

# NSLHD BOARD MEETING

TUESDAY, 2 FEBRUARY 2016

BOARDROOM, NSLHD EXECUTIVE



Health  
Northern Sydney  
Local Health District

## MINUTES

### Present:

Professor Carol Pollock	Chair, Board
Adjunct Professor Ann Brassil	Board Member
Ms Diane Flecknoe-Brown	Board Member
Mr Andrew Goodsall	Board Member
Ms Beata Kuchcinska	Board Member
Mr Peter Young	Board Member
Mr Don Marples	Board Member
Mr Anthony Hollis	Board Member
Adj. Associate Professor Annette Schmiede	Board Member (via telephone)
Dr Dianne Ball	Board Member
Ms Betty Johnson AO	Board Member

### In attendance:

Dr Andrew Montague	A/Chief Executive
Mr Lee Gregory	A/Exec. Director Operations NSRHS/NSLHD
Ms Jen Smithwick	A/Director Finance & Corporate Services
Ms Maree Hynes	A/Director Performance, Innovation and Integrated Care
Dr George Lau	Chair Medical Staff Executive Council
Ms Carol Parker	Secretariat

### Apologies:

Adj. Associate Professor Vicki Taylor	Chief Executive, NSLHD
Dr Michele Franks	Board Member

## 1. Presentation – Update Innovation Plan

Ms Maree Hynes, Director Innovation and Performance and Integrated Care presented an update of the Innovation Plan for the NSLHD, focusing on the Innovation Fund which has tentatively been call the “Blue Sky Program” taking into account feedback from the Board and subsequent discussions.

Rather than focus on funding applications, the program would focus on ideas. The program is dependent on the Energiser Group and will fit into the streams or support structures that are now available. The Group will also look at projects that they are currently working on to see if they are applicable to fit into the Program.

The Innovation Group will be made up of a set of key managers across the LHD and will be the advisory group for the Energisers.

The Board discussed and commented as below;

- What are the KPIs of the Blue Sky Program? How will success be measured?
- Advice from external persons experienced in innovation should be sought
- Assumptions of the innovation strategy itself should be overtly articulated.
- Implementation plans, measuring & evaluating achievement need to be an integral part of each plan.
- The innovation ideas should link directly to our strategic priorities.
- Support of the projects during the implementation phase is key as staff are busy with their roles and may not see this as a priority. Can a structure be put in place to support the whole process?
- There needs to be a cost analysis of each project. A communication strategy to promulgate the programme is required.

Dr Montague advised that the District Executive is committed to engaging external to the health service and health care (e.g. Advisory Board) for advice, and to provide a wider understanding of what is happening outside of the health stream. A more detailed document outlining the broader strategy will be presented to the Board in April.

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## **2. Patient Story**

Professor Pollock relayed to the Board a patient story regarding a person who presented with multiple co-morbidities that ultimately resulted in death after a lengthy hospital stay. This raises the issue of providing the appropriate care to patients and the difficult discussions clinicians undertake in circumstances where a poor outcome could be expected.

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## **3. Attendance / Apologies / Quorum / Conflict of Interest**

Attendance and apologies were noted.  
Conflict of Interest: Nil

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## **4. Confirmation of Minutes**

### **4.1 Minutes of the meeting held 3 November 2015 were confirmed with the following amendments:**

#### **5.5 Risk Register Report Summary**

*The Board did not note the Risk Register Report Summary, but referred it back to the LHD Executive for clarification and discussion at the 1 December Board meeting.*

### **Minutes of In-camera session November 2015 and December 2015 regarding Chief Executive (CE) Remuneration and Performance Review**

The Board discussed the renewal of the contract regarding the CE and the Board's request to have more interaction regarding the performance review. If Board approval is needed in regard to the CE's salary, then the sighting of the Performance Review is required as part of the process.

The Chair advised the Board of the process of CE Performance Reviews, as stated in the Ministry of Policy *Executive Reviews PD2015\_033* ".....*Chief Executives of Local Health Districts and board governed Statutory Health Corporations, responsibility for making annual performance agreements and undertaking at least an annual performance review has been delegated to the Chairperson of the Board of these organisations*".

The Chair indicated that she would be happy to have discussion regarding the review, but would prefer to do this on an individual basis with Board members.

The Board agreed to the wording and arrangements of the extension of leave for CE and the acting arrangements in regard to the Executive Team.

### **4.2 Minutes of the meeting held 1 December 2015 were confirmed with the following amendments:**

#### **5.6 RiskIT**

The Referral Note tabled for Board consideration on 1 December 2015 should read "....*did not address all the concerns raised by the Board*".

Confirmation of the minutes of the November Board meeting should read *3<sup>rd</sup> November* not *4<sup>th</sup> November*.

