

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 10 April 2018 at 10.00am at MidCentral District Health Board, Board Room, Gate 2, Heretaunga Street, Palmerston North

PART 1

PRESENT

Dot McKinnon (Chair)
Diane Anderson
Adrian Broad
Barbara Cameron
Ann Chapman

Brendan Duffy
Nadarajah Manoharan
Karen Naylor
Oriana Paewai
Barbara Robson

IN ATTENDANCE

Kathryn Cook, CEO
Scott Ambridge, General Manager, Enable New Zealand
Keyur Anjaria, General Manager, People & Culture
Judith Catherwood, General Manager, Quality & Innovation
Celina Eves, Executive Director, Nursing & Midwifery
Craig Johnston, General Manager, Strategy, Planning & Performance
Steve Miller, Chief Information Officer
Gabrielle Scott, Executive Director, Allied Health
Stephanie Turner, General Manager, Maori & Pacific
Neil Wanden, General Manager, Finance & Corporate Services
Debbie Davies, Acting Service Director, Community & Public Health
Cushla Lucas, Acting Service Director, Regional Cancer Treatment Service
Jonathon Howe, Corporate Communications Manager
Darry Purdy, Manager, Data Quality & Health Information
Kelly Isles, Project Manager (part meeting)
Angela Rainham, Project Manager (part meeting)

Public: 1
Media: 1

1. ADMINISTRATIVE MATTERS

1.1 Apologies

An apology was received from Michael Feyen, Board Member.

1.2 Late Items

There were no late items.

1.3 Conflicts and/or Register of Interests Update

No amendments to the Register of Interest were advised. No conflicts in relation to the day's business were advised.

1.4 Minutes of the Previous Meeting

a. Minutes

A typographical correction to the minutes was noted, being item 3.2.1. The programme's correct name was "Hauora Unleashed".

It was resolved:

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

b. Matters Arising

There were no matters arising from the minutes.

2. STRATEGIC & ANNUAL PLANNING

2.1 Locality Approach to Health and Wellbeing Plans

The General Manager, Strategy, Planning & Performance and the Project Manager presented the Health and Wellbeing Plans for Horowhenua, Manawatu, Otaki and Levin. They advised that work was underway to integrate Te Reo into the Plans, and for final editing to occur.

The Board expressed its support for the Plans and congratulated all involved in their development. The following feedback was provided for incorporation into the Plans:

- the correct name for the Otaki Council to be stated in the Otaki Plan
- typographical errors to be corrected
- population data contained in the infographic sheets to reference the correct geographical areas
- the Plans' design to comply with disability accessibility standards.

The "services data" contained in each Plan was discussed, and concern was expressed that this was not reflective of all services, such as child and adolescent oral health services and well child services. It was noted that the data reflected the communities' views and was not a comprehensive stocktake of services. Management advised that a stocktake of services may form a separate or linked document in the future. It was agreed that further consideration be given to how the service data was positioned within the Health and Wellbeing Plans. It was noted that the Eketahuna Health Centre GP clinics, as noted in the Tararua plan, had been temporarily ceased for around six months.

Management advised that a disability strategy for the DHB was a work-in-progress. The DHB was also working closely with the Enabling Good Lives project and seeking to strengthen its focus on disability.

A member advised that the rural communities of Manawatu, such as Apiti, Pohangina, and Rangiwahia were not represented in the Plan and emphasised the importance of engaging with these communities, and incorporating their views and feedback.

The development of a Palmerston North Health and Wellbeing Plan was discussed and a member suggested the following items for inclusion in the process. These were based on consumer feedback.

- Mental health and addiction services.
- Health Hub (Downtown Palmerston North) and its link to the DHBs.
- Alignment to Te Aroha Noa and planning in Highbury.
- Relocation of the public library in Highbury and how this could be linked with a health provider.
- City Doctors' change in hours, and after-hours service provision, including opportunities for private and public providers to work together.
- Child development services.
- The location of child services in the city.
- The relocation of the Central PHO.
- Identification of good and poor performing health providers in the City.

It was agreed that the Health and Wellbeing Plans were living documents, and would continue to evolve. It was suggested that the Plans would be useful for the local government strategic planning process currently underway, and that it would be worthwhile for these to be socialised with territorial local authorities and/or included in any submission the DHB made to Councils.

It was further suggested that linkages with other Government departments, such as the Ministry for Children, be further progressed.

Members advised they look forward with interest to watching the action plan being implemented, and the ongoing engagement with the community. The action regarding advocacy for a change to the national travel assistance fund was noted.

