

| <b>The Sydney Children's Hospitals Network<br/>(Randwick &amp; Westmead)</b> |  |
|--|--|
| <b>Date</b>  | Wednesday, 3 <sup>rd</sup> April 2019  |
| <b>Time</b>  | NED Session: 8.30am to 9.30am<br>SCHN Board Meeting: 9.30am to 11.30am   |
| <b>Location</b>  | Boardroom, Level 4, The Children's Hospital at Westmead  |
| <b>Membership</b>  | <p><b>SCHN Board members</b><br/>           Professor Christine Bennett AO (Chair)<br/>           Professor Louise Baur AM<br/>           Dr Abby Bloom<br/>           Ms Joanna Capon OAM<br/>           Mr Jack Ford<br/>           Ms Jane Freudenstein<br/>           Ms Elizabeth McEntyre<br/>           Mr Bruce MacDiarmid<br/>           Mr David Nott<br/>           Professor Kim Oates AM<br/>           Professor Donna Waters<br/>           Mr Jeremy Wright<br/>           Professor Les White AM</p> <p><b>Ex officio invitees</b><br/>           Dr Michael Brydon Chief Executive, SCHN<br/>           Adjunct Prof Cheryl McCullagh (Director of Clinical Integration)<br/>           Dr Susan Russell (MSC SCH Representative)<br/>           Dr Kathryn Carmo (MSC CHW Chair)<br/>           Dr Mary McCaskill (Executive Medical Director, SCHN)<br/>           Mr Brian Jackson (Director of Finance and Corporate Services, SCHN)<br/>           Dr Matthew O'Meara (NSW Chief Paediatrician)</p> <p><b>In attendance</b><br/>           Mr Duncan Makeig (Board Chair, Sydney Children's Hospital Foundation)<br/>           Ms Kate Hurle, Manager Executive Services (Board Secretariat)</p> |
| <b>Secretariat<br/>Contact:</b>  | Manager Executive Services<br>Sydney Children's Hospitals Network<br>Ph: 9845 3637 mobile 0417 561 273   |

| ITEM     | DESCRIPTION                   | RESPONSIBILITY | PAGE # | TIME | ACTION REQUIRED |
|----------|-------------------------------|----------------|--------|------|-----------------|
| <b>1</b> | <b>Administrative Matters</b> |                |        |      |                 |

|     |                               |              |  |  |                   |
|-----|-------------------------------|--------------|--|--|-------------------|
| 1.1 | <b>Welcome and Attendance</b> | <b>Chair</b> |  |  | <b>For noting</b> |
|-----|-------------------------------|--------------|--|--|-------------------|

**Present:**

**SCHN Board Members:** Christine Bennett (Chair), Louise Baur, Abby Bloom, Jack Ford, Jane Freudenstein, Elizabeth McEntyre, Bruce MacDiarmid, David Nott (Deputy Chair), Kim Oates, Donna Waters, Jeremy Wright, Les White

**Ex officio invitees:**

Michael Brydon, Cheryl McCullagh, Susan Russell, Kathryn Carmo, Mary McCaskill, Brian Jackson, Matthew O'Meara (via video link)

|     |                  |              |   |  |  |
|-----|------------------|--------------|---|--|--|
| 1.2 | <b>Apologies</b> | <b>Chair</b> | - |  |  |
|-----|------------------|--------------|---|--|--|

**SCHN NED Members:** Joanna Capon

**Observer:** Duncan Makeig

|     |   |              |   |  |  |
|-----|---|--------------|---|--|--|
| 1.3 | <b>Declaration of Conflicts of Interest</b> | <b>Chair</b> | - |  |  |
|-----|---|--------------|---|--|--|

L Baur noted her role as the Principal Investigator of the Fast Track clinical trial given complaints received regarding this trial and associated media coverage are included on the agenda for this meeting.

|     |                                |              |  |  |  |
|-----|--------------------------------|--------------|--|--|--|
| 1.4 | <b>Chair's Opening Remarks</b> | <b>Chair</b> |  |  |  |
|-----|--------------------------------|--------------|--|--|--|

The Chair opened the meeting with a summary of the NED session held from 8.30am to 10am. The Chair advised that the following matters were discussed:

**a) Transition Arrangements for the Chair**

The Chair confirmed that, although this will be her last Board meeting, she will continue in the role until the end of April to provide continuity for the leave of the Deputy Chair and Chief Executive. From 1 May, David Nott will take the role of Acting Board Chair pending the formal appointment by the Minister of a new Chair for SCHN. A formal announcement of these arrangements will be distributed by the Secretary of the Department in due course.

