

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 29 September 2020 from 9.00am

PART 1

MEMBERS

Brendan Duffy, Board Chair
Heather Browning
Vaughan Dennison
Lew Findlay
Norman Gray
Muriel Hancock

Materoa Mar
Karen Naylor
Oriana Paewai
John Waldon
Jenny Warren

IN ATTENDANCE

Kathryn Cook, Chief Executive
Kelvin Billingham, Chief Medical Officer
Rory Matthews, Interim Director of the Office of the Chief Executive
Gabrielle Scott, Executive Director, Allied Health
Tracee Te Huia, General Manager, Māori Health
Margaret Bell, Board Secretary

IN ATTENDANCE (part meeting)

Keyur Anjaria, General Manager, People and Culture
Vivienne Ayres, Manager, DHB Planning and Accountability
Doug Barnes, Programme Director, Enterprise Project Management Office (EPMO)
Wayne Blissett, Operations Executive, Pae Ora Paiaka Whaiora
Judith Catherwood, General Manager, Quality and Innovation
Natasha Chapman, Director of Operations, Enable New Zealand
Graeme Gillespie, Advisor, Commissioning and Contracts
Jonathan Howe, Corporate Communications Manager
Craig Johnston, General Manager, Strategy, Planning and Performance
Michelle Riwai, General Manager, Enable New Zealand
Neil Wanden, General Manager, Finance and Corporate Services

Media – 1
Public – 0

1. KARAKIA

The meeting opened with the organisational karakia.

2. ADMINISTRATIVE MATTERS

2.1 Apologies

No apologies received.

2.2 Late items

There were no late items.

2.3 Register of Interests Update

There were no amendments to the Register of Interests.

2.4 Minutes of the 18 August 2020 meeting

It was resolved that:

the Part One minutes of the 18 August 2020 Board meeting be approved as a true and correct record. (Moved Vaughan Dennison; seconded John Waldon)

2.5 Matters arising from previous Minutes

Item 4.5 Car Parking

A Board member had previously asked that detailed financial information on the options of continuing or not continuing with paid car parking be provided in the report that would be presented to the December 2020 Board meeting.

The Chief Executive clarified that the option to remove paid car parking was not being considered. When the current contract with the existing provider ends, the pricing arrangements may be revised.

The General Manager, Finance and Corporate Services joined the meeting.

3. PERFORMANCE REPORTING

3.1 Chief Executive's Report for September 2020

The Chief Executive presented this report, which was taken as read.

A Board member asked that in future, more notice be provided to events such as the MDHB Strategy Refresh, to enable people to attend.

The General Manager, Finance and Corporate Services provided an update on the recent simultaneous loss of both the primary and back-up bypass systems in the Uninterruptable Power Supply (UPS). There had been no interruption to clinical services during the failure. A new UPS had been ordered and each UPS would have the capacity to meet the hospital's requirements on its own.

The Manager, DHB Planning and Accountability and the Programme Director, Enterprise Project Management Office joined the meeting.

It was resolved that the Board:

note the update of key local, regional and national matters. (Moved Vaughan Dennison; seconded Muriel Hancock)

3.2 Finance Report – July 2020

The General Manager, Finance and Corporate Services presented this report, which was taken as read. He noted the first two months of the financial year were satisfactory, with good throughput for planned care. Costs of the Holidays Act remediation project had been absorbed so far.

It was noted that the description of staffing FTEs (full-time equivalents) as a 'favourable variance' referred to the comparison between actual FTEs and budgeted FTEs. While it did not always reflect the adequacy of staffing for the current workload, it was the correct term from a financial perspective.

The General Manager, People and Culture joined the meeting.

Work had begun on reducing outsourced nursing costs and ensuring the appropriate use of nursing staff specialising. There had been increased demand for acute mental health services over the past month, yet there had been no use of seclusion during that time. This was a reflection of the support and training provided for staff.

