

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the Board meeting held on 30 July 2019 at 1pm at MidCentral District Health Board in the Board Room, Gate 2, Heretaunga Street, Palmerston North

PART 1

PRESENT

Dot McKinnon (Chair)
Diane Anderson
Adrian Broad
Ann Chapman
Brendan Duffy

Michael Feyen
Nadarajah Manoharan
Karen Naylor
Barbara Robson

IN ATTENDANCE

Kathryn Cook, Chief Executive
Craig Johnston, General Manager, Strategy, Planning & Performance
Keyur Anjaria, General Manager, People & Culture
Neil Wanden, General Manager, Finance & Corporate Services
Judith Catherwood, General Manager, Quality & Innovation
Stephanie Turner, General Manager, Māori & Pacific
Jill Matthews, Manager, Administration & Governance Services
Wayne Blissett, Operations Director, Māori Strategy & Support (part meeting)
Dale Wicken, Communications Advisor

Public: 2
Media: 1

1. ADMINISTRATIVE MATTERS

1.1 Apologies

Apologies were received from Board Members Barbara Cameron and Oriana Paewai.

1.2 Late Items

There were no late items.

1.3 Conflicts and/or Register of Interests Update

There were no amendments to the Register of Interest.

1.4 Minutes of the Previous Meeting

It was resolved:

that the minutes of the previous meeting be approved as a true and correct record. (Moved Michael Feyen; seconded Barbara Robson)

1.5 Matters Arising

There were no matters arising from the minutes.

Unconfirmed minutes

2. STRATEGIC/PLANNING

2.1 Hauora Māori Cluster Implementation Update

The Chief Executive presented the paper and confirmed that the recent resignation of the Director, Pae Ora was not expected to impede the implementation of the new cluster arrangement.

Wayne Blissett entered the meeting.

Management advised the approach being taken was courageous and was in line with the recent report regarding Waitangi 2575.

It was resolved:

that the Board:

- *note the changes in functionality and accountabilities of the Pae Ora – Paiaka (Hauora Māori Cluster).*
- *note the progress on the establishment of the Hauora Māori Cluster. (Moved Dot McKinnon; seconded Karen Naylor)*

3. IWI PARTNERSHIP

3.1 Manawhenua Hauora Minutes

Members expressed interest in the minute regarding “Choosing Wisely = Choosing Equity” and management undertook to provide more information regarding this discussion.

It was resolved:

that the minutes be noted. (Moved Diane Anderson; seconded Karen Naylor)

Wayne Blissett left the meeting.

4. PERFORMANCE

4.1 CEO’s Report

4.1.1 Organisational Leadership Team

The Board recorded its appreciation of Dr Ken Clark, Chief Medical Officer on the eve of his retirement from the DHB.

Congratulations were extended to Stephanie Turner, Executive Director, Māori on her new appointment.

The Chief Executive advised that that recruitment of a CMO was underway using a search agency. Recruitment of a leadership role for the Māori cluster would commence shortly, in consultation with Manawhenua Hauora.

Wayne Blissett left the meeting.

4.1.2 Visit of the Minister of Health

The Chairperson advised the visit had been successful. Dr Clark was very aware of MidCentral DHB's need to build an acute services block.

Stephanie Turner entered the meeting.

The Minister's expectations of DHBs in respect of financial performance was discussed and the Chief Executive advised he expected DHBs to achieve their agreed target, and for the sector to focus on improving improvement over the medium term.

4.1.3 Memorandum of Understanding with Capital & Coast District Health Board

Members noted that the Memorandum of Understanding had been formally signed. It was agreed that a copy of the public information brochure would be provided to all members once finalised. This brochure was being developed by MidCentral DHB in collaboration with the community.

4.1.3 State Sector Act Reforms

The Chairperson advised she was to attend a forum regarding the reforms and would provide further information to members in due course.

