

MINUTES

Present:

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| Professor Carol Pollock | Chair, Board |
| Dr Dianne Ball | Board Member |
| Mr Trevor Danos AM | Board Member |
| Ms Diane Flecknoe-Brown | Board Member |
| Dr Michelle Franks | Board Member |
| Mr Andrew Goodsall | Board Member |
| Mr Anthony Hollis | Board Member |
| Ms Beata Kuchcinska | Board Member – via teleconference |
| Mr Don Marples | Board Member |
| Adj. Associate Professor Annette Schmiede | Board Member |

In attendance:

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| Mr Lee Gregory | Acting Chief Executive, NSLHD |
| Mr Frank Bazik | Acting Executive Director Operations NSRHS & NSLHD |
| Mr Chris Thomson | Acting Director Finance and Corporate Services, NSLHD |
| Ms Judith Hogan-Wright | Secretariat |

Apologies:

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| Adjunct Professor Ann Brassil | Board Member |
| Dr David Jollow | Chair, Medical Staff Executive Council |

The Chief Executive, Adjunct Associate Professor Vicki Taylor, sent an email to the Board and requested that Mr Lee Gregory, Acting Chief Executive, also table this correspondence. Professor Taylor expressed her personal heartfelt thanks to outgoing Chair, Professor Pollock, and outgoing Board members Dr Michele Franks and Ms Diane Flecknoe-Brown for their contribution to the advancement of NSLHD.

The Board Chair, Professor Pollock, advised that the Minister of Health has appointed Mr Trevor Danos AM to be the NSLHD Board Chair commencing on 1 January 2017. Also on 1 January 2017, five new Board members will take up their appointments. Professor Pollock relayed the thanks of the Ministry of Health (MoH) to the outgoing Board members for their contributions.

Professor Pollock further advised that membership of Board sub-committees for 2017 and the appointment of a Deputy Chair will be at the discretion of the incoming Board Chair.

Professor Pollock thanked the Board for the support it had given her.

Mr Danos thanked Professor Pollock for her outstanding contribution over a period of six years and commented on the effort and work undertaken by Professor Pollock as Board Chair. Mr Danos stated that the strong performance of NSLHD and the high regard in which it is held by all stakeholders reflected extremely well on Professor Pollock.

1. Presentations

1.1 National Disability Insurance Scheme (NDIS) update

Presented by Ms Jennifer Duncan, Director Allied Health NSLHD

This presentation covered the NDIS history, an update on the rollout of NDIS throughout Australia and matters under consideration by NSLHD. Ms Duncan spoke of the major IT

setbacks and other challenges being experienced by the NDIS. Ms Duncan outlined the process for new and transitioning clients and explained how the pathways differed from the old arrangements.

The presentation also covered the governance and interaction with other LHDs and the current and potential NDIS impact to NSLHD services. The Board discussed the future involvement of NSLHD with NDIS, the current and future funding schemes and the transition of the current funding model via the Commonwealth Home and Community Care (HACC) to NDIS.

Although NSLHD is now registered as a NDIS provider, it is currently not delivering services in that capacity. Community Nursing is currently trialling the MyPlace portal prior to rollout NDIS services.

Questions were raised by the Board covering the delay for a new client to access NDIS, the facilities in place for culturally and linguistically diverse (CALD) clients, numbers of patients currently accessing services from NSLHD, those clients who fall outside of NDIS and the consumer representatives providing their voice via the NSLHD NDIS Stakeholder Committee.

Mr Danos reminded the Board that all new business lines and activities of a material nature need to be approved by the Board and the request for approval should include a benefits/costs and risk analysis.

Ms Duncan advised that there is no contractual commitment in place for NSLHD as a registered NDIS provider.

The Chair noted that the delay in accessing NDIS for NSLHD inpatients is having a significant financial impost due to the extended length of stays, particularly those patients for which NSLHD provides State-wide services e.g. Severe Burns, Spinal Cord Injury.

The Board requested that it be provided with a benefits/costs and risk analysis before any further substantial engagement occurs with the NDIS and that the analysis precede NSLHD taking any action as a registered provider.

The Board thanked Ms Duncan for the informative presentation and update.