The General Manager, Finance and Corporate Services noted the cash balance at present was \$26m, which was projected to be \$7.6m at year-end. There was an extensive capital programme underway and some of these projects would be funded by the Ministry of Health. The remaining costs would be met from the DHB's reserves.

It was resolved that the Board:

note that the July 2020 financial report was endorsed for Board consideration by the Finance, Risk and Audit Committee (FRAC) at their September 2020 meeting

note that the month and year to date result for July 2020 is a deficit of \$0.823m, which is \$0.147m favourable to budget

note that the result for July 2020 includes COVID-19 related net costs of \$0.069m and unbudgeted Holidays Act related costs of \$0.335m. Net of these costs the month variance to budget would be an operating favourable variance of \$0.551m

note that total available cash and equivalents of \$26.866m as at 31 July 2020 is sufficient to support liquidity requirements

approve the July 2020 financial report. (Moved Vaughan Dennison; seconded Muriel Hancock)

3.3 Finance Update – August 2020

The General Manager, Finance and Corporate Services presented this report, which was taken as read.

It was resolved that the Board:

note this is an update paper and the full August 2020 Finance Report will be provided to the Finance, Risk and Audit Committee (FRAC) November 2020 meeting

note that the month result for August 2020 is a surplus of \$0.194m, which is \$0.063m favourable to budget

note that the result for August 2020 includes COVID-19 related net costs of \$0.015m and unbudgeted Holidays Act related costs of \$0.111m. Net of these costs the month variance to budget would be an operating favourable variance of \$0.185m

note that the year to date to 31 August 2020 is \$0.210m favourable to budget

note that total available cash and equivalents of \$32.024m as at 31 August 2020 is sufficient to support liquidity requirements. (Moved Vaughan Dennison; seconded Jenny Warren)

The General Manager, Finance and Corporate Services left the meeting.

3.4 Sustainability Plan 2020-2023

The Programme Director, Enterprise Project Management Office (EPMO) presented this report, which was taken as read.

It was resolved that the Board:

approve the approach and progress made to date on the Sustainability Plan for 2020-2023, which has been endorsed by the Finance, Risk and Audit Committee. (Moved Materoa Mar; seconded Vaughan Dennison)

The Programme Director, EPMO left the meeting.

3.5 Non-Financial Performance Measures – quarterly report

The Manager, DHB Planning and Accountability presented this report, which was taken as read. She noted the positive results for dental utilisation by adolescents and newborn enrolments, and that improvements were needed for immunisation and the help to quit smoking performance measures.

Immunisation rates had been affected by the 'anti-Vax' campaigns, social media and misinformation about COVID-19. Delays in children being immunised at the expected milestones created delays in catch ups and there had also been an increase in people declining immunisation. The Ministry of Health was expected to reinvigorate its national immunisation campaigns, including MMR (Measles, Mumps and Rubella). A Board member asked that an update on the immunisation register be provided to a future Board meeting.

The General Manager, Strategy, Planning and Performance and the Operations Executive, Pae Ora Paiaka Whaiora joined the meeting.

Concern was expressed over the drop in number of core contacts in quarter four for Well Child Tamariki Ora (WCTO), which had been impacted by COVID-19 restrictions. The Manager, DHB Planning and Accountability noted that the WCTO data set covered only four Māori providers and didn't include other providers such as Plunket.

Board members noted the importance of improving outcomes for Māori in many of the performance measure areas. The Chief Executive advised that equity for Māori was a key priority for the organisation and there would be an increased focus on this in reports to the Health and Disability Advisory Committee (HDAC). The General Manager Māori Health noted a six-monthly 'deep dive' against Māori health indicators would be reported to HDAC, noting the problem, the findings and progress made.

The Manager, DHB Planning and Accountability advised that the Crown Funding Agreement for disability support services specifically covered people under the age of 65 years. Volumes were low for this age bracket, so no report summary could be provided.

