

Wednesday 10 December 2014 at 12:00 pm | Claffy Lecture Theatre, Sydney Hospital

## SESLHD Board Minutes

**Board Members:**

- Mr Michael Still (Chair)
- Ms Patricia Azarias
- Ms Deborah Cansdell
- A/Prof Peter Gonski
- Dr Harry Harinath
- Janet McDonald
- Ms Kate Munnings
- A/Prof Peter Smerdely
- A/Prof Ingrid Van Beek
- Prof Jeanette Ward (via teleconference)

**In Attendance:**

- Mr Gerry Marr – Chief Executive
- Ms Karen Foldi – Director of Finance
- Mr Mark Shepherd – Director of Programs
- Mr Michael McGlynn, Medical Executive Director
- Ms Kim Olesen – Director Nursing & Midwifery Services
- Dr Theresa Jacques – Chair Medical Staff Executive Council

**Leave of absence**

- Ms Kristin Stubbins

**Apologies**

- Mr Robert Boyd-Boland

**Secretariat:**

- Ms Melissa Angelucci– Board Secretary

### STANDING ITEMS

**Patient story:**

The Board held over the patient story to the February 2015 meeting.

**Minutes of Board meeting held 26 November 2014**

The Board **approved** the Minutes of the SESLHD Board meeting held 26 November 2014 as an accurate record of proceedings.

*Resolution 288*

"That the Board approves the Minutes of the SESLHD Board meeting held on 26 November 2014 as an accurate record of proceedings."

Moved: J McDonald Seconded: P Gonski

#### **Minutes of Clinical and Quality Council meeting held 12 November 2014**

The Board noted the Minutes of the SESLHD Clinical and Quality Council meeting held 12 November 2014.

It was noted that the Council discussed a multidisciplinary approach to clinical pathways. The Chair of the Clinical and Quality Council would like to see improved governance around clinical pathways within SESLHD.

#### **Minutes of Finance and Performance Committee meeting held 24 November 2014**

The Board noted the Minutes of the Finance and Performance Committee meeting held 24 November 2015

#### **Actions**

The Board noted the Action Log.

#### **Correspondence Register**

The Board noted the correspondence received since 5 December 2014.

#### **Teaching and Research**

This item was deferred to the next meeting.

### **FOCUS**

#### **Year in Review**

The Chief Executive reported to the Board on progress during 2014 and plans for 2015. The following key points were noted;

The District's approach is two tiered, the first approach is a short term plan to rectify the financial position, and the second, broader approach is to be clear about the strategic direction of the District, in order to create a sustainable, high performing organisation.

With respect to the first approach;

- SESLHD has signed off on the Pricewaterhouse Coopers Value Improvement Plan and validated \$11m within that program that is achievable.
- The Program Management Office has established robust systems for the various programs and performance.

<<< Confidential Section >>>

With respect to the first approach;

- A large body of work is underway to increase the capability and capacity of the district. Including a review of the Clinical Governance Unit, a review of the Clinical Streams, establishment of a bottom up patient safety program, establishment of an Improvement Academy and several culture initiatives.
- A large body of work continues to develop in the integrated care space. A detailed overview of this work will be presented to the Board at its planning/strategy day in 2015.
- There is a need for the Service Level Agreement between SESLHD and the Ministry of Health to incentivise non-acute care.

**Action** – Board Secretary to arrange Board planning/strategy day in early 2015.

The Board discussed the 10 Integrated Care Innovation projects that were funded during 2014. Funding for these projects ends in June 2015. The Board noted that it is important that these projects become sustainable and this may require some resource re-allocation.

The Board noted that the 2014 Auditor General’s report was recently released. The report made comment to SESLHD’s cash position. The Chief Executive noted that SESLHD has made significant improvements on its control environment since 2013.

The Board discussed excessive annual leave. It was noted that SESLHD has an excessive leave policy however its level of enforcement comes down to individual managers. The Board questioned whether specific employee categories had higher excessive leave balances.

**Action** – Director of Finance and Chief Executive to investigate SESLHD’s excessive leave balances, by discipline.

**GENERAL BUSINESS**

**GOVERNANCE**

**SESLHD Clinical Ethics**

The Board noted the supplied report outlining the current arrangements and future plans to support Clinical Ethics within SESLHD. It was agreed that the supplied report did not provide the Board assurance that SESLHD is fulfilling its ethical obligations.

It was noted that the information provided at the November Clinical and Quality Council meeting on SESLHD’s ethics governance structure was also unclear. A/Prof Gonski agreed to raise the matter at the December Clinical and Quality Council meeting.

**Hosted Services Service Level Agreement 13/14 with Illawarra Shoalhaven Local Health District**

The Board noted Hosted Services Service Level Agreement 13/14 with Illawarra Shoalhaven Local Health District

It was noted that Breast screen Services is a cost to SESLHD that is then reimbursed as a subsidy from the Ministry of Health.

**FINANCE AND PERFORMANCE**

### **Finance and Performance Update**

Due to the early nature of the December Board meeting, the Director of Finance provided handouts summarising the financial position to all board members at the meeting.

The November 2014 financial result was \$2.6million unfavourable to budget, making the full year projection \$18.4 million unfavourable to budget. This full year projection remains consistent with the agreed target of \$20 million unfavourable to budget.

During November employee related costs and visiting medical officer costs exceeded budget by \$2.7M. Visiting medical officer costs have continued to increase compared to the previous year and the Program Management Office is implementing contractual arrangements to manage the cost. There are delays in implementing some strategies to reduce employee related costs. Overtime represents half of the employee related cost overrun as a result of occupancy being higher than anticipated.

Patient Fees were unfavourable against budget for the period of November. This was mainly due to the budget cash flow which anticipated an increase in revenue due to implementation of strategies.

Other areas of revenue are performing well above budget.

### **Finance and Performance Update**

As there was no Finance and Performance meeting held in December 2014, the Board noted the Action Log from the November Finance and Performance meeting.

## **STRATEGY**

### **Update – Program Management Office**

Mr Mark Shepherd, Director of Programs provided a summary of the PMO report provided on page 52 of the agenda pack.

VMO costs were discussed. The VMO Contract Management Project Plan has been developed and endorsed by local management for each site. The plan has identified that completion of annexures to annual service agreements for all VMOs will be completed by 15 May 2015. Each department will propose a ceiling for VMO hours developed on 13/14 actual hours. All proposed additional hours will be briefed, costed and signed off by Directors of Operations. In addition, the project team will develop four new processes to assist with VMO Contract Management:

The Board noted the 11 Work streams detailed within the PMO report. All work streams are working to develop quantified savings targets and this will be reported against in the future.

**CLOSE**

## **BUSINESS WITHOUT NOTICE**

Board Membership – The Chair noted that A/Prof Ingrid Van Beek and Mr Robert Boyd-Boland will not be continuing as members of the SESLHD Board in 2015. The Chair thanked them for their commitment and work on the Board. Two new Board members, Jonathon Doy and Debra



Graves will be joining the Board from February 2015.

**NOTING OF CONFIDENTIAL ITEMS**

Nil discussion

Date of next meeting:

25 February 2015

4-7pm – Boardroom, Sydney Hospital

Focus – Social Media and Communications

Meeting closed 7pm.

*M. Still*

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**Signature**

*Michael Still*

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**Name**

*25/2/15*

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**Date**