2. Patient Story

Professor Pollock relayed a pleasing patient story covering a presentation at Royal North Shore Hospital (RNSH) Emergency Department on a busy Saturday night.

The email spoke of the positive staff involvement and identified the staff that provided care and showed empathy during the visit. Mr Gregory stated that this was an excellent example of the MoH's, 'small acts of kindness' initiative and how it positively improves patient experience.

The email along with a memorandum of thanks from the Acting Chief Executive has been sent to those involved at RNSH.

3. Attendance / Apologies / Quorum / Conflict of Interest

Attendance and apologies were noted.

Professor Pollock asked those present to declare any additional or new conflicts of interest. None was declared.

Professor Pollock declared that she is been appointed to the position of Board Chair of Bureau of Health Information (BHI). Mr Andrew Goodsall is a Board Director of BHI.

4. Confirmation of Minutes

Minutes of the meeting held 1 November 2016 were confirmed as a true and accurate record of the meeting.

5. Ongoing Business (in conjunction with Action List)

5.1 Internal Audit Plan 2017

The Board **noted** the tabled document and the Chair outlined the significant changes to the Internal Audit Policy; including the removal of the Chief Executive as a member of the Committee and the transfer of Committee reporting and overseeing responsibility to the LHD Board.

5.1.1 Comparison of Changes – Internal Audit Policy

The Board **noted** the tabled document. The Chair commented that this document would be a useful tool to assist with updating the Terms of Reference (TOR) for Board Audit and Risk Committee (BARC).

A Board member commented that a number of these changes incorporate the proposed amendments collated by Mr Peter Young, previous Board member.

5.2 Enterprise Risk Management Framework

The Board **noted** the tabled document and presentation and Ms Louise Derley, Director Internal Audit NSLHD provided additional information.

The in-depth presentation covered history, background of staff levels, staff qualifications and duties, methodology of the Internal Audit Plan and the inclusion of Risk Management into her portfolio. The Director Internal Audit (DIA) commented that the Audit Plan is undertaken on an annual basis due to the fluid nature of issues at NSLHD. The development and enhancement of analytics for Internal Audit and the progress of current projects were outlined. The focus of Risk Management within Internal Audit was discussed.

A Board member sought assurance that there is sufficient staffing post the inclusion of Risk Management into the portfolio of Internal Audit. The DIA outlined the responsibilities of her staff that cover risk management. In summary, there is sufficient staffing to undertake additional responsibilities.

A question was raised regarding the oversight of clinical governance by Internal Audit. The Acting Chief Executive recommended discussing and formalising with the Chief Risk Officer the interface and oversight between Internal Audit and the Clinical Governance Unit.

Mr Danos discussed the changes to the Board sub committees and the reporting lines: In particular, BARC would be responsible for the monitoring of risk; and the Finance, Risk and Performance Committee (FRAP) would be responsible for the management of risks.

The Board thanked the DIA for the tabled documents, presentation and undertaking the responsibility of Risk Management within her portfolio.

5.3 Clinical Governance Framework

Dr Dianne Ball provided a verbal update on the meeting with the Director Clinical Governance (DCG). This update was in response to a request from the Chief Executive and the Board Chair to discuss with the DCG the issues that were raised at the September Board meeting.

The Board had previously identified various gaps in the Clinical Governance Framework covering the clarity of accountability of the various stakeholder groups / committees and the interlinking of the activities of clinical governance. Dr Ball reported from the discussion with the DCG clinical governance activities are occurring but the information to the Board could be improved to provide evidence on the framework, roles, responsibilities and accountabilities. Feedback from the Board was relayed to the DCG on the quality of the previously tabled documents and detailed suggestions were outlined. During this conversation the DCG advised that he is currently working on a Clinical Governance Framework (CGF) document which is due to the Chief Executive prior to 2017.

Mr Danos relayed what had been said on this topic at a recent meeting of the Council of Board Chairs, including the MoH's development of a Health Safety and Quality Framework to be applied across all LHDs as well as setting up a Safety and Quality Council. It was suggested that the DCG aligns the NSLHD CGF to MoH initiatives.

The Chair thanked Dr Ball for the feedback provided on clinical governance.

5.4 Management Letter Audit Office

The Board **noted** the tabled document and it was mentioned that due to the recent changes in legislation and by-laws, in future this letter will be addressed to the Board Chair rather than the Chief Executive.