It was resolved that the Board:

note this report and progress made in delivering MidCentral District Health Board's Annual Plan and performance expectations for the fourth quarter of 2019/20

approve the mitigations noted for those performance measures or deliverables that were not meeting expectations in quarter four. (Moved Vaughan Dennison; seconded Karen Naylor)

The General Manager, Strategy, Planning and Performance and the Manager, DHB Planning and Accountability left the meeting.

3.6 Organisational Development Plan

The General Manager, People and Culture presented this report, which was taken as read.

A Board member raised questions about staff bullying and psychological harm. The General Manager, People and Culture noted that staff could access the EAP (Employee Assistance Programme) for support for either work or non-work related issues. They were entitled to three free sessions from a psychologist or counsellor (paid for by the DHB). Further free sessions would be approved following a report from the counsellor. No requests for extra sessions had been declined. In the recent staff engagement survey which had been reported to the August Board meeting, the number of older people who said they had experienced or witnessed bullying at MDHB was similar to the overall responses across all age groups. All staff leaving MDHB were given an option to complete an exit interview, either face-to-face or online. Themes for people leaving the organisation were reported to the Board every six months.

The General Manager, People and Culture advised that cultural competencies had been included in the performance management framework for the Chief Executive, OLT (Organisational Leadership Team), nursing and allied health staff. It was planned to extend cultural performance in position descriptions and performance reviews for other roles.

Consultation on the Wellbeing Strategy would take place with staff and unions before being discussed by the OLT. It was expected to be presented to the Board early next year.

It was resolved that the Board:

note the six-monthly workforce update against activities within the District Health Board's Plan He Kura te Tāngata A plan for our people

endorse the next steps as the District Health Board implements initiatives identified within the plan. (Moved Jenny Warren; seconded Norman Gray)

The General Manager, People and Culture left the meeting.

4. DISCUSSION/DECISION PAPERS

4.1 Te Tiriti o Waitangi Policy

The General Manager Māori Health and the Operations Executive, Pae Ora Paiaka Whaiora presented this report, which was taken as read. They commended the efforts of the Māori Health Quality and Service Improvement in writing the Policy and acknowledged the progress made by the Board and Organisational Leadership Team.

A minor change to the first page of the policy was advised – that the iwi listing for Rangitāne (Manawatū, Papaioea, Tararua) would be separated to Rangitāne ki Manawatū and Rangitāne ki Tamaki Nui a Rua (Tararua).

It was resolved that the Board:

approve MidCentral District Health Board's Te Tiriti o Waitangi Policy for all MDHB employees (permanent, temporary and casual), visiting medical officers, and all other partners in care, contractors, consultants and volunteers. (Moved Oriana Paewai; seconded John Waldon)

4.2 Joint Work Plan for Manawhenua Hauora and MidCentral District Health Board

The General Manager Māori Health and the Operations Executive, Pae Ora Paiaka Whaiora presented this report, which was taken as read. The joint work plan would be discussed at a combined meeting of Manawhenua Hauora and MidCentral District Health Board (MDHB) that would follow this Board meeting.

Board members noted the progress made and the significant role Manawhenua Hauora now had with MidCentral District Health Board. The efforts of the Chief Executive in bringing the two organisations together was acknowledged.

It was resolved that the Board:

approve the Manawhenua Hauora and MidCentral District Health Board Joint Work Plan for the 2020/21 year, subject to a joint commitment being made at the subsequent combined Manawhenua Hauora and MDHB meeting. (Moved Matoroa Mar; seconded Heather Browning)

The Media and the Operations Executive, Pae Ora Paiaka Whaiora left the meeting.

4.3 Review of Board Policies

The Interim Director of the Office of the Chief Executive presented this report, which was taken as read. It was agreed to make the following amendments to the Standing Orders:

Clause 3.2 – change to read:

The Board may from time to time hold open forums as part of its meeting, to provide opportunity for members of the public to express their views.

Clause 4.1 – add wording to the end:

However, meetings of the Remuneration Committee are only open to Board members who have been appointed to that committee.

Clause 4.3 – add new clause to read:

Board members may attend meetings in person, by video or teleconference.

