

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 3 July 2018 at 10.00am in the Board Room, MidCentral DHB Office, Heretaunga Street, Palmerston North

PART 1

PRESENT

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

Brendan Duffy
Michael Feyen
Nadarajah Manoharan
Oriana Paewai
Barbara Robson

IN ATTENDANCE

Kathryn Cook, CEO
Keyur Anjaria, General Manager, People & Culture
Judith Catherwood, General Manager, Quality & Innovation
Celina Eves, Executive Director, Nursing & Midwifery
Steve Miller, Chief Information Officer
Gabrielle Scott, Executive Director, Allied Health
Ken Clark, Chief Medical Officer (part meeting)
Neil Wanden, General Manager, Finance & Corporate Services
Cushla Lucas, Operations Executive, Cancer Screening, Treatment & Support
Vanessa Caldwell, Operations Executive, Mental Health & Addictions
Dave Ayling, Clinical Executive, Primary, Public, Community Health
Debbie Davies, Operations Executive, Primary, Public, Community Health
Scott Ambridge, General Manager, Enable New Zealand
Jo Smith, Portfolio Manager, Health of Older Persons
Steve Tanner, Financial Planning Manager
Darryl Purdy, Manager, Data Quality & Health Information
Vivienne Ayres, Manager, DHB Planning & Accountability
David Jermey, Portfolio Manager, Primary Care
Wayne Blisset, Service Manager, Pae Ora (part meeting)
Jonathon Howe, Corporate Communications Manager

Public: 0

Media: 1

1. ADMINISTRATIVE MATTERS

1.1 Apologies

An apology was received from Board Member Karen Naylor.

1.2 Late Items

The Chairperson requested a late item, being the constitution of the Central Region's Technical Advisory Service. This matter had not been included in the agenda as the

material had not been provided to the DHB due to staff sickness at TAS. It was preferable that a decision on the matter was not held over until the Board's next meeting so that a shareholding DHB Chair could be appointed to the TAS Board in July 2018.

A paper on this matter was tabled.

It was resolved:

that the "Central Regional Technical Advisory Services' Constitution" be accepted as a late item for consideration under item 8 of the agenda. (Moved Dot McKinnon; seconded Brendan Duffy)

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

Three corrections to the minutes were identified:

- item 2, point 4, the Health Care Home programme was in place at the Tararua IFHC, not the Horowhenua IFHC
- item 2, point 8, availability of surgery – second sentence to read, "The options for people unable to afford private surgery was questioned."
- attendance – spelling of Darryl Purdy

It was resolved:

that the minutes of the previous meeting be approved as a true and correct record, subject to the corrections noted above being made. (Moved Dot McKinnon; seconded Ann Chapman)

b. Matters Arising

- Greater connection between health shuttle services operating in both MidCentral's district and the Wellington district: the Chief Executive confirmed that this matter was being progressed. Discussions had been held with the Kapiti Coast District Council's Mayor regarding the locality plan, noting that transport was a key issue identified by the public. A meeting with staff at Capital & Coast DHB was to be arranged.

It was agreed that this matter also applied to other areas of the DHB's district, such as Eketahuna, and would be advanced through the locality plan implementation.

- Public transparency: a member expressed strong support for all matters possible being discussed in the public section of MidCentral DHB's board and committee meetings.

Barbara Cameron entered the meeting.

- Public Forum: management confirmed that a meeting with Diabetes NZ – Horowhenua Branch was scheduled, and discussions had taken place with the GP interested in IT matters and MDHB’s Digital Strategy.

2. STRATEGIC AND ANNUAL PLANNING

2.1 Contract Review and Renewal for 2018/19 – Phase 2

The timing of new contract arrangements was raised and the Chief Executive confirmed that the DHB was endeavouring to move to an annual contract date commencing 1 October. In time, as each cluster working within the integrated service model began commissioning and procuring services, Board support for a new approach would be sought, being multi-year contracts within a high trust environment.

