

**MINUTES**  
**ILLAWARRA SHOALHAVEN LOCAL HEALTH DISTRICT**  
**BOARD MEETING**

**Date: Monday 4 November 2013**

**4.00pm – 6.00pm**

**Venue: Conference Rooms 1 & 2, Level 8,  
Block C, Wollongong Hospital**

**ITEM 1: Presentations**

In attendance for the presentation were the recently appointed general managers of Shellharbour Hospital and Shoalhaven District Memorial Hospital. Mr Ian Power, General Manager, Shellharbour Hospital, and Mr Joel George, General Manager, Shoalhaven District Memorial Hospital were introduced to Board members by Ms Noort.

**1.1 SDMH Budget Strategy**

Ms Michelle Noort, Director, Operations, Planning and Performance presented an update on progress related to the Shoalhaven District Memorial Hospital (SDMH) Budget Recovery Strategy. The presentation was prefaced by two reports. A report titled SDMH Budget Strategy Progress Report to November 2013 Board meeting was provided to members by way of inclusion in the Board business papers. This report was noted by Board members.

The second paper was tabled at the meeting via overhead presentation.

Board members had the opportunity to ask questions related to the presentation.

A SDMH organisational cultural and financial change timeline was made available to Board members. The timeline displayed the work that has been undertaken in order to not only reduce the annual deficit, but to maintain the gains in to the future.

The Board congratulated the Chief Executive, the Director, Operations, Planning and Performance, and her team in making sustainable progress in relation to this issue. Members acknowledged the organisational and cultural changes adopted by the District had created a real commitment to the process.

Ms Noort, Mr Power, and Mr George left the meeting.

## **1.2 NSW Agency for Clinical Innovation (ACI)**

Dr Nigel Lyons, Chief Executive, ACI was introduced to Board members by the Chair.

Dr Lyons presented an outline of ACI's role, and how ACI can support LHDs.

Of interest to the Board was the function of the agency in addressing challenges confronting LHDs, the role of ARCHI since transferring from Health Share to ACI, and the agency's view on disinvestment.

An invitation to be involved in the District's annual Quality Awards was extended to ACI, and accepted by Dr Lyons.

**ACTION ITEM:** Director Clinical Governance to be informed of ACI's interest in participating in the District's annual Quality Awards.

## **ITEM 2: Meeting Opening**

### **2.1 Attendance of members**

Clinical Professor Denis King, Ms Sue Baker-Finch, Dr William Pratt, Professor Kathy Eagar, Ms Jill Boehm, Mr Roger Downs, Professor Gerard Sutton, Mr Geoff O'Donnell, Clinical Professor Jan Potter, Ms Marisa Mastroianni, Mr Paul Knight, Associate Professor Rod McMahon

### **2.2 Apologies:**

Nil.

### **2.3 In Attendance**

Mrs Susan Browbank, Mr Henry Kornacki, Mrs Rosemary Croke (secretariat)

### **2.4 Declaration of Pecuniary Interest, Conflict of Interest**

There were no other conflicts of interest, gifts, or benefits declared.

### **2.5 Confirmation of Minutes of meeting held 14 October 2013**

The minutes were accepted as a true and correct record.

### **2.6 Action List**

Action list received and noted by the Board.

### **2.6.1 Microsoft Windows XP**

The Board was informed the draft letter addressed to the Chief Executive, Health Share is under consideration, and will be issued shortly.

The opportunity to seek financial support to assist in the cost recovery of either upgrading or replacing the effected PCs was raised and discussed.

## **ITEM 3: Report**

### **3.1 Chief Executive**

Report received and noted by the Board.

#### **3.1.1 Balanced Scorecard 2013-2014 – month and YTD September 2013**

The Board sought and received a response from the Chief Executive regarding the percentage of mental health readmits within 28 days. A result of 13% is not pleasing however examining this percentage in isolation can be misleading.

#### **3.1.3 Finance Report for period ending 31 A 2013**

Report received and noted by the Board.

#### **3.1.4 Activity Report for period ending 31 August 2013**

Report received and noted by the Board.

## **ITEM 4: Business Arising:**

### **4.1 Risk report including Top 20 'extreme and high risks/opportunities'**

Report received and noted by the Board.

## **ITEM 5: New Business:**

### **5.1 Evaluation of Board Performance**

Report received and noted by the Board.

Members provided a variety of options for evaluating performance gleaned from a variety of sources. It was suggested the Australian Institute of Company Directors (AICD) may be a resource in determining how best the performance of the Board may be evaluated.

Discussion of this item ensued with members agreeing a questionnaire be developed in the first instance.

**ACTION ITEM:** The Chief Executive to undertake this process.

## **5.2 In-house Training Programme**

Report received and noted by the Board.

Members sought information regarding the nature of the particular programme the AICD intends to conduct.

**ACTION ITEMS:** i Programme content to be ascertained and provided to Board members.

ii The date of the training programme to be determined and provided to Board members.

## **5.3 Proposed Annual Plan**

Report received and noted by the Board.

The proposed plan structures District reports and information provided to the Board on an annual basis. The schedule will also afford the District and Board the opportunity to attend a planning day in 2014. Members raised and discussed aspects of the plan at length. The Chief Executive informed the Board the plan has been developed round the timely provision of budget and activity information from the Ministry of Health.