Te Tiriti o Waitangi should be integrated into all policies. As an interim step, it would be added as a 'MDHB-related document' and incorporated as policies were due for review.

It was resolved that the Board:

approve the proposed changes and feedback from the Board to the MidCentral District Health Board (MDHB) Standing Orders Policy. (Moved Norman Gray; seconded Lew Findlay; against Karen Naylor)

It was resolved that the Board:

approve the proposed changes to the MDHB Board and Committee Members' Code of Conduct Policy

approve the proposed changes to the Appointment to Board Committees Policy

approve the proposed changes to the Training for Board Members Policy

note the above policies will be reviewed in 36 months. (Moved Norman Gray; seconded Lew Findlay)

The General Manager, Finance and Corporate Services and the General Manager, Quality and Innovation joined the meeting.

4.4 Delegation of Authority Policy

The Chief Executive presented this report, which was taken as read.

A response to the question raised at the September meeting of the Finance, Risk and Audit Committee (FRAC) regarding ex gratia payments (item 2.5 of the policy) would be provided at the next FRAC meeting.

A Board member noted that the change to clause 5.7 of the policy regarding restructuring did not reflect the views she expressed at the FRAC meeting, and that the Board should be consulted about structure changes.

The General Manager, Enable New Zealand and the Director of Operations, Enable New Zealand joined the meeting.

The Board Chair noted that the Board was only responsible for employing the Chief Executive. Other staffing issues were operational and the responsibility of the Chief Executive, but governors would like to know if there were plans to restructure the management team. The following change was agreed:

Clause 5.7 – amend the 'Comments' to read:

The Chief Executive will consult the Board on any significant structural changes to the executive leadership of the organisation.

It was resolved that the Board:

note that the Delegation of Authority Policy was endorsed for Board consideration by the Finance, Risk and Audit Committee (FRAC) at their September meeting, subject to the two matters raised by FRAC being completed to the satisfaction of the Board

note that the Delegation of Authority Policy Clause 5.7 comments will be amended to read 'The Chief Executive will consult the Board on any significant structural changes to the executive leadership of the organisation'

note that the Delegation of Authority Policy has been reviewed and that several minor adjustments are proposed

approve the revised Delegation of Authority Policy. (Moved Brendan Duffy; seconded Vaughan Dennison)

The General Manager, Finance and Corporate Services left the meeting.

4.5 Disrupted Board Orientation Programme

The Interim Director of the Office of the Chief Executive presented this report, which was taken as read. He advised that the orientation site tour would be held over two dates. On 13 October 2020, a strategic site visit of the hospital and perioperative service would follow the Health and Disability Advisory Committee (HDAC) meeting. A date for the remainder of the orientation programme would be advised.

It was resolved that the Board:

note the revised dates for the disrupted Board Orientation Programme

note the feedback and recommendations from the Tregaskis Brown assessment

note that Board members are encouraged to discuss any individual training and development needs directly with the Chair

note the planned orientation site visits following the Health and Disability Advisory Committee meeting on Tuesday 13 October 2020. (Moved Materoa Mar; seconded Vaughan Dennison)

4.6 Review of the Board and Committee Reporting

The Interim Director of the Office of the Chief Executive presented this report, which was taken as read.

Board members supported the proposed changes, and noted that information provided in reports should be concise and add value. There was currently a lot of repetition in reports and duplication of papers going to committees and the Board. They noted that data provided was retrospective and asked that the executive review the data and explain its significance for future planning. The strategic focus needed to include the work of the Clinical and Consumer Councils. A Board member noted that while Diligent Boardbooks made it easier to navigate the papers online, it was an expensive option.

The Interim Director of the Office of the Chief Executive confirmed that the Board would be advised in advance of any plan to exclude information that was currently provided in reports.

It was resolved that the Board:

note the contents of the PowerPoint report

feedback on any enhancements to the current Board processes, content and agenda

endorse the direction and iterative progress that is being made. (Moved Oriana Paewai; seconded Jenny Warren)

The General Manager, Strategy, Planning and Performance and the Advisor, Commissioning and Contracts joined the meeting.

