

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the Board Meeting held on 25 September 2018 at 10.00am at MidCentral District Health Board, Board Room, Gate 2, Heretaunga Street, Palmerston North

PART 1

PRESENT

Dot McKinnon (Chair)	Michael Feyen
Adrian Broad	Nadarajah Manoharan
Barbara Cameron	Karen Naylor
Ann Chapman	Oriana Paewai
Brendan Duffy	Barbara Robson

IN ATTENDANCE

Kathryn Cook, Chief Executive
Scott Ambridge, General Manager, Enable New Zealand
Keyur Anjaria, General Manager, People & Culture
Judith Catherwood, General Manager, Quality & Innovation
Craig Johnston, General Manager, Strategy, Planning & Performance
Stephanie Turner, General Manager, Maori & Pacific
Neil Wanden, General Manager, Finance & Corporate Services
Cushla Lucas, Operations Executive, Cancer Screening, Treatment & Support (part meeting)
Lisa Te Paiho, Radiation Therapist (part meeting)
Jill Matthews, Manager, Administration & Governance Services
Jonathon Howe, Manager, Corporate Communications
Darryl Purdy, Manager, Analytics & Financial Advisory
David Jerney, Portfolio Manager, Primary Health

Public: 1

Media: 1

The meeting opened with a karakia.

1. ADMINISTRATIVE MATTERS

1.1 Apologies

An apology was received from Board Member Diane Anderson

1.2 Late Items

There were no late items.

1.3 Conflicts and/or Register of Interests Update

Oriana Paewai noted her interest in the Feilding Integrated Family Health Centre which was included in a management report.

1.4 Minutes of the Previous Meeting

1.4.1 Minutes

It was resolved:

that the minutes of the previous meeting be approved as a true and correct record. (Moved Dot McKinnon; seconded Brendan Duffy)

1.4.2 Matters Arising

An update on progress in backfilling arrangements for the Clinical Executives was sought and the Chief Executive advised that this was work-in-progress. The team was working toward arrangements being in place by the beginning of the 2019 calendar year, including a new leadership meeting structure.

2. IWI PARTNER - MINUTES

2.1 Minutes

It was resolved:

that the minutes be noted.

Craig Johnston entered the meeting.

2.2. MidCentral DHB and Manawhenua Hauora Board-to-Board Hui

It was resolved:

that the Board:

- *note the arrangements for the Board to Board hui on 25 September 2018 and*
- *endorse the focus on equity priorities. (Moved Michael Feyen; seconded Oriana Paewai)*

3. INTEGRATION & PARTNERSHIP

3.1 Quality & Safety Walk-rounds

Members expressed their support for this programme. It was agreed that the walk-round toolkit would be recirculated to members.

Management advised that feedback from staff was very positive. The walk-rounds were planned with each service to ensure staff were able to participate. All feedback from the walk-rounds would be recorded.

It was resolved:

that the Board endorse Quality and Safety Walk-rounds approach and progress. (Moved Brendan Duffy; seconded Michael Feyen)

4. PERFORMANCE REPORTING

4.1 2017/18 Annual Report and Financial Statements

The Finance, Risk & Audit Committee Chairperson advised the Committee recommended the 2018/19 Annual Report and financial statement to the Board for signing.

The General Manager, Finance & Corporate Services advised the accounts were consistent with those presented to FRAC, with the exception of prior year adjustments. The provision made for the Holidays Act was based on the best accounting treatment at the current point in time. If this changed at a future date, it would be reflected in future annual accounts.

Management advised that the organisation was solvent and had a reasonable degree of liquidity.

The following feedback was provided regarding the Annual Report:

- a determination on the use of the term "inequalities" or "inequities" was required and for this to then be reflected throughout the report.
- correction of typographical errors
- reflection of whether measures had been "achieved" or "not achieved" at year end
- the spelling of the name Otāki to include a macron
- ensure the achievements noted in the Chair/CE's report were high level achievements, such as cancer waiting times rather than treatment times.

