

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 5 November 2019 at 9.00am at MidCentral District Health Board, Board Room, Gate 2, Heretaunga Street, Palmerston North

PART 1

PRESENT

Dot McKinnon, Chairperson
Diane Anderson
Adrian Broad
Barbara Cameron
Ann Chapman

Brendan Duffy
Michael Feyen
Nadarajah Manoharan
Karen Naylor
Barbara Robson

IN ATTENDANCE

Kathryn Cook, Chief Executive
Neil Wanden, General Manager, Finance and Corporate Services
Craig Johnston, General Manager, Strategy, Planning & Performance
Judith Catherwood, General Manager, Quality & Innovation
Jeff Brown, Acting Chief Medical Officer
Celina Eves, Executive Director, Nursing & Midwifery
Jonathan Howes, Manager, Corporate Communications
Scott Ambridge, Operations Executive, Te Uru Rauhi
Andrew Nwosu, Operations Executive, Te Uru Whakamauora (part meeting)
Barb Bradnock, Planning & Integrations Lead, Te Uru Pā-Harakeke (part meeting)
Angela Rainham, Locality & Population Health Manager (part meeting)
Darryl Ratana, Deputy Chief Financial Officer (part meeting)
Wayne Blisset, Operations Executive, Pae Ora Paiaka Whaiora (part meeting)
Kelly Isles, Director of Strategy (part meeting)
Graham Gillespie, Advisor, Commissioning & Contracts (part meeting)
Jill Matthews, Manager, Administration & Governance Services

Public: 7
Media: 1

Opening the meeting, the Chair acknowledged this was the last board meeting of the 2016-19 board term.

1. ADMINISTRATIVE MATTERS

1.1 Apologies

An apology was received from Board Member 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 Interests.

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 Brendan Duffy; seconded Karen Naylor)

Adrian Broad abstained given his absence at the previous meeting.

1.5 Matters Arising

The scope of the information request relating to the gap between budgeted expenditure and revenue was raised. It was agreed that this related to all expense categories and not just the example of consultancy costs. Management confirmed it would provide as much granularity around these cost/revenue gaps as possible.

2. STRATEGY & PLANNING

2.1 Planning and Budgeting Approach for 2020/21

The General Manager, Strategy, Planning & Performance presented his report.

Management confirmed that the Health and Disability Advisory Committee, and the Consumer and Clinical Councils, would be involved in the planning process. It further confirmed that the Operational Plan and Annual Plan were closely aligned, thus minimising any risk of a disconnect between these.

The impact of the Ministry of Health's timelines on the formal completion and endorsement of planning documents was discussed. It was acknowledged that the DHB would likely commence each financial year with an unsupported plan, with approval occurring at a later date. Management advised that the timing for the release of the 2020/21 funding envelope was not yet known.

Darryl Ratana entered the meeting.

It was resolved:

that the Board note this report. (Moved Dot McKinnon; seconded Brendan Duffy)

2.2 Strategy Progress and Review

The Director of Strategy presented the report.

Members of the Board paid tribute the achievements made since the Strategy was established in 2016.

The formal evaluation of the Kaianga Whānau Ora initiative was questioned and management advised this project was regularly evaluated against a range of indicators. It was noted that the issue of free dental treatment for adults was a national one.

Looking ahead, the following three suggestions were made for consideration:

- adoption of the universal health coverage approach recommended by the United Nations and World Health Assembly, including anyone experiencing severe financial hardship should not have to pay for health care

- greater involvement of local government to ensure the success of the integrated care approach
- manage public expectations, eg around use of new technology

The General Manager, Strategy, Planning & Performance acknowledged the Board's contribution to the Strategy's development and implementation.

Implementation of locality plans was discussed and the Chief Executive confirmed that some initiatives would take time to achieve.

It was resolved:

that the Board:

- *note progress against our Strategy*
- *endorse the approach to our Strategy refresh. (Moved Dot McKinnon; seconded Karen Naylor)*

2.3 centralAlliance Update 2019/20

The General Manager, Strategy, Planning & Performance presented his report.

Patients' willingness to travel out of their district for services was questioned. Management advised that this was generally well accepted, particularly when more complex care was required. The complexities and work involved in bringing two services together to operate within a "one service, two sites" model was emphasised by management, who stated the Urology Service was progressing well. A common IT system was required to further support the new model and this was scheduled for December 2019.