**ACTION ITEMS:** i Chief Executive to finalise the draft plan and provide members with same in advance of the December 2013 Board meeting.

ii Annual Plan to be tabled for endorsement at the December 2013 Board meeting.

The Ministry's distribution of Service Agreements to LHDs in June 2014 is a key factor in the plan. The Board sought information regarding the consultation process the Ministry of Health will be implementing when drafting the 2014-2015 Service Agreement. Information will be sought and provided to members in advance of the December 2013 Board meeting.

**ACTION ITEM:** Chief Executive to make contact with the Ministry of Health seeking confirmation of the process the Ministry will be employing when negotiating the 2014-2015 Service Agreements with LHDs.

## **5.4 Board and Executive Planning Day**

Report received and noted by the Board.

**RESOLUTION (2013/24):**

The Board resolved to endorse a planning day be conducted in February each year.

## **5.5 Cash at Bank**

Report received and noted by the Board.

The Board was informed the significant cash in bank balance has accrued over the past two years and positions the ISLHD with a healthy cash resource. The Board noted the District's intention to expend part of the cash balance for the purchase of equipment and to buy out a number of existing equipment leases. The balance of the account will remain at over \$30m following the planned expenditure.

Members discussed the contents of the report at length, and noted the report details a change in the District's utilisation of funds. There was a general consensus among members that the Board should take a prudent, but not too prudent position in relation to expending from this account. Members questioned the District's ability to sustain a favourable cash balance over time taking into consideration the organisation's short and long term strategies, operational commitments, and liquidity ratio.

**ACTION ITEM:** The Board to be provided with information regarding the monetary value of the District's operational commitments, the District's capital management plan for the replacement of equipment, and the number and cost of the existing leases the District is considering to pay out.

## **5.6 Composition and election of members to Board sub-committees**

Report received and noted by the Board.

The report refers to the need for the Board to comply with clauses in the ISLHD By Laws that make reference to the composition, and the membership's term of office to Board sub-committees. A review of same would be recognised as a process of the Board's Performance Evaluation for 2013.

Members accepted the report recommendations, and supported a review of Board sub-committee Charters, as referenced in the ISLHD By-Laws, be undertaken.

### **RESOLUTION (2013/25):**

The Board endorsed to resolve an evaluation of each Board sub-committee be facilitated by the Chief Executive to determine their appropriateness and effectiveness in meeting governance demands of both the District and the Board.

## **ITEM 6: Confidential Items:**

**6.1 Confidential Item One**

Board members are referred to the Confidential Minute for further information related to this item.

**6.2 Confidential Item Two**

Board members are referred to the Confidential Minute for further information related to this item.

**6.3 Confidential Item Three**

Board members are referred to the Confidential Minute for further information related to this item.

**6.4 Confidential Item Four**

Board members are referred to the Confidential Minute for further information related to this item.

**6.5 Confidential Item Five**

Board members are referred to the Confidential Minute for further information related to this item.

**ITEM 7: Information**

**7.1 Finance and Performance Committee – minutes of meeting held 23 September 2013**

Minutes received and noted by the Board.

**7.2 Planning Committee – draft minutes of meeting held 14 October 2013**

Draft minutes received and noted by the Board.

The Board was informed the Top Ten Board Priorities will be tabled at the 2 December 2013 Board meeting for endorsement.

**7.3 Media and Community Engagement Activity – September 2013 and October 2013**

Report received and noted by the Board.

**7.4 Illawarra Clinical Council – draft minutes of meeting held 9 October 2013**

Draft minutes received and noted by the Board.

**7.5 Medical and Dental Advisory Appointment Committee (MDAAC) – minutes of meeting held 23 September 2013**

Minutes received and noted by the Board.

**ITEM 8: Business Without Notice**

**8.1 Board sub-committee - Aboriginal Health**

The Board was informed the Aboriginal Health Committee has not met for the last three scheduled meetings due to the inability of members to form a quorum. An issue that may be contributing to this problem is the Aboriginal Health Management Committee meets on a quarterly basis as data pertaining to that committee's agenda is made available on a quarterly basis. The Board noted the committee is responsible for delivering on programmes and a change in the meeting schedule may delay delivery processes.

It was recommended the committee meets quarterly rather than monthly.

**ACTION ITEM:** Issue to be revisited in early 2014 following the evaluation of the sub-committee's Charter.

**8.2 Information Technology Services**

The Board noted the Audit and Risk Management Committee has been requesting an information technology business continuity plan from Health Share as information technology failure's rating of high on the District's risk register. To date this information has not been received by the committee.

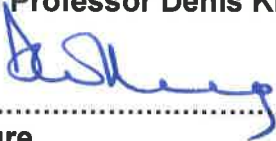
**ACTION ITEM:** The Chair will again raise this issue with the Ministry of Health.

**Meeting closed at 6.20pm.**

**Next meeting:** Monday 2 December 2013  
4.00pm – 6.00pm  
Conference Rooms  
Level 8, Block C  
Wollongong Hospital

**CERTIFIED A CORRECT RECORD**

**Clinical Professor Denis King**

  
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**Signature**

2.12.13  
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**Date**

TRIM Ref: DT13/65916