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## **5. Ongoing Business (in conjunction with Action List)**

## 5.1 Referral Note RiskIT Report

The Board **noted** the referral note which provided information regarding the recent meeting held with Dr Montague, A/CE, Mr Paul Russell, DCG, Mr Peter Young and Mr John Hunter on 18 January 2016. The meeting was held to clarify Mr Young's concerns in respect of the 'Risk Register Report Summary' deferred from the November 2015 and December 2015 Board meeting, and to explore opportunities on how the risk report provided to the Board can better meet the needs of the Board in its governance role.

The suggestions for ongoing process improvement were discussed and advice given that the improvement recommendations were either already in the four year Enterprise Risk Management (ERM) action plan, or recommended in the Internal Audit Report on ERM processes completed in October 2015. Also, the revision of the relevant NSW Health Policy Directive for ERM requires the top 10 downside risks to be reported to MoH on a quarterly basis. This will potentially allow future benchmarking between Health Districts and will be provided to the Audit and Risk Committee and Board in future.

A revised ERM report is under development and has been developed by considering reports from other Health Districts and industries. This will be provided to IRMAC and Audit & Risk for feedback, and can be provided to board members prior to finalisation for their input. Dr Montague advised that the meeting on 18 January 2016 was to discuss the issues raised in the December 2015 Board meeting to be able to ensure the risk report provided to the Board gives adequate information that risk processes and management are in place. Following this feedback the report will be adjusted and taken to the IRMAC and Audit and Risk Committee for comment.

The Board overall felt confident in the risk framework, particularly in the appropriate timeframes and transparent discussions from the Executive on high level risks.

**Action – future reporting template will be presented to IRMAC and the Audit and Risk Committee for comment prior to being circulated to the Board to have input.**

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## 6. Standing Business

### 6.1 A/Chief Executive Summary

The Board **noted** the report.

Dr Montague outlined the Security Issues (page 8). A Round Table discussion will be held next week with MoH to work through a strategy around security in the ED departments. A state-wide audit of processes surrounding security is being organised by the MoH and will involve NSLHD.

### 6.2 Finance and Performance Report

The Board **noted** the Financial Summary for December 2015.

The LHDs result for the month was a budget deficit. A detailed Quarter 2 re-forecast is underway, the LHD remains confident it can manage within its income base given the level of activity purchased by the Ministry.

Unplanned demand (ED Presentations) was 1.9% higher than for the same period in 2014. Growth in separations continues to track slightly below the funded year to date activity targets

Key challenge is management of length of stay of patients which continues to trend up over the past 12 months at RNSH and Ryde. A focus on management of the bed plans and discharge processes is a key focus for the LHD.

FTE increased by 33 FTE driven by an increase in unproductive FTE as a result of leave planning including strategies in place to reduce excess annual leave.

In regard to the issue of VMO payments, HealthShare have set up a technical group to look at a solution to the problem but cannot give a timeframe of finalisation. Once the preliminary information is received from HealthShare then a decision can be made on the best solution for the LHD.

In response to SP&T Fund overdraws, in December there were 10 overdrawn accounts, mainly research. The process now in place is that the SP&T unit will contact the manager of the account to discuss how the overdrawn amounts can be reduced.

A meeting with the MoH will be arranged in the near future in regard to overall improvements made by the LHD which should see a revision of the current performance level.

In regard to the new Rostering system, the project is on track and should be implemented by 31 December 2016. Reports regarding reductions in excess annual leave are showing excellent results.

## **6.5 OESI Report (s)**

The Board **noted** the November and December reports which are provided quarterly.

Key issues in November and December Reports:

Patient Fees at Hornsby and Ryde continue to lead the favourable variance to target with additional savings coming from Staff Specialist Facility Fees (RNS), VMO Expenditure Management (Ryde) as well as Contract Management.

Ryde Nursing (Workforce Improvement) – Agency staffing cost review completed, highlighting various areas of focus including replenishment of the nursing casual pool, recruitment for maternity leave cover and strategies to address increased length of stay.

Fleet Reduction Programme – Fleet savings are being impacted by an increased level of repairs, a result of the large number of leases expired Sept-Nov 2015. Fleet savings should increase moving forward as this impact subsides.

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## **7. New Business**

### **7.1 Board Planning Day(s) Minutes with Action Sheet**

The minutes were **endorsed** as a true record of the meeting.

Action sheet to be updated regarding action items from page 6 of the minutes.

#### **7.1.1 Draft Methodology for Development of the NSLHD Strategic Plan 2016 – 20**

The Chair acknowledged the feedback from Board members. Dr Montague advised that the planning team have reviewed the document, the next step is for feedback from the Executive Leadership Team, then all comments will go back to external consultant who will help lead discussion on the Strategic Plan.