The Ministry of Health's non-support for Hawke's Bay DHB to join the sub-regional laboratory service arrangement was questioned. The Chief Executive advised this was in line with the Government's policy regarding private sector involvement in the public sector.

It was noted that the resignation of Whanganui DHB employed ophthalmologists was due to personal circumstances.

It was resolved:

that the update on the centralAlliance 2019/20 work plan be received, and, the March Board to Board workshop be noted. (Moved Nadarajah Manoharan; seconded Ann Chapman)

3. PERFORMANCE REPORTING

3.1 Chief Executive's Report for September 2019

The Chief Executive presented her report.

3.1.1 Organisational Leadership Team

The Chief Executive noted the changes to the Organisational Leadership Team and the recruitment arrangements in place. She confirmed that cover had been put in place to mitigate any risks during the recruitment period.

The Chief Executive advised a powhiri was to be held for the General Manager, Māori on 11 November 2019 and all members were welcome to attend.

3.1.2 Facility Issues

Reporting arrangements in respect of the short, medium and long term solutions for current facility issues were questioned. The Chief Executive advised follow-up information would be provided through the Finance, Risk & Audit Committee, including detailed business cases for additional theatre, procedural room and cath lab capacity, and, the establishment of pre-fabricated pods adjacent to ED to provide additional bed capacity. She would ensure this reporting was programmed, and confirmed that clinicians were being involved in the development of plans and new models of care.

It was noted that arrangements for step-down beds at Ranfurly Home had commenced.

3.1.3 Study Tour

It was agreed that a presentation on the trip, or component parts, could be provided as required.

The cost of the trip was questioned and management confirmed that this was within the agreed budget. The benefits of study trips and other training and development programmes was noted.

3.1.4 Cyber Security

The Chief Executive advised the DHB took seriously the need for all funded providers to have secure information systems. The DHB's Chief Digital Officer worked across both the DHB and THINK Hauora.

Requirements from a consumer perspective were raised and it was suggested that the target standard should be all consumers able to be told the name of all people who had accessed their records, within both primary and secondary care sectors.

Angela Rainham entered the meeting.

3.1.5 Regional Services Plan

The planned development of a new long-term Regional Services Plan was noted and it was suggested it would be useful for a stocktake against the 2008 plan to first be undertaken. This would help inform the investment and effort to be made in the current project.

The Chief Executive advised the new plan would be aimed at ensuring financial and clinical sustainability across the region.

It was resolved:

that the report be noted. (Moved Nadarajah Manoharan; seconded Brendan Duffy)

3.2 Accessibility and Transport Report

The Locality & Population Health Manager presented her report. She advised that a group of staff from MidCentral DHB were to meet with Horizons Regional Council on 15 November. Horizons had expressed an interest in the DHB's vision around accessibility.

Members requested that an environmental sustainability perspective be taken into account in respect of transport planning.

The enormous contribution of volunteers in providing shuttle services was acknowledged by the Board.

Members requested that the following suggestions be advanced:

- introducing alternative options for patients for whom the Shuttle Service was not suitable, such as the arrangements in place for cancer patients
- resolving emerging issues with access to Masterton Hospital for people living in southern Tararua
- meeting with the Order of St John's to gain a better understanding of their ambulance arrangements across the district given recent changes and challenges
- working with providers of shuttle services to ensure a consistent charging approach
- working with Foxton, Horowhenua and Otāki shuttle services to maximise the effective use of resources.

The Chief Executive advised the DHB was reviewing the administrative support around patient transport, with a view to modernising the approach taken and to incorporate it within the Hospital Operations Centre.

It was resolved:

that the Board:

- *note this update on work being done towards improving accessibility and public transport in the MidCentral district*
- *endorse further discussions with Horizons Regional Council, with a view to strengthening public transport services. (Moved Dot McKinnon; seconded Barbara Cameron)*

4. IWI PARTNERSHIP

4.1 Manawhenua Hauora Minutes

It was resolved:

that the minutes be noted.

4.2 Manawhenua Hauora Board to Board Hui and Work Plan Update

The Operations Executive, Pae Ora Paiaka Whaiora presented his report. which was taken as read.

Angela Rainham left the meeting.

It was resolved:

that Manawhenua Hauora proposed Board to Board Hui on 6 April 2020 is endorsed, and, that the progress against the Manawhenua Hauora 2019/20 Work Plan is noted. (Moved Karen Naylor; seconded Barbara Robson)

5. FINANCE, RISK & AUDIT

5.1 Finance, Risk & Audit Committee

Management confirmed that information regarding declined referrals was scheduled to be provided to the Health & Disability Advisory Committee.