**b) Governance Review**

The review is underway with meetings occurring or to occur with Board members (either individually or some together as a small group) and a range of staff and other stakeholders. The Chair advised that she hoped that the Review process will put aside a time for the Panel's draft major themes to be discussed with the Board prior to their finalization and she will discuss putting this in place with the Panel's Chair. The board agreed with this approach.

**Action/Decision:**

- *The Chair to discuss with the Review Panel Chair the board's wish to arrange a meeting to discuss the Panel major draft themes prior to its finalization.*

**c) Executive Recruitment**

Discussions noted that some interim arrangements for Executive roles will remain in place pending the conclusion of the Governance Review process. The Chief Executive or Acting CE, as appropriate, will provide a discussion paper for possible structure amendments post finalization of the Review and consideration of any recommendations.

**Action / Decision**

- *The Chief Executive/Acting CE will provide a discussion paper for possible executive structure amendments post finalization of the review and consideration of any recommendations.*

**d) Network Bylaws**

SCHN are currently operating under bylaws that were endorsed in 2015. A revised model bylaw template was released by the Ministry in 2017 which has not been implemented by SCHN as yet. A review has occurred which has identified some areas where SCHN's current processes are not in line with the bylaws. It was agreed that this discrepancy will be raised with the review panel for consideration.

**Action / Decision**

The Chief Executive will provide the current SCHN bylaws and most recent MoH Model bylaws to the review panel highlighting the current discrepancy for consideration

**e) Community Engagement and Communications Committee**

The Chair tabled draft Terms of Reference including scope of functions of this proposed committee. The Board endorsed the establishment of this committee, noting that an initial meeting will be held in April 2019, at which the Terms of Reference will be further developed. These will be re-presented to the May 2019 Board meeting for final approval. The Chair will advise the Governance Review Panel of the formation of this committee.

**Action / Decision**

- The draft Terms of Reference once reformatted will be distributed to the full Board by the Secretariat
- A meeting of the CECC will be scheduled for April at which the draft Terms of Reference will be further developed
- The Chair will advise the Governance Review panel of the formation of this committee

**f) Chief Executive Leave**

The Chair noted that the CE would be on extended leave for from mid April, and that Cheryl McCullagh would be acting CE during the CE's absence.

**2 Minutes and Action Items**

**2.1 Review of Minutes** **Chair** **For approval**

**Minutes of Regular Meeting of the SCHN Board meetings held:**

**6 February 2019**

The minutes of the meeting held 6 February 2019 were accepted as an accurate record of the meeting.

- **6 March 2019**

The minutes of the meeting held 6 March 2019 were accepted as an accurate record of the meeting. It was noted that small typographical errors would be corrected prior to publication.

**Minutes of Extraordinary meetings of the NED held in January and February 2019**

It was noted that several meetings of the Board's NEDs occurred in January and February 2019. The records of these meetings were noted by the NED.

**2.2 Matters Arising from Previous Meeting**

The action sheet was reviewed, noting that the majority of items have been incorporated into the April agenda. A review of the terminology was recommended to ensure clarity of status of actions and that high priority actions are identified.

It was noted that a reconsideration of the "Sydney Way For Kids" briefing in relation to the description "relatively comprehensive" services at each site was not currently reflected in the action sheet. This will be reinstated.

**2.2.1 Review of Action Table** **For noting**

**Reporting of Active Litigations and Disputes**

*Action Item 1.4 (06/03/2019) - The CE and Board Chair will consider including a report on active litigations and disputes*

A report has been provided to the NEDs for consideration, focused on significant industrial / legal workforce matters. Both the content and the distribution of this report are strictly limited to avoid identifiable personal information being revealed and distributed.



