

MINUTES
SOUTH EASTERN SYDNEY LOCAL HEALTH DISTRICT
BOARD MEETING
5 JUNE 2013
16:00 – 19:00
MULTI-PURPOSE FUNCTIONS ROOM
LEVEL 4
THE SUTHERLAND HOSPITAL

PART A.	MEETING OPENING	
	Item 1	<p>WELCOME</p> <p>1.1 Apologies</p> <ul style="list-style-type: none"> • Dr Ingrid van Beek • A/Prof Peter Smerdely • Dr Michael McGlynn – Executive Medical Director <p>1.2 Members:</p> <ul style="list-style-type: none"> • A/Prof Peter Gonski (Acting Chair) • Hon. Morris Iemma (Via teleconference, present for items 1- 8.1& 14.1) • Ms Patricia Azarias • Dr Harry Harinath • Mr Robert Boyd-Boland • Ms Deborah Cansdell • A/Prof Robert Farnsworth • Mrs Janet McDonald • Ms Kate Munnings (present for items 1- 6.5, 8.1 & 14.1) • Ms Kristin Stubbins (present for items 1- 8.1& 14.1) • Prof Jeanette Ward <p>In Attendance:</p> <ul style="list-style-type: none"> • Mr Terry Clout – Chief Executive • Ms Karen Foldi – Director of Finance (present for items 1-8) • Ms Kim Olesen – Director Nursing & Midwifery Services (present for items 1- 6.5) • Prof James Colebatch – Chair Medical Staff Executive Council (present for items 1- 6.5) <p>Secretariat:</p> <ul style="list-style-type: none"> • Ms Melissa Angelucci– Board Secretary
	Item 2	<p>DECLARATION OF PECUNIARY INTEREST, CONFLICT OF INTEREST AND DIRECTOR RELATED TRANSACTIONS</p> <p>There were no potential conflicts of interests declared at the meeting on 5 June 2013.</p>

	<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 9-12) of the SESLHD Board meeting held 8 May 2013 as an accurate record of proceedings.</p> <p>Resolution 205 "That the Board approves the minutes (excluding items 9-12) of the SESLHD Board meeting held on 8 May 2013 as an accurate record of proceedings."</p> <p>Moved: K Stubbins Seconded: P Azarias Carried</p>
	<p>Item 4</p> <p>4.1</p>	<p>ACTIONS ARISING</p> <p>Action Log The Board noted the action log (excluding items relating to 9-11), for information.</p>
Part B	CHAIR & CHIEF'S EXECUTIVE REPORTS	
	<p>Item 5</p> <p>5.1</p> <p>5.2</p>	<p>CHAIRS REPORTS</p> <p>Letter to Hon Jillian Skinner re-reform journey for NSW Health The letter to Hon Jillian Skinner re-reform journey for NSW Health was noted.</p> <p>Cash position and 2013 assistance request The cash position and 2013 assistance request was discussed. The following key points were noted:</p> <ul style="list-style-type: none"> • The Board noted that the District's over expenditure position had seriously impacted on cash availability to pay wages and creditors. The District has sought \$34 million in assistance from the Ministry of Health so to pay creditors in a timely manner. • The components that are contributing to the unfavourable budget include goods and services and salary and wages costs (including Special Purposes Funds), an increase in total debtors and delays in salary packaging. • The District is currently projecting an \$11 million budget deficit at the end of the financial year. • If cost is not aligned with budget next year, the cash flow problem will continue which is unacceptable. • The Finance and Performance Committee supports the work being undertaken by the management team and will be undertaking more work in understanding and controlling salaries and wages and goods and services expenditure. <p>It was noted that revenue generated by Salary Packaging is \$4 million lower than last year. Salary Packaging is a hosted service which changed its processes in 2013. The District has communicated that this new process has been unsatisfactory and has been assured that a revised, more appropriate process will be used in the future and that the backlog of processing will be substantially addressed by 30 June 2013.</p> <p>The Board noted that revenue is performing well.</p>