The Chair commented on the moderate risks identified within the Management Letter and the plans that are in place to address or reduce these risks.

5.5 RiskIT and SeeIT physical hosting location

The Board **noted** the tabled document prepared by Mr Paul Russell, Director Clinical Governance and tabled by Mr Lee Gregory, Acting Chief Executive.

The document provided reassurance that there are management systems in place to mitigate security, operational and compliance risks. No patient data is collected and stored in this system.

Mr Danos sought assurances that should the system connectivity between the server and NSLHD fail that there are arrangements in place for a back-up provider.

Action: The Acting Chief Executive to provide evidence at the next Board meeting that should the system connectivity between the server and NSLHD fail there are arrangements in place for a back-up provider.

5.6 Condolence procedures

The Board was provided a verbal update by Acting Executive Director Operations NSRHS & NSLHD (A/EDoP).

The A/EDoP provided information on the discussions held with the DCG and the findings from an international literature search on condolence letters and processes. It was noted that direct communication to the family of the deceased is common throughout the world. The DCG also sought information from senior clinical staff at RNSH on the current condolence procedures. The general consensus is that the condolence protocol following a death in hospital is preferably undertaken by the multi-disciplinary / treating team upon or soon after the death in hospital rather than a condolence letter sent at a later date. Consideration of a written letter posed more questions on the style, contents and empathy than a prompt personal interaction from a clinician / multi-disciplinary team member.

The A/EDoP had requested the Director Communications to undertake a correspondence review e.g. acknowledgement of letters of complaint and the responding letter from NSLHD to family members. The information has been/will be provided to Ministerial and Executive

Correspondence Unit (MECU). It was commented by MECU that the Minister for Health prefers 'death' as opposed to 'recent loss' and aligns correspondence accordingly.

Mr Danos noted that the Peak Community and Consumer Participation Committee will be renamed and reformed as the Consumer, Community, Carer and Communication Committee (CCCC). It was suggested that an initial task for this committee should be to investigate the condolence process including review of correspondence.

Action: 1. The A/EDoP to provide the proposed written report to CCCC Committee for a consideration of the condolence process including review of correspondence.
2. The A/EDoP to undertake a review of the notification of death to the relevant patient's GP with the assistance of the Chief Information Officer.

Professor Pollock took the time to relay the Board's thanks and appreciation to Mr Frank Bazik, in his role as A/EDoP over the last five months.

5.7 Strategic Plan 2017-2022

5.7.1 Revised Timetable – referral note

5.7.2 Approval of Plan – referral note

5.7.3 Draft Strategic Plan

5.7.4 Strategic Planning Process

The Board **noted** the tabled documents and Mr David Miles, Manager Health Services Planning Unit provided additional information. Also tabled at the meeting was a revised one page overview titled *Our Strategy* in two layouts for the Board to express its preference, and the linear layout was the preferred option. All tabled referrals were approved by the Board.

Wider consultation has been allocated for February 2017 to allow for the inclusion of comments from the incoming Board members. The Director Performance Innovation and Integrated Care is leading the work on the development of performance measures for the Strategic Plan.

Mr Danos commented on four concepts for emphasis for NSLHD's vision for 2022: Mental Health, Palliative Care, Primary Care Network and Patient and Family Centred Care.

The Manager Health Services Planning is working on an easy to understand and respond method that will capture feedback from consultation covering the vision and contents of this plan.

A Board member enquired whether this plan identified the difference and uniqueness of NSLHD. This comment will be taken into consideration and incorporation within the introduction. In response to other questions, performance measurement of the success of this plan is currently being drafted and regular reviews and a refreshing of the plan will be undertaken to align with varying requirements of service provision and its delivery.

Professor Pollock commented that our vision may be impacted by outside influences whether adverse or positive and therefore revisiting and refreshing of the plan should be undertaken on an annual basis.

6. Standing Business

6.1 Chief Executive Summary

The Board **noted** the report; the report was taken as read without any questions from the Board.

In response to a question from a Board member, the A/EDoP stated the following regarding the Northern Beaches Hospital. It is anticipated that the transfer of patients from Mona Vale and Manly Hospital as per the Project Deed currently is scheduled for 1 and 2 November

2018. The construction status for the NBH is ahead of schedule and the topping out ceremony of the nine storey building occurred 13 December 2016. In March 2017 it is anticipated that the building will be water tight.