The CEO advised that service clusters currently being implemented would be responsible for implementing the actions contained in the Health & Wellbeing Plans, and would incorporate these into the cluster plans to be developed. This was a work-in-progress.

It was resolved:

that, subject to editing and alterations as requested by the Board, the Health and Wellbeing Plans be endorsed. (Moved Dot McKinnon; seconded Brendan Duffy)

2.2 Integrated Service Model Update

The General Manager, Quality & Innovation advised that the Steering Group overseeing the implementation of the integrated service model was being re-established, and an implementation group put in place. A detailed implementation plan was being developed, and it would likely take a 90-day approach, setting out the work to be delivered each quarter.

Ms Catherwood advised that the other key piece of work underway was the development of a communications plan.

The Chairperson welcomed Jonathon Howe, Corporate Communications Manager.

The composition of the Steering Group was questioned, and management advised this would include the General Managers, Quality & Innovation, People & Culture, Maori & Pacific, and Strategy, Planning & Performance, together with the Chairs of the Consumer and Clinical Councils and the Central PHO.

The involvement of Francis Group and Ernst Young in supporting this and other projects was discussed, as well as funding for this work. Management advised that the

cost of the leadership development programme provided for Clinical Executives was largely funded through the CME provision for senior medical officers. The programme involved other DHBs and covered a wide range of issues, including building a change platform, conflict management, financial controls and processes, and system improvements. It had been well received. Francis Group had been contracted on a fee-for-service basis to provide the programme.

A member expressed concern that communications with stakeholders and partners was not as far advanced as would be expected. The current focus on this area was supported. The CEO advised that once the leadership roles were in place, the project would move into a co-design process with partners and stakeholders. This required enhanced process to support that as well as communication.

It was noted that any underspend against the project's budget would not be carried forward to 2018/19. The CEO advised that provision had been made in the 2018/19 budget for the integrated service model project at a level similar to that for 2017/18.

It was resolved:

that the Integrated Service Model update be noted. (Moved Karen Naylor; seconded Nadarajah Manoharan)

2.3 Review of Car Parking Fees and Times

The report was received and management confirmed that it constituted an update on car parking fees and times, rather than a review.

Concern was expressed by a member that there was insufficient financial information provided and further details were sought.

The General Manager, Finance & Corporate Services advised that in 2016/17, car parking revenue was \$68k under budget at \$1.414k. Budgeted revenue for 2017/18 was \$1.485k, with a net surplus of \$834k. Based on income to date, the forecast net year end position was within 10 percent under budget.

It was noted that a comprehensive review of the paid parking arrangements was scheduled for 2020 in line with the Board's decision. It was further noted that the recent security review had identified improvements within the car parking areas.

It was also noted that no change to car parking fees was proposed.

The work being done with partner organisations around car parking and access to Palmerston North Hospital was commended. It was noted that as the population increased, there would be a growing need to ensure public transport arrangements were appropriate, and people would safely walk and cycle to the hospital, particularly given the increasing busyness of Ruahine Street and Tremaine Avenue.

It was resolved:

that the update on car parking fees and times for 2018/19 be noted. (Moved Brendan Duffy; seconded Adrian Broad)

Kelly Isles and Angela Rainham left the meeting.

3. PERFORMANCE REPORTING

3.1 CEO's Report for February/March 2018

3.1.1 National Mental Health Inquiry

The CEO advised that the National Mental Health Inquiry would be in Palmerston North on 27 April to receive submissions. Further details of the day's agenda would be provided to Board Members once available.

The outcome of the inquiry was awaited with interest by members, particularly the reporting framework.

3.1.2 Health Select Committee

Further information was sought on the discussion with the Health Select Committee regarding the challenges DHB faced. The CEO advised a number of questions had been asked on a range of issues, including financial sustainability, living within budget, planning for 2018/19, workforce issues and national programmes of work.

3.1.3 Clot Retrieval Service

The CEO confirmed that the new Clot Retrieval Service to be provided by Capital & Coast DHB was a tertiary level service. It was only provided by a small number of DHBs throughout NZ.

3.1.4 Annual Leave

The reduction in annual leave balances "over two years" was noted. Management confirmed that the buy-out of annual leave included payment upon a staff members' resignation or retirement, as well as requests from staff to buy out a specific period of leave.

3.1.5 Ward 21 Business Case

The use of a consultant for this work was discussed and management advised that this was necessary in order to meet all requirements associated with Treasury's Better Business Case guidelines. There were only a few people skilled in this area.

It was noted that business cases for smaller projects were developed in-house.