Members congratulated the team involved in the development of the Annual Report and Financial Statements.

The increase in payments to the Central Region's Technical Advisory Service (TAS) was noted and management advised this related to TAS's involvement in supporting the local implementation of the Regional Health Informatics Programme. Costs would be incurred in the 2018/19 year and these were being managed on a quarterly basis. The aim was to achieve value for money for this expenditure.

The messages and data contained in the Annual Report were noted, particularly around the services purchased and funded for the district, and the outcomes being obtained and targeted. It was further noted that the health of communities was not just the responsibility of the DHB, and that it was important communities were challenged to live healthy lives.

The shortage of GPs and other health professionals in the Horowhenua district was discussed and it was suggested that the DHB work with tangata whenua and district councils regarding the possibility of supporting and bonding local people to complete medical and other training. It was noted that there was a range of national, regional and local initiatives in place, including scholarships, to encourage and support Maori and Pacific people to take up a career in health. There were also a number of charitable trusts provided support in this area. It was agreed that this matter be included on the agenda for the forthcoming meeting with the Palmerston North City Council.

The Chief Executive advised that the locality planning process had established good linkages with local communities. The focus was now on supporting a unified effort in delivering these plans.

It was resolved:

that the Board:

- *note the 2017/18 financial statements were approved by FRAC at its August meeting for submission to the Board*
- *approve the 2017/18 draft Financial Statements and Annual Reports, including the statement of accounting policies, subject to adjustments required by the Board being incorporated, together with any final changes and approval by the external auditors*
- *delegate authority to the Chair and Deputy Chair to approve any non-material changes that are required to be made to the draft financial Statements and the Annual Report, and,*
- *authorise the Chair and Deputy Chair to sign the 2017/18 Annual Report on behalf of the Board once finalised. (Moved Ann Chapman; seconded Brendan Duffy)*

4.2 Six-Monthly Workforce (OD Plan) Update

The incidence of inappropriate behavior was noted and it was suggested it would be interesting for members to see any trends, and also the outcome of these incidents.

The development of a Responsive Workplace Programme was discussed and the General Manager, People & Culture advised that implementation of this would commence the following week. A steering group and work group were being established. However, the regional General Managers, HR had recommended this be delivered as a regional programme. This may impact on local implementation arrangements.

Members noted the consultation process underway regarding the third tier roles within clusters.

Management confirmed that the team building programme was being delivered internally.

It was resolved:

- *that the September 2018 workforce update against the Organisation Development Plan is noted*
- *that updating the Organisational Development Plan in line with the Staff Survey be endorsed. (Moved Brendan Duffy; seconded Michael Feyen)*

4.3 Staff Engagement and Safety Culture Survey Report

The participation rate was discussed and members were pleased that levels had increased in comparison to the previous survey undertaken. It was suggested that ways of increasing medical staff participation be considered for the next survey.

It was agreed that a factor impacting participation rates was confidentiality. Some staff were concerned that their anonymity would not be preserved. The General Manager, People & Culture advised that the survey was conducted on line and consideration would be given to enabling people to complete it on paper in future surveys.

The frequency of surveys was questioned and the Chief Executive advised that at a minimum they would be conducted every two years.

The top five favourable and unfavourable messages were discussed. It was agreed that these contained mixed messages and provided opportunities to improve the work environment and achieve better outcomes.

The level of work needed to address all “red” area was noted.

It was suggested that the results showed a dis-connect between management and operational staff, and that the much work was required to ensure the safety and wellbeing of staff, eg nearly a third of respondents had experienced bullying, and 20 per cent had experienced discrimination.

It was further suggested that the establishment of clusters and programmes such as, Speaking Up for Safety, were key to improving the work environment, as well as the leadership development programmes underway. The General Manager advised that all Clinical Executives had completed a leadership development programme. The Operational Executives would also go through a similar type of programme, and the Executive Leadership Team had signed up to a chart of behaviours and would be championing the values and supporting staff.