		<p>The Board noted a letter from the Director General dated 29 May 2013, regarding the District's downgrading to Performance Level 3. This discussion is detailed in Item 14.1.</p>
	<p>Item 6</p> <p>6.1</p> <p>6.2</p> <p>6.3</p>	<p>CE's REPORT</p> <p>Organisational KPI Report – April 2013 The Board noted the Organisational KPI Report for April 2013.</p> <p>Budget Review 2013/2014 Ms K Stubbins reported on the Finance and Performance Committee's discussion of the 2012/13 financial position. The following summary was provided:</p> <ul style="list-style-type: none"> • The Committee discussed governance processes and how the Committee could work more closely with Board Sub-Committees. The outcome of their discussion will be brought to the Board at a later date. • The Committee discussed the risk to the current year budget by facility/service and at a sector level. It was noted that both the POWH and the Southern Sector are risks, however the Southern Sector has emerged as a significant risk given the recent budget overruns which were unexpected by the Sector management and Clinical Council. The current end of year projection by the Chief Financial Officer and Chief Executive for the sector is \$5.1 million by the Sector and \$6.7 million. While both of these projections are based on the best information available, the Chief Financial Officer and Chief Executive consider the Southern Sector to be a high risk, given their end of April year to date unfavourable position to budget. It was noted that the Chief Executive has advised the Ministry of Health and the Chief Financial Officer that the SESLHD end of year result would likely be between \$11 and \$15 million unfavourable to budget. The Chief Executive had also advised the Committee that the Chair of the Board had been advised that the LHD's performance level had been downgraded to Performance Level 3 (This is discussed specifically in Item 14.1 of the Board minutes). • The Committee is satisfied with the processes being executed by the management team. <p>The Committee indicated there could be no certainty that the end of year result would be no more than \$11 million as this would depend on the outcomes of May and June and the impact of various end of financial year technical adjustments.</p> <p>Southern Sector Recovery Plan The Board noted the Southern Sector Recovery plan as provided within the Board pack.</p> <p>It was noted that there is a real risk that the demands of the strategies in the Southern and Northern recovery plans will result in an inability to fully meet other Key Performance Indicators, for example NEST and NEAT targets.</p> <p>Managing activity to target was discussed. It was emphasised by the Board that the District must be strict in ensuring that it operates within the activity it is commissioned by the Ministry of Health to deliver in the next financial year. It was suggested that emergency activity can be managed, to an extent, by</p>

	<p>6.4</p>	<p>developing effective primary care programs that promote a decrease in emergency admissions.</p> <p>Peritonectomy</p> <p>This item has been marked as confidential</p>
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	6.5	<p>Resolution 206 "That the SESLHD Board reaffirms its support of the St George Clinical Council with regard to its decision-making around Peritonectomy Services."</p> <p>Moved: J Ward Seconded: M lemma Carried</p> <p>The Board noted that the discussions held regarding Peritonectomy Services are of a confidential nature as to the extent that they relate to individuals, specific clinicians and specific patient care.</p> <p>First Draft Service Agreement for 2013/2014 The Board noted the First Draft Service Agreement for 2013/14.</p>
<p>At 6:40pm, following Item 6.5, the Co-Chairs of the Northern Sector Clinical Council attended to discuss Item 8.1.</p> <p>At 7:00pm, (following Item 8.1), Ms Kate Munnings left the meeting and the Board meeting was put on hold in order to hold the scheduled combined meeting between the Board and the Chair/Co-Chairs of the Sector/Facility Clinical Councils/District Clinical and Quality Council.</p> <p>At 7:20pm (at the completion of the combined meeting) the Hon Morris lemma left the meeting and the Board resumed the normal Board meeting at Item 6.6.</p>		
	6.6	<p>Budget Allocation Methodology Due to time constraints the 'Budget Allocation Methodology' presentation prepared by the Chief Executive was not presented. The presentation is to be circulated to Board members and attendees.</p> <p>The Board noted that the Methodology document has been through all channels including the District Executive Team, Sector/Facility Clinical Councils and the District Clinical Council and was supported at all such levels. The Board noted that the methodology was recommended to the Board by the SESLHD Clinical and Quality Council and the Chief Executive.</p> <p>Resolution 206 "That the SESLHD Board approves the Budget Allocation Methodology for the 2013/14 financial year".</p> <p>Moved: J Ward Seconded: R Farnsworth Carried</p>
<p>Part C SUBCOMMITTEE REPORTS/COMPLIANCE ISSUES/PAPERS FOR INFORMATION</p>		
	Item 7	<p>SESLHD COMMITTEE REPORTS</p> <p>7.1 Clinical & Quality Council</p> <p>7.1.1 Clinical & Quality Council Minutes The Board noted:</p> <ul style="list-style-type: none"> • The ratified minutes of the Clinical & Quality Council meeting held on 24 April 2013 • The draft minutes of the Clinical & Quality Council meeting held on 22