3.1.6 Speaking Up for Safety

Management was asked if the roll-out of the Speaking Up for Safety Programme had resulted in an increase in incidents being raised. The CEO advised that the programme was not designed for that purpose. The Promoting Professional Accountability Programme, scheduled to commence in July 2018, would support people to speak up on issues of concern regarding patient safety, with formal processes and resources in place.

3.1.7 Te Whare Rapuora Accommodation

Management confirmed that the Board's Iwi partner, Manawhenua Hauora, was well informed about the work being done to address compliance issues with this building.

3.1.8 National Bowel Screening Programme

The Acting Service Director, Regional Cancer Treatment Services advised that work on this project had commenced. The aim was to commence the programme in June 2019. MidCentral DHB would need to grow its capacity and this would be funded by the national programme.

3.1.9 Breast Screening Programme

Management advised that no further information had been received from Government regarding the possibility of increasing the age range for this programme.

It was resolved

that the CEO's report for February/March 2018 be noted. (Moved Dot McKinnon; seconded Adrian Broad)

3.2 Finance Report for MidCentral DHB – February 2018

The General Manager, Finance & Corporate Services presented the report noting that the results for March 2018 were not yet available. As at the end of February, the DHB was behind budget and management continued to work to make improvements in this area as detailed in the report.

Management clarified the calculation of operating theatre usage. This was based on a Monday-Friday, 8am-5pm week. Currently, MDHB's theatres operated at 95 percent capacity year to date). Ways of maximising usage were being explored through the Optimise project, with further worked planned, including better matching of specialists, demand and theatre lists. Two acute orthopaedic theatres were planned given the significant orthopaedic workload.

The CEO advised that MidCentral DHB did not have sufficient theatres for its population. The rebuild of the acute services block would address this in the long term. Meantime consideration was being given to bringing an eighth theatre on stream utilising the space used by the Day of Surgery Admissions unit (DOSA). This would require the relocation of DOSA.

The possibility of extending the operating hours for theatres was questioned. The CEO advised that there were a range of workforce issues which needed to be worked through to enable this, and these were on the table for consideration with staff.

The DHB's ability to fund capital projects was questioned, as was the risk of a backlog of deferred maintenance. Management advised that this was not an issue in the medium term but MDHB needed to reach financial sustainability to fund future capital works. There was no backlog of deferred maintenance.

The impact of the flexi staffing initiative was questioned and management advised that this occurred on a daily basis, as well as in response to seasonal demand. When demand was down, spot leave was offered to staff. The one-on-one specialising project was proving effective, with no need for this specialising in the general wards since January 2018.

Winter planning was underway including the ability to flex up staffing as required. The possibility of clinical nurse specialists working in the wards for a number of days a week was being explored.

The work being done to meet fiscal challenges was acknowledged, particularly as this had been achieved without the need to reduce services. The importance of continued governance oversight and support was emphasised, as well as ensuring the community understood and accepted that changes in the way services were delivered was necessary, eg use of nurse specialists and technology.

The Board also agreed the importance of protecting the resources it had set aside, ensuring these were used for the purpose for which they were intended. The importance of ensuring contracted providers of health services also understood the need to live within budget and deliver value for money was noted.

It was resolved:

that the Board:

- *note that the operating result for February 2018 was a surplus of \$1.8m, which was \$273k unfavourable to the budget;*
- *note that the year-to-date result is now a deficit of \$3.4m being \$2.0m adverse to budget;*
- *note that the major areas of adverse cost pressure are in surgical services, internal medicine, mental health and woman's health;*
- *note that due to theatre availability elective revenues were under-achieved by \$259k for the month and are \$1.3M behind for the year to date;*
- *note that year end financial forecast is now for a result that is adverse to budget by \$2.0m with further downside risk;*
- *note that net liquidity is sufficient in the medium term but continued deficits will deplete capacity for capital investment. (Moved Dot McKinnon; seconded Ann Chapman)*

3.3 ePharmacy Benefits Realisation Update

Members expressed their appreciation for this report, and extended their congratulations to the Chief Pharmacist and her team.

It was resolved:

that the ePharmacy Benefits Realisation Update is noted. (Moved Barbara Robson; seconded Diane Anderson)

3.4 Board's Work Programme

It was noted that the work programme identified that a "review" of car parking fees and times was to occur in 2018, not an "update". The CEO undertook to check against the Board's decision of 2017 and provide clarification in this regard.

It was resolved:

that progress against the 2017/18 work programme be noted.