It was resolved:

that the report be noted. (Moved Dot McKinnon; seconded Karen Naylor)

4.2 Board's Work Programme 2018/19

It was resolved:

that the delivery of the 2018/19 work programme be noted. (Moved Brendan Duffy; seconded Dot McKinnon)

5. FINANCE, RISK & AUDIT

5.1 Finance, Risk & Audit Committee

It was resolved:

that the minutes of the Finance, Risk & Audit Committee meeting held on 4 June 2019 be noted.

5.2 Finance Update Report for MidCentral DHB – June 2019

The Finance, Risk & Audit Committee Chair reported that the Committee had canvassed the challenges facing the DHB and the need for appropriate protocols and good management processes. The Committee had agreed a lot of effort was being made regarding work programmes which would be concluded in 2019/20 or early 2020/21, and management was focused on measures and protocols to control costs but not at the detriment of quality services for the community.

It was noted that the extra-ordinary year-end adjustments were yet to be finalised for all DHBs. Members noted that the value of year-end provisions may change. The final figure would be reported through the annual report and audited financial accounts.

It was resolved:

that the Board:

- *note that the June financial report was considered by Finance, Risk and Audit Committee at their July meeting. An update will be given to the Board by the FRAC Chair*
- *note that the operating result for June 2019 was an operating deficit of \$1.865m, before extraordinary adjustments. This was \$1.583m adverse to budget.*
- *note that the result for June 2019 incorporating extraordinary adjustments was a deficit of \$10.275m which was \$9.994m adverse to budget*
- *note that the operating year end result is now a deficit of \$13.327m being \$8.377m adverse to budget*
- *note that the year end result incorporating extraordinary adjustments is now a deficit of \$21.738m being \$16.788m adverse to budget*
- *observe that total available cash and deposits is \$29.015m at 30 June 2019. (Moved Brendan Duffy; seconded Adrian Broad)*

5.3 Finance Update Report for MidCentral DHB – May 2019

It was resolved:

that the Board:

- *note that the operating result for May 2019 was an operating deficit of \$3.650m, which was \$1.236m adverse to the budget*
- *note that the year-to-date result is now a deficit of \$11.462m being \$6.793m adverse to budget*
- *note that the potential year-end financial forecast excluding extraordinary adjustments, is for a deficit of \$13.580m which is \$8.630m adverse to budget*
- *observe that total available cash and deposits is \$36.8m at 31 May 2019*
- *note that the May financial report was issued to the Finance, Risk and Audit Committee for consideration at their July meeting. An update on the outcome of the FRAC meeting will be given to the Board by the FRAC Chair at the 30 July Board meeting. (Moved Ann Chapman; seconded Brendan Duffy)*

5.4 Finance Update Report for MidCentral DHB – April 2019

It was resolved:

that the Board:

- *note that the Finance Risk and Audit Committee endorsed this report for Board consideration*
- *note that the operation result for April 2019 was an operating deficit of \$0.587m, which was \$1.493m adverse to the budget. Of this \$1.0m is due to the RMO strike*
- *note that the year-to-date result is now a deficit of \$7.812m being \$5.557m adverse to budget*
- *note that the potential year-end financial forecast prior to April/May strike impact and year-end adjustments is for a deficit of \$12.320m which is \$7.370m adverse to budget*
- *observe that total available cash and deposit is \$47.799m at 30 April 2019. (Moved Ann Chapman; seconded Brendan Duffy)*

5.5 Quarterly Health & Safety System Report

Members noted that the report related to the January - March 2019 quarter.

The General Manager, People & Culture advised that future reports would differentiate between on-line and other courses.

It was resolved:

the quarterly Health and Safety System report be noted. (Moved Dot McKinnon; seconded Brendan Duffy)

5.6 Year End Audit Process

It was resolved

that the Board Chair and a Board Member be authorised sign the Letter of Representation in respect of the 2018/19 year-end financial return to the Ministry of Health. (Moved Ann Chapman; seconded Brendan Duffy)

5.7 Draft Capital Expenditure Plan 2019/20

The completion of recent capital expenditure projects was noted.

The value of spending capital reserves versus retaining this for future, large-scale projects was debated.