The feedback regarding insufficient time to do the job was raised and it was questioned if this posed any risk to patients and staff, ie was any work not completed picked up and finished.

The overall aggregated mean score of 3.4 was noted and the Board questioned how this benchmarked with other DHBs. Management advised that this information was not available.

It was resolved:

that the Board note the MDHB Staff Engagement and Safety Culture Survey 2018 report and endorse refreshing the OD Plan and development of new initiatives, following a detailed analysis of the survey results. (Moved Dot McKinnon; seconded Michael Feyen)

4.4 CEO’s Report for July/August 2018

4.4.1 Investment Planning

Management confirmed that advice from the Ministry of Health regarding the National Capital Investment Committee’s investment programme had not yet been received. The Chief Executive advised that this should be available for the Board’s next meeting. The importance of public transparency around the status MidCentral’s critical capital projects was noted.

4.4.2 Historical Financial & Governance Practices at Counties Manakau DHB

The Chief Executive advised that an in-depth report on this matter was being developed for consideration by the Finance, Risk & Audit Committee at its next meeting.

Members were encouraged to read this report.

4.4.3 ACC Accreditation

The General Manager, People & Culture advised that MidCentral had been audited against ACC's new standards and achieved primary status. This meant the DHB remained within the accredited employment programme.

4.4.4 Official Information Act Requests

The improvement in OIA response rates was noted, and the move to publish MidCentral DHB's responses was supported.

It was suggested that management may wish to consider inviting the Ombudsman to meet with DHB staff to discuss the OIA process.

4.4.5 National Travel Assistance Policy

It was noted that the current policy was based on access to specialist services, ie those referred by their specialist to another specialist, and did not take account of the move to provide more care in the community.

4.4.6 Tu Kaha Conference

Members expressed their appreciation of the Tu Kaha Conference. It was noted that conference attendance reduced over the latter days and it was suggested that this could be related to the need to reschedule the conference at relatively short notice due to the nurses' industrial action.

The Chief Executive advised that the conference was a regional initiative and had been in place for 10 years. It had been agreed that it was now an appropriate time to reflect on the future pathway.

The General Manager, Maori & Pacific advised that a final report on the conference was to be issued, including recommendations for improvement and reflections.

4.4.7 Consumer Council

The appointment of new members to the Council was noted.

4.4.8 Auditor-General's Central Government Advisory Group

The Chief Executive was congratulated on her appointment to this Group. It was noted that the Group held only two meetings per year and so could be accommodated within the CE's workload.

4.4.9 UCOL

UCOL's new Chief Executive was noted.

It was resolved:

that the Board:

- *note the Minister of Health's feedback regarding the strategic direction for MidCentral DHB*
- *note that advice regarding MidCentral DHB's investment planning in respect of the acute care unit and Ward 21, or other medium term options, is awaited*

- *note that advice will be provided on actions to be taken following the Counties Manakau DHB financial and governance practices review*
- *note the Minister of Health's endorsement of MidCentral DHB's request for an easement with Powerco Ltd to enable a low voltage substation and 11v network upgrade*
- *endorse the approach being taken to improve the accessibility of information at MidCentral DHB, particularly Official Information Act requests*
- *note the new membership of the DHB's Consumer Council*
- *note the Chief Executive's membership of the Auditor-General's Central Government Advisory Group*
- *endorse the work being done nationally to ensure the sector's financial sustainability. (Moved Dot McKinnon; seconded Karen Naylor)*

4.5 Finance Report for MidCentral DHB – July 2018

4.6. Finance Report for MidCentral DHB – June 2018

The General Manager, Finance & Corporate Services advised the August 2018 results were positive to budget, and that the organisation was much steadier this financial year in terms of tracking to budget.