4.7 Awards and Recognition

The General Manager, Quality and Innovation presented this report, which was taken as read. She noted that two Board members would be invited to join the awards judging panel.

It was resolved that the Board:

approve the re-establishment of MidCentral District Health Awards in 2021

note that all Board members will be given the opportunity to participate as an ambassador for award and recognition activities as outlined in Appendix One

note that MidCentral District Health Board (MDHB) staff barbecues are to be extended to include a staff awards ceremony

note that MDHB will commence long service recognition awards. (Moved Muriel Hancock; seconded Norman Gray)

The General Manager, Quality and Innovation and the Corporate Communications Manager left the meeting.

4.8 Community Pharmacy Services Commissioning

The General Manager, Strategy, Planning and Performance and the Advisor, Commissioning and Contracts presented this report, which was taken as read. They noted one minor change to clause 5 (d) so the reviewer was not also the decision maker.

Clause 5 (d) to read:

The Panel will make a recommendation to the Chief Executive Officer's delegate who will make a decision on the application.

It was resolved that the Board:

note that approval of the Community Pharmacy Services Commissioning Policy will end the moratorium on issuing new contracts for community pharmacy providers

approve the Community Pharmacy Services Commissioning Policy. (Moved Lew Findlay; seconded Vaughan Dennison)

The Advisor, Commissioning and Contracts left the meeting.

Acknowledgement: General Manager, Strategy, Planning and Performance

The Board Chair acknowledged the outstanding contribution of Craig Johnston, General Manager, Strategy, Planning and Performance. Craig was leaving after 31 years' service to the organisation over a variety of roles. All Board members had appreciated and benefited from Craig's approachability, knowledge and willingness to help. He was wished all the best for his new role as Chief Executive of Kauri Health.

Craig thanked the Board for their praise and noted that he had enjoyed working with all Board members, who made a valuable contribution to the organisation.

The General Manager, Strategy, Planning and Performance left the meeting.

4.9 Board Meeting Attendance Fees

The Interim Director of the Office of the Chief Executive presented this report, which was taken as read. A Board member expressed her view that the decision not to pay Committee members for their attendance at two meetings during the COVID-19 lockdown that were combined with Board meetings was not aligned to the MDHB's policy (ie MDHB Governance Manual, Section 18 Remuneration and Expenses for Board Members) or the Cabinet Fees Framework. She proposed a new recommendation:

That in future, Board meeting attendance fees will be paid in accordance with Board policy and the Cabinet Fees Framework. (Moved Karen Naylor; seconded Vaughan Dennison)

The Board Chair explained the background to his decision to not pay Committee members for attending the combined meetings with the Board:

- The two combined meetings were held concurrently to enable greater participation during the COVID-19 lockdown period.
- Board members' honorarium covered their attendance at the Board meeting and the combined meetings were not longer than other meetings of the Board.
- It would not be fair to pay an attendance fee for Board members who were appointed to the Finance, Risk and Audit Committee (FRAC), and not to other Board members who also attended and contributed to that combined meeting.
- The COVID-19 pandemic had created significant challenges throughout the community. All DHB Chief Executives and Chairs had accepted a salary cut, even though this was not provided for in any policy.

He apologised for not circulating the reasons for his decision immediately, but had made it in good faith and believed it reflected the mood of the country at that time.

A Board member noted he was comfortable with the original decision, but it was important to follow Board policy and make decisions on any exceptions.

The Chief Executive explained the decision was not made against the Board policy. A situation where holding combined meetings of the Board and Committees had not been anticipated and had not been included in the policy.

A Board member iterated her view that the decision was against the policy and the Cabinet Fees Framework. She believed the decision not to pay attendance fees to Committee members should have been communicated and didn't demonstrate respect.