4. POLICY & GOVERNANCE

4.1 MDHB Board & Committee Members' Expense Policy

It was noted that the status quo regarding travel time would remain, and that in the event the Ministry of Health supported MDHB's request for a change in the payment arrangements for independent members, the policy would be reviewed and submitted to the Board for consideration.

It was resolved:

that the MDHB's Board Members' Expense Policy be amended as follows with effect from 10 April 2018, and reviewed in three year's time:

- *new title, being "MDHB's Board and Committee Members' Expense Policy";*
- *inclusion of additional responsibility of board and committee members, being "members are responsible for determining what portion of an expense relates to their MidCentral DHB role and noting this rationale on their expense claim";*
- *provision for submitting expense claims to be 10 weeks, with provision that all expenses relating to a financial year are submitted in that year;*
- *inclusion of new section, "Principles: MidCentral DHB takes a principles-based approach, being that expenditure decisions:*
 - *have a justifiable business purpose*
 - *preserve impartiality*
 - *are made with integrity*
 - *are moderate and conservative, having regard to the circumstances;*
 - *are made transparently, and*
 - *are appropriate in all respects.*

The expectation is that the standard of travel, accommodation, meals and other expenses are modest and reflect the public service norm"

- *inclusion of provision for hospitality expenses, "The Board Chairperson may need to incur hospitality expenses when acting for or representing the Board. Should such a need arise, expenses are expected to be in keeping with the public service nature of the office. Reimbursement of such expenditure requires sign-off by the Chairperson, Finance, Risk & Audit Committee. Wherever practicable/appropriate, MidCentral DHB facilities should be used for providing hospitality to business stakeholders. It is not expected that other members will incur expenses for hospitality. In the unusual event that such a need does arise (eg when formally acting on behalf of the Board or the Board Chairperson) this must be discussed in advance with the Board Chairperson and be specifically approved by the Board Chairperson"*
- *inclusion of provision for communication expenses, "Telephone line rental is not reimbursed. Members may claim for any significant telephone charges for calls that are required to be made for purposes related to the performance of their duties. Claims must be accompanied by appropriate documentation. Mobile phones will not be issued to Board members with the exception of the Chairperson. The mobile telephone remains the property of the DHB and is only to be used for matters relating to the business of the Board. Where the Chairperson elects to use their personal cell phone for Board business, a portion of the operating fees shall be met by the Board. Claims must be accompanied by appropriate documentation and the Chairperson's assessment of what portion is DHB related. Any IT equipment issued to members remains the property of MidCentral DHB and is only to be used for matters relating to the business of the Board."*
- *inclusion of a statement to clarify the need for GST receipts;*
- *inclusion of a provision for professional membership fees, "Professional membership fees for members of the Board and its committees shall not be reimbursed by MidCentral DHB";*
- *inclusion of provision for legal expenses, "should a circumstance arise where a member seeks independent legal advice on issues concerning DHB business, this advice will be at the member's own expense";*
- *amendment of members' responsibilities to cover electric and hybrid motor vehicles, motor cycles and travel time, and removing the requirements around vehicle engine sizes;*

- *amendment of Chairperson's responsibilities to provide discretionary authority, "The Board Chairperson will have discretion to make determinations within the parameters of this policy, such as approving higher cost flexi-fare flights. An annual summary of discretionary decisions will be provided to the Finance, Risk & Audit Committee for transparency."*
- *removal of the statements regarding Withholding Payments in respect of expense claims, and air points;*
- *use of the generic terms Chairperson and member;*
- *inclusion of a definition of member;*
- *amendment of the definition of "other committees" to reflect the Board's current governance structure;*
- *amendment of the definition of "statutory committees" to reflect the operating names used by MidCentral DHB;*

that the DHB's Board Members' Expense Policy be published on its website for public transparency;

that the Board's Chairperson seek Ministry of Health support for changing the fee payable to independent members from a daily one to an attendance fee; and,

that it be noted that travel time for committee members is not payable given the daily fee arrangements in place. (Moved Brendan Duffy; seconded Karen Naylor)

5. COMMITTEE RECOMMENDED PAPERS

5.1 External Audit - Engagement Letter and Audit Plan

It was resolved:

that the Board:

- *note that the audit engagement letter was endorsed by FRAC 13 March;*
- *note the audit planning report included with the engagement letter;*
- *approve the audit engagement letter; and,*
- *approve that the Chair sign the audit engagement letter on behalf of the Board. (Moved Barbara Robson; seconded Brendan Duffy)*

5.2 Business Improvement Update

The report was received, and management confirmed that the issue raised at the Finance, Risk & Audit Committee meeting around administration staff has been investigated. The Committee had questioned the impact of holding administration vacancies on workloads in respect of clinical clerical staff. Management was not aware of any clinical clerical vacancies being held. The roles involved were largely project management ones.