There was discussion on the best way to operationalize the Plan i.e. should the Plan start from a clean state or follow on what is in place now. The external consultant has agreed to come to the next Board meeting to discuss these issues, particularly on how the Board would like to be engaged. This will be a constructive opportunity for the Board to interact with staff in developing the plan.

### **7.2 Board Charter Review**

Minor changes to the Board Charter were approved.

### **7.3 Talent Development Framework Review and Revised Action Plan**

The Board **noted** the revised Action Plan. Ms Street will report to the Board as per calendar date.

It was noted by the Board in their opinion that the KPI's as shown at present, will not demonstrate the evidence of success. It was suggested that Ms Ball provide the Chair with suggestions regarding KPI reporting for distribution to Dr Montague and Ms Street within the next week.

**Action: Dr Ball to provide the Chair with suggestions for distribution to Dr Montague and Ms Street within the next week.**

#### **7.4 RNSH PPP**

Mr Sam Sangster, Chief Executive, Health Infrastructure, provided the Board with information regarding Governance around the RNSH PPP.

Mr Sangster advised that the LHD management team have been involved in this process. The Director Finance & Corporate Services is contractually and formally the Project Director of the PPP, with the contractual arrangements under delegation sitting with the CE of Health Infrastructure as representative of the Health Administration Corporation. NSW Treasury guidelines also play a role in terms of delegations i.e. when Treasury decides that any changes to a PPP are significant they are required to go back through Treasury.

Mr Sangster also outlined where processes are up to in terms of the present tender process for soft services.

#### **7.5 Enforceable Undertaking Update**

Dr Montague updated the Board regarding the enforceable undertaking and provided an outline of actions to be undertaken.

#### **7.6 BoardPad Update**

Ms Parker provided the Board with information on the BoardPad implementation, with training for the Board and Executive scheduled for the April meeting.

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### **8. NSLHD Committee Minutes**

#### **8.1 Health Care Quality Committee**

Meeting of November cancelled due to lack of quorum; next meeting 11 February 2016.

#### **8.2 Medical and Dental Appointments Advisory Committee (MDAAC)**

The endorsed minutes of November 2015 and draft minutes of December 2015 were **noted** by the Board.

#### **8.3 Finance and Performance Committee**

The endorsed minutes of November 2015 were **noted** by the Board.

#### **8.4 NSLHD Clinical Council**

The endorsed minutes of November 2015 and draft minutes of December 2015 were **noted** by the Board.

#### **8.5 Medical Staff Executive Council (MSEC)**

No meeting held in December 2015.

#### **8.6 Integrated Risk Management Advisory Committee (IRMAC)**

The endorsed minutes November 2015 and draft minutes December 2015 were **noted** by the Board.

#### **8.7 Capital Asset Planning Committee**

The endorsed minutes of September 2015 were **noted** by the Board.

#### **8.8 Audit and Risk Management Committee**

The endorsed minutes of September 2015 were **noted** by the Board.

#### **8.9 Aboriginal Health Advisory Committee**

The minutes of November 2015 will be presented to the March Board meeting.

#### **8.10 Peak Community and Consumer Participation Council (PCCPC)**

The minutes of November 2015 will be presented to the March Board meeting.

#### **8.11 Education Sub-committee**

The endorsed minutes of October 2015 were **noted** by the Board.

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### **9. Correspondence**

#### **9.1 RNSH PPP – Market testing process and responsibility and delegations in regards the decision making process**

The Board **noted** the correspondence from Mr Sangster refer to item 7.4 for further information regarding Mr Sangster's attendance at the Board meeting.

#### **9.2 Annual Board Calendar of Events 2016**

The calendar is not up to date at present but will be populated and re-issued. It was suggested that future Annual Public Meetings should be held in October or November rather than January as fewer people are away in those months and this might improve the number of community members who would like to attend the meeting.

#### **9.3 Letter of Resignation of Associate Professor Kirsty Foster**

Professor Pollock advised that a personal letter has been written to Professor Foster. It was suggested that a letter from the Board would also be appropriate.

**Action: Board Secretary to draft letter**

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### **10. Assignment of Common Seal Document**

The Board noted the report.

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### **11. Other business**

#### **Australian Honours List**

A letter of congratulations will be sent to the Secretary, Dr Mary Foley on behalf of the Board.

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### **12. Date, Time & Venue for Next Meeting**

1 March, Manly Hospital, arrangements to meet staff prior to meeting to be arranged.

**Meeting Closed: 7:50pm**

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### **CERTIFIED A CORRECT RECORD**

**By Professor Carol Pollock, Chair  
On 5 May 2016**