It was resolved that the Board:

note the reasons for not paying Board members for attendance at the Health and Disability Advisory Committee meeting held on 26 May 2020, or the Finance, Risk and Audit Committee meeting held on 16 June 2020

note the MidCentral District Health Board's Governance Manual, Section 18 Remuneration and Expenses for Board Members, will be updated to clarify how meeting attendance fees are calculated if a combined meeting of the Board and a Statutory Committee is required

note that in future, Board meeting attendance fees will be paid in accordance with Board policy and the Cabinet Fees Framework. (Moved Karen Naylor; seconded Vaughan Dennison)

5. INFORMATION PAPERS

5.1 Manawhenua Hauora Chair's Report

The General Manager Māori Health presented this report, which was taken as read. She noted that the cover pages included the MidCentral DHB's response to issues raised in the report from the Manawhenua Hauora Chair, who had provided the main report.

It was resolved that the Board:

note the content of the report. (Moved Oriana Paewai; seconded John Waldon)

5.2 Update on Palmerston North Hospital Foundation

The Interim Director of the Office of the Chief Executive presented this report, which was taken as read.

A Board member noted that the Te Awa Trust had been set up with seeding funding from Sir Stephen Tindall, and included specific areas of health and education. It was suggested that contact be made with the Trust to decide whether working together would be beneficial.

The Chief Executive noted that MDHB had several million dollars in specific trusts which would be considered for incorporation into the Palmerston North Hospital Foundation.

It was resolved that the Board:

note that progressing the Palmerston North Hospital Foundation was slowed because of COVID-19

note that the Board Chair and Interim Director of the Office of the Chief Executive are working to actively progress the establishment of the Foundation

note that the intention is for the Foundation's purpose to be for the benefit of Palmerston North Hospital

note that the Board and Committees will be kept updated on progress. (Moved Muriel Hancock; seconded Lew Findlay)

5.3 Minutes of the 1 September 2020 HDAC meeting

It was resolved that the Board:

note the unconfirmed Part One minutes of the 1 September 2020 Health and Disability Advisory Committee (HDAC) meeting. (Moved John Waldon; seconded Heather Browning)

5.4 Minutes of the 15 September FRAC meeting

A Board member noted the questions she had raised regarding whether any ex gratia payments less than \$50k had been reported and the process for reporting these to either FRAC or the Board (Clause 2.5 of the Delegation of Authority Policy) had not been recorded in the Minutes.

It was resolved that the Board:

note the unconfirmed Part One minutes of the 15 September 2020 Finance, Risk and Audit Committee (FRAC) meeting, subject to the amendment noted regarding discussion on ex gratia payments. (Moved Vaughan Dennison; seconded Brendan Duffy)

6. LATE ITEMS

There were no late items.

7. DATE OF NEXT MEETING

Tuesday, 10 November 2020 – Board Room, MidCentral District Health Board, Gate 2 Heretaunga Street, Palmerston North

8. 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	Ref
'In committee' minutes of the previous Board meetings	For reasons set out in the agenda of the 18 August 2020 meeting.	
2019/20 Draft Annual Report and Financial Statements	Commercial sensitivity	9(2)(j)
Facilities Maintenance and Hotel Services	Subject to contract negotiations	9(2)(j)
Insurance – Approval Risk Share Agreement	Commercial sensitivity	9(2)(j)
Enable New Zealand	Commercial sensitivity	9(2)(j)
Board only time	No decision sought	
'In committee' minutes of the previous HDAC meeting	For reasons set out in the agenda of the 1 September 2020 meeting	
Serious Adverse Events (SAC 1) from February 2020 to May 2020	To protect patient privacy	9(2)(a)
'In committee' minutes of the previous FRAC meeting	For reasons set out in the agenda of the 15 September 2020 meeting	
Pathology and Laboratory Services Contract Update	Subject to contract negotiations	9(2)(j)
Facilities Maintenance and Hotel Services	Subject to contract negotiations	9(2)(j)

(Moved Brendan Duffy; seconded Vaughan Dennison)

Part One of the meeting closed at 12.05pm

Confirmed this 10th day of November 2020

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Chairperson