The involvement of Francis Group was discussed and the General Manager, Quality & Innovation advised that the current contract would end in December 2018. The involvement of this company was not intended to be an ongoing arrangement and the DHB was building its own internal capacity and capability.

It was resolved:

that the Board:

- *note that the operating result for July 2018 was an operating deficit of \$0.473m, which was \$0.049m favourable to the budget*
- *note that total available cash is \$42m at July 2018*
- *note that the operating result for June 2018 was an operating deficit of \$1.173m, which was \$2.069k adverse to the budget*
- *note that the year-to-date result is now a deficit of \$9.847m being \$6.049m adverse to budget*
- *note that the NZNO MECA adjustment was an additional \$1.166m and the NOS impairment was \$0.472m within the month impacting the June result and the 2017/18 financial year by \$1.638m*
- *note that total available cash is \$42m at June 2018. (Moved Dot McKinnon; seconded Brendan Duffy)*

4.7 2017/18 Annual Plan & Non-financial Performance Measures – Quarter 4 Implementation Update & Results

It was resolved:

that the Board note this report and endorse the progress that was made in delivering MidCentral DHB's Annual Plan and performance expectations for the 2017/18 year. (Moved Dot McKinnon; seconded Brendan Duffy)

4.8 Board's Work Programme 2018/19

Concern was expressed that there was often insufficient time for the Board and Committees to fully consider all reports. It was suggested by one member that the work programmes be reviewed and the number and/or frequency of reports reduced.

For example, the frequency of consumer stories to reduce from monthly to quarterly. Another view put forward was more time be allocated for each meeting. Some members felt that the frequency of consumer stories should not be reduced.

It was noted that annual planning and reporting requirements resulted in the agenda for some meetings being heavier than usual, and it was agreed this should be reflected in the time allocated to the meeting.

The move to an integrated service model was raised, and it was suggested that during the cluster development, it was important that sufficient time was allowed for Committee members to consider and discuss cluster reports.

Members expressed support for presentations from services and staff and requested that sufficient time be provided for these within the meeting.

Management undertook to take these comments on board in planning meetings.

It was resolved:

that progress in the delivery of the 2018/19 work programme be endorsed, noting that management would take on board members' concerns regarding meeting arrangements. (Moved Brendan Duffy; seconded Karen Naylor)

5. GOVERNANCE

5.1 NZ Health Partnerships: Year End Update

The Chairperson advised that the HPL and DHB planning day had taken place on 24 September 2018.

The call on Class B shares in relation to the National Oracle System was discussed.

Dot McKinnon left the meeting and Brendan Duffy assumed the Chair.

The Chief Executive advised that HPL, at the request of the Government, was developing a business case for the next solution for a national finance and procurement system. Given this, and the need to support those DHBs who had implemented the NOS solution, there was a need to call on the Class B shares.

Clarification was sought as to what the extra \$10m would be used for and the General Manager, Finance & Corporate Services undertook to obtain this information.

Greater transparency regarding this project was sought by members given its history.

The Chief Executive advised all DHBs were expected to support the business case for a national finance and procurement system which would detail the costs and benefits that would be realised.

It was resolved:

that the Board:

- *note the New Zealand Health Partnerships AGM and shareholders day will be held on 24 September.*
- *note that the draft financial result for New Zealand Health Partnerships was a loss of \$4.122m following partial impairment of the NOS asset*

- *note that the New Zealand Health Partnerships Board have issued a call on part of the agreed increase in Class B shares and that MDHB is consequently obliged to contribute \$383,847 at this stage*
- *note this payment was made on 20 September. (Moved Barbara Robson; seconded Karen Naylor)*

5.2 2019 Board and Committee Meeting Schedule

Member Karen Naylor proposed an amendment to the proposed recommendation and meeting schedule to enable a mid-year break in July. This arrangement had proven beneficial in other entities, and would also align end of year reporting to the meeting cycle.