The CEO advised that the General Manager, Quality & Innovation would be leading the business improvement project and would be refreshing the approach being taken.

It was resolved:

that the update on the Business Improvement Programme be noted. (Moved Barbara Robson; seconded Nadarajah Manoharan)

6. COMMITTEE MINUTES

6.1 Finance, Risk & Audit Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Finance, Risk & Audit Committee held on 13 March 2018 be noted. (Moved Karen Naylor; seconded Nadarajah Manoharan)

6.2 Quality & Excellence Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Quality & Excellence Advisory Committee held on 20 March 2018 be noted. (Moved Ann Chapman; seconded Diane Anderson)

6.3 Joint Meeting of the Quality & Excellence Advisory and the Healthy Communities Advisory Committees

It was resolved:

that the unconfirmed minutes of the joint meeting of the Quality & Excellence Advisory and the Healthy Communities Advisory Committees held on 20 March 2018 be noted. (Moved Diane Anderson; seconded Oriana Paewai)

6.4 Healthy Communities Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Healthy Communities Advisory Committee held on 20 March 2018 be noted. (Moved Barbara Cameron; seconded Adrian Broad)

6.5 Enable New Zealand Governance Group

It was resolved:

that the unconfirmed minutes of the meeting of the Enable New Zealand Governance Group held on 13 March 2018 be noted. (Moved Diane Anderson; seconded Adrian Broad)

7. LATE ITEMS

There were no late items.

8. DATE OF NEXT MEETING

22 May 2018, Memorial Hall, corner of Queen & Chamberlain Street, Levin. The meeting would include a public forum.

9. EXCLUSION OF THE 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:

<i>Item</i>	<i>Reason</i>	<i>Ref</i>
<i>"In committee" minutes of the previous meeting</i>	<i>For the reasons set out in the order paper of 27.2.2018 meeting held with the public present</i>	
<i>Strategic & Annual Planning</i> <ul style="list-style-type: none"> • <i>2018/19 annual operational planning and budgeting</i> • <i>Staff engagement and safety culture survey</i> 	<i>Subject of negotiation</i>	<i>9(2)(j)</i>
	<i>Contains competitive pricing information</i>	<i>9(2)(j)</i>
<i>Performance Reporting</i> <ul style="list-style-type: none"> • <i>CEO's report – NZ Health Partnerships Limited: licencing contract, and draft 2018/19 annual plan targets</i> 	<i>Subject of negotiation</i>	<i>9(2)(j)</i>
<i>Committee Recommended Papers</i> <ul style="list-style-type: none"> • <i>Security Risk Assessment and Site Security Review</i> 	<i>To maintain security of MDHB's systems and processes</i>	<i>9(2)(k)</i>
<i>"In committee" minutes of committee meetings:</i> <ul style="list-style-type: none"> • <i>Finance, Risk & Audit Committee - minutes of the previous meeting</i> <ul style="list-style-type: none"> ○ <i>annual planning & budgeting</i> ○ <i>security risk assessment & site security review</i> ○ <i>insurance update 2018/19 financial year</i> • <i>Quality & Excellence Advisory Committee</i> • <i>Healthy Communities Advisory Committee</i> • <i>Enable New Zealand Governance Group: general manager's report (DSS transformation and commercial initiatives), and 2018/19 draft annual plan and budget</i> 	<i>Subject of negotiation</i> <i>To maintain security of MDHB's property and systems</i> <i>Subject of negotiation</i>	<i>9(2)(j)</i> <i>9(2)(k)</i> <i>9(2)(j)</i>
	<i>For the reasons set out in the order paper of 20.3.18 meeting held with the public present</i> <i>For the reasons set out in the order paper of 20.3.18 meeting held with the public present</i> <i>Subject of negotiation</i>	<i>9(2)(j)</i>
<i>Governance Matters</i> <ul style="list-style-type: none"> • <i>CEO & Board Only time</i> • <i>Minutes of the previous meeting</i> • <i>Remuneration Committee minutes – CEO's performance review</i> • <i>Discussion paper re learning & development</i> • <i>Board only time</i> 	<i>For the reasons set out in the order paper of 27.2.2018 meeting held with the public present</i> <i>To protect personal privacy</i> <i>No decision</i> <i>No decision</i>	<i>9(2)(a)</i>

(Moved Karen Naylor; seconded Adrian Broad)

Confirmed this 22nd day of May 2018

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Chairperson