		May 2013.
	7.2	Finance & Performance Committee
	7.2.1	Finance & Performance Committee Minutes The April finance & Performance Committee minutes were noted for information.
	7.2.2	SESLHD Financial Narrative The SESLHD financial narrative for the period ending April 2013 was noted by the Board. Resolution 208 "That the SESLHD Board approves the SESLHD financial narrative report for the period ending January 2013." Moved: J Ward Seconded: D Cansdell Carried
	7.3	Audit & Risk Management Committee
	7.3.1	Audit & Risk Management Committee Minutes The Board noted the draft minutes of the Extraordinary Risk Management Committee meeting held on 18 April 2013.
	7.4	Community Advisory Committee
	7.4.1	Community Advisory Committee Update The Board noted: <ul style="list-style-type: none"> • The ratified minutes of the Community Advisory Committee meeting held on 13 February 2013 • The draft minutes of the Community Advisory Committee meeting held on 16 May 2013.
	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 meeting since the last Board meeting.
	7.6	Medical Staff Executive Council Minutes It was noted that there were no meeting papers available to note since the last Board meeting
	7.7	RHW Transitional Sub-Committee minutes The Board noted: <ul style="list-style-type: none"> • The ratified minutes of the RHW Transitional Sub-Committee meeting held on 15 April 2013 • The draft minutes of the RHW Transitional Sub-Committee meeting held on 20 May 2013.
Part D	PRESENTATION	

8.1	<p>POWH FINANCIAL RECOVERY PLAN</p> <p>The Board welcomed the Co-Chairs of the Northern Sector Clinical Council:</p> <ul style="list-style-type: none"> • Mr Jon Roberts, Director of Operations, Northern Sector • A/Prof Roger Allan, Chair, Northern Sector Clinical Council. <p>The Co-Chairs presented the POWH Budget Recovery Plan. PowerPoint presentation to be circulated with Board minutes.</p> <p>The Co-Chairs affirmed that the Northern Sector Clinical Council is confident that the Northern Sector's savings projections will be achieved by the end of June 2014. Mr Jon Roberts noted that all activities, actions and controls, which are necessary to underpin the savings, are underway and in place.</p> <p>The Co-Chairs also affirmed that they have the full support of the Northern Sector Clinical Council in executing the Financial Recovery Plan and expect the relationship between the management team and the Council to continue to be effective into the future.</p> <p>The Board approved the Northern Sector Financial Recovery Plan subject to review in the light of the 2013/14 Budget when issued and the Plans approval by the Director General.</p> <p>The Board thanked the guests for their attendance and presentation.</p> <p>Resolution 206 "That the Board approves the Northern Sector Financial Recovery Plan subject to review in the light of the 2013/14 Budget when issued and the Plans approval by the Director General".</p> <p>Moved: D Cansdell Seconded: P Azarias Carried</p>
Part E	BUSINESS WITHOUT NOTICE
14.1	<p>Letter from K Whelan to M lemma – re Escalation of SESLHD to Performance Level '3'.</p> <p>The Chairman had received a letter from the Director General, dated 29 May 2013 advising that the SESLD Performance level had been downgraded from a level 2 – 'under-performing' to a level 3 – 'serious underperformance risk'. This is due to concern around the District's financial position and NEST performance at St George and POW Hospitals. The Board agreed this correspondence would be distributed to members</p> <p>The Board noted that the response to this downgrade will mean all recovery strategies developed by the District and approved by the Board, must satisfy the Ministry of Health (MoH) and progress will be formally monitored by the Ministry of Health over a time frame agreed with the MoH.</p>