It was resolved

that the Board:

- *note the update of the Capital Expenditure programme for the 2019/20 year*
- *note the proposed allocation of funding priority to major strategic projects and the portfolio approach to managing smaller projects*
- *approve the Capital Plan allocation for 2019/20 as outlined in this paper. (Moved Brendan Duffy; seconded Dot McKinnon)*

Board Member Karen Naylor recorded her vote against point 3 of the resolution.

6. HEALTH & DISABILITY

6.1 Health & Disability Advisory Committee

It was resolved:

that the minutes of the Health & Disability Advisory Committee meeting held on 11 June 2019 be noted.

7. GOVERNANCE

7.1 Board's Reporting Framework 2019/20

It was agreed that a summary of the quarterly non-financial performance results would be reported to the Board, and that this and the detailed results would be made available on both the Board's governance Sharednet site and the DHB's website.

It was suggested that the principles be amended to include a “no surprises” approach.

The transparency of Finance, Risk & Audit Committee reporting was discussed. It was noted that information previously reported to the Health & Disability Advisory Committee was now directed to FRAC. It was agreed any issues of this nature be raised and they could be considered on a case-by-case basis. Performance improvement programme reporting was raised and the Chief Executive advised consideration would be given to reporting this to the Board.

It was resolved:

- *that the 2019/20 reporting framework and associated work programmes be approved*
- *that the 2019/20 workshop schedule as at July 2019 be noted. (Moved Dot McKinnon; seconded Ann Chapman)*

7.2 Board and Committee Meeting Calendar 2020

It was proposed that the timing of two meetings be adjusted to enable a meeting holiday in July 2020. This was discussed and discounted.

It was resolved:

that the 2020 meeting calendar be approved. (Moved Diane Anderson; seconded Ann Chapman)

Board Member Karen Naylor recorded her vote against the motion.

7.3 Te Tiriti o Waitangi Policy Review Update

It was resolved:

that the Board:

- *note feedback from Pae Ora, OLT, Manawhenua Hauora and the Board on the MDHB Te Tiriti o Waitangi Policy has occurred*
- *note the MDHB Te Tiriti o Waitangi policy went to Treaty expert provider Ground Works to review*
- *note a rewrite of the MDHB Te Tiriti o Waitangi Policy will be provided the Board at a future date*
- *note that Health & Disability Advisory Committee would be kept informed on progress via the Hauora Paiaka report. (Moved Brendan Duffy; seconded Karen Naylor)*

7.4 NZ Health Partnerships Statement of Performance Expectations

It was noted that this was a changing situation.

It was resolved:

that the Board approves the NZ Health Partnerships Statement of Performance Expectations 2019/20 and provides written confirmation of this to them. (Moved Dot McKinnon; seconded Brendan Duffy)

8. LATE ITEMS

There were no late items.

9. DATE OF NEXT MEETING

20 August 2019 Boardroom MidCentral District Health Board, Gate 2 Heretaunga Street, Palmerston North

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: It was resolved:

<i>Item</i>	<i>Reason</i>	
<i>"In committee" and "board only" minutes of the previous meeting</i>	<i>For the reasons set out in the order paper of the 21.5.19 meeting held with the public present</i>	
<i>Strategy & Planning</i>		
<ul style="list-style-type: none">• Schedule of Commitments for 2019/20• 2019/20 Annual Planning & Budgeting Update	Contract negotiation strategy Under negotiation	9(2)(j) 9(2)(j)
<i>Committee Minutes</i>		
<ul style="list-style-type: none">• Finance, Risk & Audit Committee, 4.6.19<ul style="list-style-type: none">○ 2019/20 Annual Planning & Budgeting○ Schedule of Commitments○ Low Voltage SubStation Project• Health & Disability Advisory Committee, 11.6.19	Subject to negotiations Contract Negotiating strategy Subject of negotiation	9(2)(j) 9(2)(j) 9(2)(j)
<i>Board only time</i>		
<ul style="list-style-type: none">• General	No decision	

(Moved Dot McKinnon; seconded Ann Chapman)

Confirmed this day 20th day of August 2019.

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Chairperson