Mr Danos advised that the format and contents of this report will be evaluated and revised as appropriate in 2017.

6.2 Finance and Performance Report

The Board **noted** the Financial Summary for October 2016 and the Acting Director Finance and Corporate Services (A/DF&CS) provided additional information and referred the Board to the Forecast 2016/2017 and the Initial 2017/18 Forecast as listed below.

6.2.1 Forecast 2016/17 Update and Initial 2017/18 Forecast

The Board **noted** the A/DF&CS presentation on the projected year end position, the plans to reduce the previously reported projected deficit for 2016/17 and the strategy for the 2017/18 position.

The November financial position budget compared to actual variance was an improvement from previous months, although a small deficit. The A/DF&CS outlined the work that has been undertaken to address the current financial position:

- The MoH has agreed that the risk related to the transition of Soft Facilities Management (FM) Services at RNSH would be borne by HealthShare NSW. The transfer of this year to date expenditure will be reflected in the December 2016 results.
- Any incurred additional costs for the remainder of this financial year regarding the Soft FM Services will be supplemented by MoH.
- Additional savings strategies have been identified and will not impact on clinical outcomes.

The A/DF&CS alerted the Board to the trends indicated in the presentation, the reduction in in-cost variances, salaries and wages. This is due to the reduction in FTE which was noted in October. The seasonal reduction in activity and bed day consumption has been reflected in November although the last two weeks in December has seen a spike in activity at RNSH. It is anticipated that December and January will again see a reduction in bed day consumption.

The above improved performance has flowed into the 2016/17 forecast update taking into account the improved trending, and additional core costs savings initiatives and the HealthShare Soft FM reset. All these additional cost savings has resulted in an improved small forecast deficit.

This reforecast has been communicated to the Ministry of Health (MoH). The Acting Chief Executive stated that the MoH is continuing its focus on Emergency Treatment Performance, one of the NSW Premier's priorities.

As a consequence of the above improved financial position, the MoH has not altered NSLHD's 0 rating pending a review in February 2017.

The Board congratulated the finance team for an improved financial position.

In relation to the 2017/18 forecast work has commenced on identifying potential savings initiatives within individual facilities and reporting entities. The reforecast indicates a small deficit and pleasing to note there are still a number of initiatives that have been identified but as yet not quantified. The A/DF&CS is working on these initiatives and a large amount of work is currently being undertaken to address any deficits and identification of any costs savings.

Mr Danos reiterated that all new material service provisions must be endorsed by the Board to ensure that NSLHD is not hindered by any additional costs and remains on track for a balanced budget.

Mr Danos recommended consideration for a contingency in the 2017/2018 budget.

Professor Pollock asked the Chair Finance and Performance Committee (F&P) to comment on these matters. In response Adj. Associate Professor Annette Schmiede stated that the commissioning of the Northern Beaches Hospital and the associated closing of Manly Hospital and the service realignment of Mona Vale Hospital will significantly alter the delivery of services throughout the District and that this should have a positive financial impact. Change Management is currently underway and efficiencies have and will present themselves in the coming years. The Chair F&P was confident in the financial position and stated that the current projected deficit should be considered in proportion to the overall expenditure of NSLHD.

Professor Pollock discussed the changes that are currently occurring in the funding models and the services which into the future will not be funded. To this end Professor Pollock commented that proactive monitoring of these changes should be a priority. To offset these changes there should be a focus on embracing partnerships, research and innovation opportunities and emphasis on grant applications etc.

Mr Danos advised the Board on a new Board sub-committee, Teaching, Innovation, Research, and Education (TIRE) and noted the inclusion of innovation.

6.2.2 Hornsby Ku-ring-gai Hospital structural deficit

The Board noted the tabled report prepared by the Chair of Finance and Performance Committee and the A/DF&CS titled *Request for Consulting Services for Hornsby Ku-ring-gai Health Services (HKHS)*.

The A/DF&CS updated the Board on the Expression of Interest (EOI) that was sent to market recently seeking a consulting company to undertake a financial and operational investigation of HKHS. There is a quick turnaround to identify the successful consultant to commence in early February 2017 for a five week period of investigation.

