board to be forwarded to Acting Chair for collation with answers provided to the Acting Chair for dissemination.

5.6 OESI Executive Report

The Finance Director presented the OESI Program including the slides detailing the OESI implementation plan over the years 2013 to 2016 and highlighted the potential savings and the method undertaken to enable efficiencies with the NSLHD.

The Director Finance provided to the Board the history of and the initial objectives of this cost savings and efficiency program and expanded his discussion into the future plans and potential achievements. One of the key challenges is the ability to continue the cost savings whilst cost pressures continue i.e. the funding of increasing unplanned demand.

In summary, the Chief Executive reported to the Board that an internal audit has been undertaken which demonstrated and validated that the efficiencies achieved by the OESI program and reported through to the MoH are correct and accurate.

Action: The OESI report to be distributed to the Board members.

6. Capital Planning Updates

The following referral notes were tabled.

6.1 Hornsby Ku-ring-gai Hospital Redevelopment

The Board **noted** the two reports covering Stage 1 and Stage 2 redevelopment.

6.2 Royal North Shore Developments / Master Plan

The Board **noted** the report.

The Chief Executive updated the Board on the progress of the anticipated refinancing of the RNS PPP by Royal Bank of Scotland and also the implications of the transitioning from the Douglas Building into the new Clinical Services Building.

6.3 Northern Beaches Redevelopment – Frenchs Forest update

The Board **noted** the report.

7. New Business

7.1 Assignment of Common Seal Documents

The Board **noted** the list of documents assigned under common seal.

8. Standing Agenda Items

8.2 NSLHD Committee Minutes

8.1.1 Health Care Quality Committee

The draft minutes from the meeting held 12 June 2014 was **noted** by the Board.

8.1.2 Medical and Dental Appointments Advisory Committee (MDAAC)

The endorsed minutes from the meeting held 4 June 2014 was **noted** by the Board.

8.1.3 Finance and Performance Committee

The endorsed minutes from the meeting held 27 May and the draft minutes from the meeting held 24 June were **noted** by the Board.

8.1.4 LHD Clinical Council

The draft minutes from the meeting held 7 July 2014 was **noted** by the Board.

8.1.5 Medical Staff Executive Council (MSEC)

Nil available. Next meeting 18 August 2014.

8.1.6 Peak Community Participation Council (PCPC)

The draft minutes from the meeting held 4 June 2014 was **noted** by the Board.

8.1.7 NSLHD and Medicare Locals Consultative Council

Nil available. Next meeting 12 August 2014.

8.1.8 Capital Asset Planning Committee

The endorsed minutes from the meeting held 17 March 2014 was **noted** by the Board.

8.1.9 Integrated Risk Management Advisory Committee (IRMAC)

The endorsed minutes from the meeting held 2 April 2014 was **noted** by the Board.

In reply to a question arising from a comment in the minutes, the Chair IRMAC advised the Board that the membership and terms of reference has been amended to ensure the committee is relevant and effective.

8.1.10 Audit and Risk Management Committee

The endorsed minutes from the meeting held 18 June 2014 was **noted** by the Board.

The Board advised that the terms of reference presented did not reflect the current By-Laws.

Action: Chief Executive would report this back to the Chair of A&RMC.

8.1.11 Education Sub-committee

The endorsed minutes from the meeting held 10 June 2014 were **noted** by the Board.

8.1.12 Research and Innovation Sub-committee

The endorsed minutes from the meeting held 13 May 2014 were **noted** by the Board.

9. Correspondence

9.1 Outline of Key Initiatives from Minister for Health, MoH

The Board **noted** the correspondence.

9.2 Pittwater Council – Palliative Care

The Board **noted** the correspondence.

10. Business without Notice

Planning Day

The Acting Chair advised the Board Planning Day is to be arranged.

Action: The secretariat to commence arrangements for the Planning Day for the Board.

Capacity Assessment Project

Previously a letter from the Deputy Secretary of Health was distributed to the Board covering Capacity Assessments to be undertaken by the LHDs and Pillars. Further to this letter being distributed, a small team has been formed and subsequent correspondence updating the progress received.

Action: The Chief Executive to distribute the correspondence covering the small team framework and update on progress.

CEC – 10 Year anniversary

The Chief Executive distributed to the Board the letter from CEC where CEC thanked the NSLHD for their engagement and adoption of their initiatives.

10. Venue, date and time for next meeting

Executive Boardroom, Building 51, Royal North Shore Hospital
Tuesday 2 September, 2014 commencing 3:00pm

Meeting Closed: 6:20pm

CERTIFIED A CORRECT RECORD

**By Ms Ann Brassil, Acting Chair
On 9 September, 2014**