It was resolved:

that the minutes of the Finance, Risk & Audit Committee held on 8 October 2019 be noted. (Moved Brendan Duffy; seconded Dot McKinnon)

5.2 Finance Update Report for MidCentral DHB - September 2019

5.3 Finance Update Report for MidCentral DHB - August 2019

The Deputy Chief Financial Officer presented his reports which were taken as read.

It was resolved:

that the Board:

- note that this is an update paper and the full September Finance Report will be provided to FRAC's November 2019 meeting*
- note that the result for September 2019 is an operating surplus of \$3.940m, which is \$0.062m favourable to budget for the month*
- note that the year to date result is a deficit of \$2.708m and is \$0.069m favourable to budget*
- note that the year-end financial forecast is for a deficit of \$12.1m*
- observe that total available cash and equivalents is \$29.172m as at 30 September 2019.*
- note that the August financial report was considered by the Finance, Risk and Audit Committee at their October meeting.*
- note that the result for August 2019 is an operating deficit of \$3.122m, which is \$0.111m adverse to budget for the month*
- note that the year to date result is a deficit of \$6.649m and is \$0.006m favourable to budget*
- note that the year-end financial budget forecast is for a deficit of \$12.1m*
- observe that total available cash and equivalents is \$26.669m as at 31 August 2019. (Moved Brendan Duffy; seconded Dot McKinnon)*

Graham Gillespie entered the meeting.

5.4 Performance Improvement Plan (PIP)

The General Manager, Quality & Innovation presented her report.

The correlation between the "Managing FTE to Budget" and the in-budget "vacancy management" was questioned. Management advised these were the same item and consistent terminology would be used in future reports. During the budget process a number of new non-clinical positions had been proposed for investment and were not

progressed or included in the budget. Regular reporting against these occurred to ensure the positive financial impact of these decisions was maintained. There was no interaction between this and the budgeted increase of 114 ftes (as set out in the Statement of Intent). Management further confirmed that the proposed new positions could be reconsidered each year as part of the budgeting process.

The increase of 114 FTEs was as reported to the Board previously.

An assurance was sought that Clusters were adequately resourced, including staffing resources, to achieve their health and wellbeing plans. The Chief Executive advised that the budget had been set ahead of the Cluster plans being developed. Additional funding for mental health and addiction services was being sought through the Government's request for proposal process.

The performance rating of each measure was raised, specifically the reduced performance against the previous month for several initiatives. Management advised that the work involved was challenging and would take time to achieve, eg facility capacity work.

It was resolved:

that the Board note progress made to date in the delivery of the Performance Improvement Plan. (Moved Brendan Duffy; seconded Nadarajah Manoharan)

5.5 Delegation of Authority Policy

The General Manager, Finance & Corporate Services presented his report, advising that the policy had been amended in line with FRAC feedback, eg updating legislative references. Some further changes of this nature were to be made, such as amending "Manawatu DHB" to "MidCentral DHB".

Management confirmed that the Delegations Policy and the Travel, Accommodation and Other Sensitive Expenditure Policy were aligned. The latter policy had been reviewed this year and took into account the findings of the Beattie Varley report and Office of the Auditor General's observations regarding Waikato DHB.

The Board's responsibilities as set out in section 4.1 of the Delegations Policy were discussed, specifically whether current reporting arrangements around sensitive expenditure were appropriate. It was agreed that arrangements were appropriate. It was suggested that exercising the "no surprises" policy on sensitive expenditure and other matters would be beneficial.

It was noted that the terminology around HR business advisors was inconsistent.

It was resolved:

that the Board:

- *note that the Delegation of Authority Policy has been reviewed and that adjustments to delegations are proposed now that the Integrated Service Model has been embedded*
- *note that the revised Delegation of Authority Policy was endorsed by the Finance, Risk and Audit Committee at their October meeting with minor corrections which have now been incorporated*
- *approve the amended Delegations of Authority Policy. (Moved Nadarajah Manoharan; seconded Brendan Duffy)*

Michael Feyen abstained from voting, and Karen Naylor recorded her vote against the motion.

5.6 Internal Audit 2019/20 Programme Update

The General Manager, Finance & Corporate Service presented his report which was taken as read.