The purpose of this investigation is to ensure that HKH is financially and operationally self-reliant in a long term sustainable manner. This investigation aligns with the draft 2017-2022 Strategic Plan where the aim is to "Achieve a sustainable financial position; Acute hospital services are in recurrent income/expense balance and cross-subsidies between services are eliminated".

It remains to be seen whether any efficiencies identified in this process are factored into the 2017/18 or the 2018/19 forecast.

7. New Business

7.1 Zone 8 Update

The Acting Chief Executive presented a four page presentation covering the interim accommodation for those affected staff members currently located in Buildings 51 and 52 residing in Zone 8 of the Royal North Shore campus.

Endorsement by the Masterplanning Advisory and Review Committee (MARC) has been received. MARC comprises a wide range of representation to ensure general stakeholder agreement; representatives include the Medical Staff Council, senior staff members across RNSH, and senior executives of NSLHD.

Professor Pollock provided an overview of the history of the Zone 8, the proposed redevelopment and the ownership of this land which is outside the control of RNSH, NSLHD Executives or the NSLHD Board.

Detailed information was provided on the four options that have been considered including the advantages and disadvantages for each of the tabled options. The Acting Chief Executive sought the approval of the Board for the operational decisions undertaken by the NSLHD Executives in seeking the most appropriate option.

The Board discussed the short term options at length and discussed the long term office accommodation requirements. The Board approved the short term option. The Board requested the NSLHD Executives to have due regard to the need for a long term office accommodation strategy.

8. NSLHD Committee Minutes

8.1 Audit and Risk Management Committee

The Board **noted** the endorsed July 2016 minutes.

8.1.1 Audit and Risk Management Committee

The Board **noted** the endorsed September 2016 minutes.

8.2 Capital Asset Planning Committee

Nil available – next meeting December 2016.

8.3 NSLHD Clinical Council

The Board **noted** the endorsed October 2016 minutes.

8.4 Finance and Performance Committee

The Board **noted** the endorsed September 2016 minutes.

8.4.1 Finance and Performance Committee

The Board **noted** the endorsed October 2016 minutes.

8.5 Health Care Quality Committee

The Board **noted** the draft September 2016 minutes.

8.5.1 Health Care Quality Committee

The Board **noted** the draft October 2016 minutes.

8.6 Medical and Dental Appointments Advisory Committee (MDAAC)

The Board **noted** the endorsed October 2016 minutes.

8.7 Medical Staff Executive Council (MSEC)

The Board **noted** the endorsed August 2016 minutes.

8.8 Peak Community and Consumer Participation Council (PCCPC)

The Board **noted** the endorsed August 2016 minutes.

8.9 NSLHD and Primary Health Network Executive Council

Nil available – next meeting will be held in 2017.

9. Correspondence

9.1 Thank you letter to recently retired Board member, Mr Peter Young

The Board **noted** the tabled document.

Correspondence without notice

[Health Legislation Amendment Act 2016](#)

Although not tabled the Board discussed the recent correspondence from the MoH alerting to the passage of the *Health Legislation Amendment Act 2016*. A number of amendments have been made to the *Health Services Act 1997* to enhance the alignment of the governance arrangements to enable LHDs to simplify the processes for making By-Laws.

Professor Pollock made reference to a number of the changes that will affect Board functions; a member of staff on the Board cannot be present whilst undertaking the Chief Executive performance review; and the opportunity for Board members to be appointed for 5 years with a total provision for their tenure being 10 years.

Bureau of Health Information (BHI) – July to September 2016 Reporting

Professor Pollock alerted the Board and NSLHD Executives to the recently released report and recommended that all should download and view the information provided. Professor Pollock highlighted the areas where NSLHD outperformed other peers groups and congratulated the Executives for this performance.

10. Assignment of Common Seal Document

10.1 The Board **noted** the documents signed under common seal.

11. Date, Time & Venue for Next Meeting

21 February 2017, commencing at 4:30pm at Boardroom, Building 51, RNS campus

Meeting Closed: 7:10pm

CERTIFIED A CORRECT RECORD

**By Mr Trevor Danos AM, Chair
On 22 February 2017**