## 4 Strategic Focus Financial Performance

### 4.1 Patient Story

Chief Executive

For noting

A story was shared regarding a non-resident, Medicare ineligible family living outside of Australia who may be seeking access to a high cost medication for their child. This case is an example of the many enquiries of this nature that are received by the Network and provided an insight to the complexity associated with managing these requests. It was noted that there are ethical implications to the decision making as well as financial implications. Empathy for the families seeking care was also expressed as it is understandable that these families are seeking access to the best available care for their children. Discussion reflected that these situations become even more complex when the child seeking care is living in Australia and not eligible to access care under Medicare and do not have coverage under insurance.

The clinician time that is engaged in responding to requests like this was raised; the Chief Executive advised that processes are in place for these enquiries to be most often referred on to the Director of Clinical Operations for early management.

The learnings of this patient story included the complex ethical and financial considerations that the Network regularly manages in relation to the overseas / Medicare ineligible patients.

### 4.2 Finance

Chief Executive / Director of  
Finance and Corporate  
Services

For discussion

The Chief Executive outlined the overall financial environment that SCHN is operating within, including the decreasing revenue for the NSW State Government and in the continuing increases in the cost of delivering healthcare. It was noted that there has been significant capital investment by the NSW Government, of which SCHN is a grateful recipient. Increasing the size and capacity of a hospital increases the operating costs which will place additional pressure onto the recurrent budget.

Discussion noted that this is a challenging juxtaposition to the increasing demand and complexity of patient presentations that are being consistently experienced by the Network.

The DFCS provided a comprehensive presentation on the year end projections for SCHN, noting the following key points:

- February activity at SCHN was 7.6% over target – similar figures posted elsewhere in the NSW health system.
- Significant additional resources have gone into meeting that activity.
- Year End activity will be at least 1% over target (\$5-6m impact).
- The Full Year Forecast has been affected – currently \$11.0m adverse to Budget.
- Full Year over-run in expenses largely due to investments in additional clinical staff across the Network.

Strategies to support the management of the available budget were discussed noting that the recent increase in FTE relates predominately to front line staff who are essential to manage current demand. Leave management and maximization of the down time opportunity over the Easter period are particularly important. Overtime is also being closely managed and it was noted that the investment made in the Health Roster program is assisting in transparency and monitoring.

The DFCS also reported on current SCHF activity, noting that there is a decrease in the availability of unspecified donations in the current financial year and a material decrease in fundraising overall at CHW.

It was agreed that it would be beneficial to invite the Chair and Chief Executive of the SCH Foundation to meet with the SCHN Board to discuss the Foundation's first year activity and strategic focus over the coming 12 months.

#### **Actions / Decision**

- *Strategies and projects to mitigate the financial situation will continue to be discussed at the Finance and Performance and Executive meetings.*
- *The Chief Executive will invite the Chair and Chief Executive of the SCH Foundation to attend the May 2019 Board meeting to discuss the Foundation's first year activity and strategic focus over the coming 12 months.*

## Finance - Strategic Objectives Update

A new reporting approach to inform the Board of progress against this domain of the strategic plan has been developed. Feedback was invited to support refinement of this report.

### Actions / Decision

- *The report has been distributed to the Board for feedback on approach.*

## 5 Matters for Discussion / Approval

**5.1 External Review of SCHN Governance** **Chair / Chief Executive** **For discussion**

Refer to the Chair's opening remarks.

## 5 Matters for Discussion / Approval (continued)

**5.2 IT Integration at SCH** **Chief Executive / Director of Clinical Integration**

The provided brief and risk analysis was considered. The Director of Clinical Integration emphasised that this report is focused on the risks and challenges and does not outline the extensive benefits that the integration brings in the longer term. These were briefly outlined, focusing on the patient safety advantages and ability to implement future changes efficiently and effectively.