There was support for this concept. It was agreed that management consider the proposed schedule from its perspective and that the matter be reconsidered at the next meeting.

It was resolved:

that the report be noted.

6. COMMITTEE RECOMMENDED PAPERS

6.1 Quarterly Health & Safety System Report

The increase in work related incidents was discussed and management advised that this may be a result of efforts to encourage staff to report incidents.

The environmental issues associated with "lack of cooling/ventilation" was questioned, particularly the number of rooms involved and the level of risk. The General Manager, People & Culture undertook to provide more information.

It was resolved:

- *that the quarterly Health and Safety System report be noted*
- *that the Board endorse measures being planned to increase the number of workplace inspections as reported in the dashboard. (Moved Karen Naylor; seconded Ann Chapman)*

Dot McKinnon re-entered the meeting and tendered her apology for the remainder of the meeting due to a family bereavement.

Cushla Lucas and Lisa Te Paiho entered the meeting.

6.2 ISDA Master Banking Agreement

It was resolved:

that the Board:

- *note the Finance, Risk & Audit Committee endorsed the Board signing the ISDA Master Agreement Certificate at the July 2018 meeting*
- *approve the signing of the ISDA Master Agreement Certificate by the Board Chair. (Moved Barbara Robson; seconded Oriana Paewai)*

7. COMMITTEE MINUTES

7.1 Finance, Risk & Audit Committee

A member advised she had raised with the Board Chairperson, her concerns regarding the quality of the minutes. This matter would be discussed with the Chief Executive.

It was resolved:

that the unconfirmed minutes of the Finance, Risk & Audit Committee meeting held on 28 August 2018 be noted. (Moved Nadarajah Manoharan; seconded Ann Chapman)

7.2 Health & Disability Advisory Committee

It was resolved:

that the unconfirmed minutes of the Health & Disability Committee meeting held on 4 September 2018 be noted. (Moved Karen Naylor; seconded Barbara Robson)

7.3 Enable New Zealand Governance Group

It was resolved:

that the unconfirmed minutes of the Enable New Zealand Governance Group meeting held on 28 August 2018 be noted.

8. LATE ITEMS

There were no late items.

9. DATE OF NEXT MEETING

Tuesday, 6 November 2018, Woodville & Pahiatua Race Course, 1032 McLean Street, Woodville

10. EXCLUSION OF PUBLIC

It was resolved:

that the public be excluded from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons stated:

Item	Reason	
"In committee" and "board only" minutes of the previous meeting	For the reasons set out in the order paper of the 14.8.18 meeting held with the public present	
Strategic & Annual Planning • 2018/19 Annual Plan & Budget	Under negotiation	9(2)(j)
Policy & Governance Matters • Board only time	No decision	
Performance Reporting • CE Report – National Microsoft G2015 Licensing Agreement Negotiations	Subject of negotiations	9(2)(j)

Committee Recommended Papers • Treatment Planning System Business Case	Subject to tender & negotiation	9(2)(j)
• Enablement Programme	Commercial positioning strategy	9(2)(j)
“In committee” minutes of committee meetings • Finance, Risk & Audit Committee, 28.8.18 ○ Audit report re internal penetration testing ○ Treatment planning system business case ○ 2018/19 Budget	To protect the security of MDHB’s information systems Subject to tender and negotiation Subject of negotiation	9(2)(k) 9(2)(j) 9(2)(j)
• Health & Disability Services Advisory Committee, 4.9.18	For the reasons set out in the order paper of the 4.9.18 meeting held with the public present	
• Enable New Zealand Governance Group, 28.8.18 ○ General Manager’s report – funding, revenue and contracts ○ Enablement programme	Contains competitive revenue information Commercial positioning strategy	9(2)(j) 9(2)(j)

(Moved Nadarajah Manoharan; seconded Karen Naylor)

Confirmed this 6th day of November 2018.

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Chairperson