It was resolved:

*that the revised draft internal audit programme for 2019/20 be approved.
(Moved Dot McKinnon; seconded Barbara Robson)*

6. HEALTH AND DISABILITY

6.1 Health & Disability Advisory Committee

A correction to the minutes was noted - the correct name for the community group referenced in section 4.1 was SINCOSS.

It was resolved:

that the minutes of the Health & Disability Advisory Committee held on 15 October 2019 be noted.

6.2 Quality Account 2018/19

The General Manager, Quality & Innovation presented her report and advised that once finalised, the Quality Account would be widely socialised.

Further editing of the document was requested, particularly the section entitled, "Whānau Engagement". It was suggested that the "Women in Labour" section be amended to reflect that the drug involved was not a new drug, but an existing drug being used for a new purpose.

It was resolved:

that the Board approve the Quality Account 2018/19. (Moved Ann Chapman; seconded Nadarajah Manoharan)

6.3 Cluster Health & Wellbeing Plans

The Director of Strategy presented her report.

Members of the Board congratulated all involved in the development of the Plans, and recorded their appreciation of the "Plan on a Page" documents. Further editing of the Plans on a Page was requested. It was further suggested the Uru Rauhi plan's roadmap, Goal 1, Improving access to services in Horowhenua and Tararua be amended to clarify that two new community-based services would be established, one in Horowhenua and one in Tararua.

It was resolved:

that the Board:

- *approve the following Health & Wellbeing Plans*
 - *Te Uru Rauhi, Mental Health and Addictions*
 - *Te Uru Kiriora Primary, Public and Community Health*
 - *Te Uru Whakamauora, Healthy Ageing and Rehabilitation*
- *endorse the draft following 'Plans on a Page':*
 - *Te Uru Mātai Matengau Cancer Screening, Treatment & Support*
 - *Te Uru Arotau Acute and Elective Specialist Services*
 - *Te Uru Pā Harakeke Healthy Women Children and Youth. (Moved Diane Anderson; seconded Karen Naylor)*

Kelly Isles left the meeting.

6.4 Strategy for Pharmacy in MidCentral

The Advisor, Commissioning & Contracts presented his report.

The impact of large international suppliers entering the local pharmacy market was raised and concern was expressed that this may see the loss of pharmacies in smaller communities. Management advised that the commissioning policy and quality framework would provide controls in this regard.

The Board complimented management on the good working relationship in place with local community pharmacies.

It was resolved:

that the Board approve the Pharmacy in MidCentral Strategy. (Moved Barbara Cameron; seconded Nadarajah Manoharan)

Graham Gillespie left the meeting.

6.5 MDHB Disability Strategy Implementation Plan 2020-2025

The General Manager, Te Uru Rauhi presented the report on behalf of the Executive Director, Allied Health.

Further editing of the document was requested, including input from Pae Ora. It was suggested the heading for the first section should be "Foreword".

The difference between medical and social models in respect of disability, particularly data collection, was discussed. The value of good data and the risk of stigma were noted and it was agreed that MidCentral DHB's initiatives around data collection would need to be well managed in this regard.

It was resolved:

that the Board approve the MDHB Disability Strategy Implementation Plan and Roadmap. (Moved Barbara Robson; seconded Diane Anderson)

7. GOVERNANCE

7.1 DHB Elections and Transition to New Board

The Chairperson extended congratulations to all persons elected to the Board, particularly current member and highest polling candidate, Karen Naylor.

The transition arrangements were discussed, including the decision not to invite incoming board members to participate in DHB board and committee meetings between now and the date they took office. The Chair and Chief Executive advised that a comprehensive orientation programme had been put in place to support a planned and consistent approach. It was also noted that all incoming elected members, except one, would not be eligible to be remunerated for any DHB-related work until 9 December.

It was suggested that an informal meeting of incoming and outgoing members be held as part of the transition arrangements. There was support for this if it could be accommodated within the board meeting programme.

Concern was expressed at the lack of opportunities available during the election period for members of the public to meet with candidates and it was recommended that further consideration be given to this for future elections. It was noted that the Health & Disability Review may also impact on this area.

It was resolved:

that the report be noted. (Moved Dot McKinnon; seconded Nadarajah Manoharan)

7.2 Central Region's Technical Advisory Service (TAS) Annual Update and Annual General Meeting

The brevity of the 2018 annual general meeting was noted.