Discussion noted that this is a complex and difficult piece of work and that the transitional period will be a significant change for the SCH staff. The extensive process to mitigate all identifiable risks was acknowledged. It was emphasized that there are procedures in place should downtime occur or if a roll back is needed to maintain patient safety. Extensive support resources are in place during the transition.

The advice of an external review will be available to the Director of Clinical Integration in the coming days and it was agreed that a teleconference will be scheduled with the DCI, Chief Executive and Board representatives (D Waters, A Bloom, D Nott, J Wright, and J Freudenstein) following review of this additional information.

### Actions / Decision

- *A teleconference will be scheduled with the DCI, Chief Executive and Board representatives ( D Waters, A Bloom, D Nott, J Wright, J Freudenstein) following review of the external report*

**5.3 Board Subcommittees** **Chief Executive** **For Approval**

The current representatives on each of the Board subcommittees were endorsed, with the modification that D Waters and J Wright are co-chairs of the HCQC.

The Board endorsed the continuation of John Dunlop as the Chair of the MDAAC committee.

### Action / Decision

*The Board endorsed the representation on the Board subcommittees and the continuing appointment of Mr J Dunlop as the Chair of the Medical and Dental Appointments Advisory Committee.*

**5.4 Schedule of Focus Items and Board Development** **Chief Executive** **For Approval**

The provided schedule was noted; members were requested to provide any feedback.

### Action / Decision

- *The proposed schedule of focus items for the SCHN Board was endorsed, subject to any further feedback received within one week.*

**5.5 Workplace Culture, Collaboration and Engagement** **Chief Executive**

The brief and draft terms of engagement for the Workplace Culture, Collaboration and Engagement project were noted. Discussion considered the importance of this body of work, the importance of the Chief Executive and leadership teams close engagement in the process and the need to ensure that the timing of the engagement does not detract from the ability of the clinicians to engage fully in the upcoming clinical services direction and planning processes. The importance of balancing the timing of these commitments was agreed, noting that it will take some time to complete the engagement of consultants and initial diagnostic scoping of the project.

Discussion also identified the need to ensure the specifications document and communication of the project emphasize this as a being about the way forward and developing principles of communication and engagement and a shared strategic intent. The criteria for selection of an external consultant as outlined in the brief were supported, noting the need to ensure that the organisation engaged have a strong understanding of health as a work environment. The opportunity to use this process to also support culture change in regards to undertaking performance appraisals was noted, as was the opportunity to establish more collaborative engagement through the upcoming clinical service planning processes.

#### Action / Decision

- *That an Executive Steering group be formed, consisting of the Chief Executive, Director of Workforce and a Board representative*
- *Specifications to be revised further in conjunction with the Executive Steering Group and Advisory Group*
- *Timing against other projects to be considered throughout the planning process*
- *CE and Chair to discuss further*
- 

## 6 Standing Reports

|            |  |   |                   |
|------------|--|---|-------------------|
| <b>6.1</b> | <b>Chair's Report</b>  | <b>Chair</b>  | <b>For noting</b> |
|            | The Chair advised that she will provide a briefing to the Deputy Chair and Chief Executive on the recent Council of Board Chair's meeting.   |   |                   |
| <b>6.2</b> | <b>Chief Executive's Report</b>  | <b>Chief Executive</b>  | <b>For noting</b> |
|            | The report provided by the Chief Executive was noted. The Chief Executive highlighted the excellent progress being made by Paediatrico in developing a shared paediatric research community in Sydney. |   |                   |
|            | It was noted that the Clinical Service Development and priority setting process are areas of significant focus for the organisation in the coming months.  |   |                   |
|            | The Chief Executive thanked the Chair for her outstanding contributions to the SCHN Board and unwavering support to the Network, staff and families over the term of her appointment.                  |   |                   |
| <b>6.3</b> | <b>SCHN Performance Report (February 2019)</b>   | <b>Chief Executive</b>  | <b>For noting</b> |
|            | The Performance Report was noted.  |   |                   |
| <b>6.4</b> | <b>Patient Care Capacity</b>   | <b>Chief Executive</b>  | <b>For noting</b> |
|            | The provided Patient Care Capacity report was noted.   |   |                   |
| <b>6.5</b> | <b>Planning and Capital Works</b>  | <b>Chief Executive / Director of Finance and Corporate Services</b> | <b>For noting</b> |
|            | The provided planning and Capital works report was noted.  |   |                   |
| <b>6.6</b> | <b>Cardiac Services Implementation Update</b>  | <b>Executive Medical Director</b>                                   | <b>For noting</b> |
|            | The provided Cardiac Services Implementation report was noted.   |   |                   |
| <b>6.7</b> | <b>Foundation Update</b>   | <b>Chief Executive/ Chair SCHF</b>                                  | <b>For noting</b> |
|            | Nil report provided this meeting   |   |                   |