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5 JUNE 2013
19:30 – 19:45
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PART D	BOARD ADMINISTRATION MATTERS (BOARD MEMBERS AND CE ONLY)
	<p>Part D commenced at 7:20pm</p> <p>ATTENDANCE Apologies</p> <ul style="list-style-type: none"> • Dr Ingrid van Beek • A/Prof Peter Smerdely • Hon. Morris Iemma • Ms Kate Munnings • Ms Kristin Stubbins <p>Members:</p> <ul style="list-style-type: none"> • A/Prof Peter Gonski (Acting Chair) • Ms Patricia Azarias • Dr Harry Harinath • Mr Robert Boyd-Boland • Ms Deborah Cansdell • A/Prof Robert Farnsworth • Mrs Janet McDonald • Prof Jeanette Ward <p>In Attendance:</p> <ul style="list-style-type: none"> • Mr Terry Clout – Chief Executive
	<p>Item 9 BOARD ADMINISTRATIVE MATTERS</p> <p>9.1 Minute of Board Meeting held 5 June 2013 (items 9-12) The Board endorsed the minutes (items 9-12) of the SESLHD Board meeting held 6 February 2013 as an accurate record of proceedings.</p> <p>Resolution 209 “That the Board approve the minutes (items 9-12) of the SESLHD Board meeting held on 5 June 2013 as an accurate record of proceedings.”</p> <p>Moved: G Harinath Seconded: R Boyd-Boland Carried</p>
	<p>9.2 Minute of joint meeting between SESLHD Board and the RHW Clinical Council The Board noted the minutes of the joint meeting between the SESLHD Board and the RHW Clinical Council meeting held 8 May 2013.</p>

	9.3	Actions Arising The Board noted the action log (relating to items 9-12) as at 8 May 2013, for information.
	Item 10	Chair's Report Nil report.
	Item 11	Chief Executive's Report
	11.1	Role and By-laws of sector/facility clinical Councils The Board noted that this item was discussed in depth during the meeting between the SESLHD Board and Sector/Facility Clinical Council Chairs/Co-Chairs and the Clinical and Quality Council chairs/Co-Chairs (meeting held 5 June 2013) and will be addressed by the review of all Charters over the coming months under the guidance of the Board governance Committee.
	Item 12	Board Sub-Committees
	12.1	Board Governance Committee
	12.1.1	Board Governance Update The Board Governance Committee update brief was noted for information. The wording in one section of the Brief was discussed. It was agreed that the Board member who raised the issue would discuss with the Board Secretary, out of session to suggest some alternative wording.
Part E	CORRESPONDANCE	
	Item 13	CORRESPONDENCE RECEIVED The Board noted for information the correspondence received register, as updated on 29 May 2013.
Part F	MEETING CLOSE	
	Item 14	BUSINESS WITHOUT NOTICE
	Item 14.1	Communication between Board and Chief Executive The Board further discussed the concerns raised regarding the Peritonectomy discussion and in particular, the concern relating to the communication Board members on contentious matters which have high profile media coverage. There was also discussion on the circumstances in which an urgent, extraordinary Board meeting was necessary and who should decide when the full Board needed to be involved in decision making on such issues. The Chair noted that this is a very important issue. Given that a number of Board members have had to leave the meeting, the time was very late, and that some Board members had been in meetings for eight hours, the majority of the board members present agreed that the discussion be deferred to the next Board only meeting. The Board member who had read out the statement, articulating concerns, agreed to make an electronic copy of the statement available to all Board members and the Chief Executive (through the Board Secretary), so as to aid discussion at the next Board only meeting. The Chief Executive noted that he considered that the general issues raised

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		<p>within the statement are very important and needed full discussion and resolution and that misconception needed to be clarified.</p> <p>Actions:</p> <ul style="list-style-type: none"> • Board Secretary to obtain an electronic copy of the statement read out at the Board meeting • Board Secretary to circulate statement to all Board members and Chief Executive • Board Secretary to place on the agenda of the July Board only meeting agenda an item relating to the Board's involvement in the management of highly contentious issues
	<p>Item 15</p>	<p>NOTING OF CONFIDENTIAL ITEMS</p> <p>Item 6.4 – Peritonectomy discussions relating to individuals, specific clinicians and specific patient care was noted as confidential.</p>

Meeting closed at: 7:40pm

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Morris Liemng
 Name

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 Signature

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 Date *3/7/13*