The benefit received by MidCentral DHB for its investment in TAS was discussed. The Chief Executive noted her interest as a Board Member of TAS and she did not take part in the discussion.

Management advised the key programme delivered by TAS provided good value to the DHB. In respect of the regional work programmes, DHBs were now ensuring these priorities were aligned to matters of strategic importance.

The Chair advised that Shareholding DHBs of TAS determined the appointment of TAS Board members and could also elect to receive a dividend. Decision-making around the issue of dividends rested with the Regional Chairs' Group.

Management confirmed that TAS had a separate building for its IT services. These were co-located Capital & Coast DHB's IT service.

It was resolved:

that the Board

- *approve Dot McKinnon as MidCentral DHB's representative as the Central Region's Technical Advisory Service Limited's annual general meeting on 4 December 2019, and that in the event that Dot McKinnon is unable to attend*

either Brendan Duffy, Deputy Chair, MidCentral DHB, or Kathryn Cook, Chief Executive attends as MidCentral DHB's proxy

- *approve that the recommendations as included in the Notice of Annual General Meeting be supported. (Moved Brendan Duffy; seconded Barbara Cameron)*

7.3 Allied Laundry Services Limited: Annual Update and AGM Arrangements

The success of Allied Laundry Services Limited as a collaborative venture was discussed. Members agreed this was company was an exemplar of national and regional collaboration and should be promoted as a business model. Potential, future risks to ALSL's successful operating model were noted.

It was resolved:

that the Board:

- *appoint Neil Wanden, General Manager, Finance & Corporate Services (or, in his absence, Liam Greer) as MidCentral DHB's proxy at Allied Laundry Services Limited's Annual General Meeting in November 2019, and instruct him to support the recommendations as included in the Notice of Annual General Meeting dated 16 October 2019*
- *note that Allied Laundry Services is proposing a dividend payment to each Shareholding District Health Board of 6c per share from 1 July 2018 to 30 June 2019. MidCentral DHB holds 1,150,000 shares with a corresponding dividend of \$69k*
- *note the continuance of Deloitte as auditors to Allied Laundry on behalf of the Office of the Auditor-General. (Moved Brendan Duffy; seconded Nadarajah Manoharan)*

7.4 Code of Professional Conduct for Crown Entity Board Members

The Board Chairperson presented her report.

The DHB's media policy in respect of board members was discussed. It was stated that there was not always sufficient time at Board and Committee meetings to fully discuss and debate all agenda items. The Chief Executive advised that the development of foundation strategies and plans was now largely complete and would be reflected in the workload of meetings.

The "general behaviours of board members" as outlined in the Governance Manual were noted.

It was resolved:

*that the report be noted
that the draft Code of Professional Conduct for Crown Entity Board Members be endorsed. (Moved Karen Naylor; seconded Nadarajah Manoharan)*

7.5 New Zealand Health Partnerships Limited

It was resolved:

*that the Board note the New Zealand Health Partnership update on FPIM.
(Moved Dot McKinnon; seconded Barbara Cameron)*

8. LATE ITEMS

There were no late items.

9. DATE OF NEXT MEETING:

17 December 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:

Item	Reason	
<i>"In committee" and "board only" minutes of the previous meeting</i>	<i>For the reasons set out in the order paper of the 24.9.19 meeting held with the public present</i>	
<i>Strategy & Planning</i> <ul style="list-style-type: none"><i>2019/20 Annual Plan Update</i><i>Primary Birthing - Service Change</i>	<i>Under negotiation</i> <i>Contract negotiations</i>	9(2)(j) 9(2)(j)
<i>Finance, Risk & Audit Committee (FRAC)</i> <ul style="list-style-type: none"><i>FRAC minutes, 8.10.19</i><ul style="list-style-type: none"><i>Low voltage substation & 11kV network upgrade, and, Te Wakahuia Manawatu Trust</i><i>Progress Report - Low Voltage Substation and 11kV Network Upgrade</i>	<i>Contract negotiations</i> <i>Contract negotiations</i>	9(2)(j) 9(2)(j)
<i>Health & Disability Advisory Committee (HDAC)</i> <ul style="list-style-type: none"><i>HDAC minutes, 15.10.19</i>	<i>For the reasons set out in the order paper of 15.10.19 held with the public present.</i>	
<i>Board only time</i>	<i>No decision sought</i>	

(Moved Dot McKinnon; seconded Brendan Duffy)

Confirmed this 17th day of December 2019.

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Chairperson