## 7 Reports from Sub-Committees

|            |   |  |                   |
|------------|---|--|-------------------|
| <b>7.1</b> | <b>Finance &amp; Performance Committee</b>        | <b>Chair Finance and Performance Committee / Director of Finance</b> | <b>For noting</b> |
|            | 7.1.1 Director's Report<br>7.1.2 Endorsed Minutes |  |                   |
|            | The provided report was noted.                    |  |                   |

|            |   |                   |                   |
|------------|---|-------------------|-------------------|
| <b>7.2</b> | <b>Health Care Quality Committee</b><br>7.2.1 Director's Report<br>7.2.2 Endorsed Minutes | <b>Chair HCQC</b> | <b>For noting</b> |
|------------|---|-------------------|-------------------|

The provided report was noted.

|            |  |                        |                   |
|------------|--|------------------------|-------------------|
| <b>7.3</b> | <b>Medical &amp; Dental Appointments Advisory Committee</b><br>7.3.1 Director's Report | <b>Chief Executive</b> | <b>For noting</b> |
|------------|--|------------------------|-------------------|

The provided report was noted.

|            |  |                                   |                   |
|------------|--|-----------------------------------|-------------------|
| <b>7.4</b> | <b>Clinical Council</b><br>7.4.1 Director's Report | <b>Executive Medical Director</b> | <b>For noting</b> |
|------------|--|-----------------------------------|-------------------|

The provided report was noted.

## **8 Correspondence Received**

|            |  |                   |
|------------|--|-------------------|
| <b>8.1</b> | <b>CHW MSC Letter re Support for JMO's</b> | <b>For noting</b> |
|------------|--|-------------------|

The received correspondence was noted.

## **9 Business Without Notice**

The Deputy Chair moved a vote of thanks to Prof Christine Bennett as Chair of the SCHN Board:

*"As the last item of business on your last meeting as chair of SCHN I would move a vote of thanks to you for your outstanding service to us, your fellow board members, to this organisation and to the children and families we serve.*

*Christine, you had devoted more than six years to the Network in your role as our chair. You have been a most passionate and most effective advocate for everything we do and everything we need. You took on the role shortly after our two great campuses came together and you leave at a time when their core facilities have been approved for major redevelopment which will serve many generations to come.*

*While we will say more later about your broader attributes, for now to focus on your role as our Chair you have:*

- 1. Led from the front asking no more of us than you have been prepared to do yourself*
- 2. Assembled a great team of people to support you and this fine enterprise*
- 3. Dealt with the business of the Board with the highest degree of professionalism*
- 4. As a leader you have been involved deeply with our third-party stakeholders influencing favourable outcomes where we do not control the agenda*
- 5. You have always been very considered and measured in your dealings with us and with everyone who has sat at our table*
- 6. You have been an attentive listener and always able to distil a right way forward*

*On any measure we have been privileged to have you as our Chair.*

*This enterprise is now well-placed to continue its development as a world-class paediatric clinical and research institution. On behalf of all we serve, thank you for your service and we wish you well in the future."*

The Board passed this motion of thanks to Professor Christine Bennett.

## **10 Next Meeting**

The next meeting of the Sydney Children's Hospitals Network Board will be held Wednesday 1 May 2019 in the Boardroom, Level 9, Sydney Children's Hospital, Randwick commencing at 8.30am

## **11 Meeting Close**

There being no further business, the meeting closed at 12.05pm.