It was resolved:

that the Board:

- *note the timeline required to manage the processing of contract renewals impacted by pay equity and sign off requirements by parties to the contract in order to maintain services*
- *note the requirements governing pay equity and our commitment to the legislation. (Moved Dot McKinnon; seconded Brendan Duffy)*

Wayne Blisset entered the meeting.

3. INTEGRATION & PARTNERSHIP

3.1 Manawhenua Hauora/MidCentral DHB Work Plan Progress Report

The Service Manager, Pae Ora provided an update on Kia Ora Hauora, the national workforce development programme funded through Health Workforce NZ. He advised the key foci was the recruitment of young Māori into the health profession, including the promotion of scholarship opportunities, and, the Tū Kaha conferences held within the Central Region. The 2018 conference had been postponed in recognition of pending strike action. Close contact was maintained with local secondary colleges, particularly students in years 10 to 13.

MidCentral DHB had invested in the Māori Science Academy at Massey University.

Darryl Purdy entered the meeting.

Members noted the national secondary schools Kapa Haka competition currently being held in Palmerston North and the involvement of health staff. It was further noted that local Iwis, Muaūpoko and Raukawa, had recently held a rangatahi expo in which many services from MidCentral had participated.

Oriana Paewai addressed the meeting in her role as Chair, Manawhenua Hauora. She referred to the large number of rangatahi participating in the Kapa Haka competition, together with their supporters and whanau. She stated that from an equity perspective, the dreams and aspirations of rangatahi would be curtailed through no fault of their own if the health sector did not do a better job.

Mrs Paewai advised Manawhenua Hauora considered the objectives on which the annual work programmes were based remained appropriate. However, a new approach to developing the actions to advance these was proposed. At the board-to-board hui

scheduled for September it was proposed discussions be held regarding equity and racial discrimination, and from this the work programme could be formed.

Mrs Paewai noted that the issue of Manawhenua Hauora attendance rates had been raised at the Board's last meeting. She advised that members of Manawhenua Hauora held many roles, particularly within health and social services, which meant they were not able to attend all events.

It was resolved:

that the Board:

- *note the report on the DHB/MWH work-plan 2017-2018.*
- *note that the Board to Board annual hui will be held in September 2018 where the next DHB/MWH work plan objectives will be discussed and the MOU reviewed. (Moved Michael Feyen; seconded Oriana Paewai)*

Wayne Blisset left the meeting.

4. PERFORMANCE REPORTING

4.1 CEO's Report for May/June 2018

4.1.1 Nurses' MECA Negotiations

The Chief Executive updated members on progress with these negotiations. She advised that the notice of strike action for 5 July had been withdrawn. The notice of strike action for 12 July remained in place and contingency planning continued. This strike fell within school holidays and some medical and allied health staff would be on annual leave. Management confirmed that a range of approaches for covering the strike were being used, including use of volunteers.

The NZ Nurses' Organisation had taken the DHBs' revised offer to nurses and a decision was expected by 10 July.

Ms Cook advised that details of the revised offer had just been received by MidCentral DHB and were being analysed. Further information regarding this would be provided to the Board.

4.1.2 Digital Strategy

The Board noted that further engagement was occurring in the development of the Strategy and it would be submitted for its consideration in August 2018.

The Chief Information Officer advised that the Digital Strategy would develop over time as the DHB continued to collaborate and engage.

4.1.3 Regional Services Plan

The Chief Executive advised that the draft Regional Service Plan had been considered by the regional DHB CEs and would be submitted for the Board's consideration at its next meeting.

4.1.4 NZ Health Partnerships Limited

The Chief Executive advised that the national work plan for this organisation had been agreed and would be submitted for the Board's consideration via the Finance, Risk & Audit Committee.

4.1.5 Promoting Professional Accountability

The Chief Executive advised that the Speaking Up for Safety programme was a pre-requisite for implementation of the Promoting Professional Accountability programme.

4.1.6 National Governance Development Programme

It was suggested that this programme include case studies from recent incidents within the sector of governance failings. The Chair agreed to put forward this suggestion for consideration.

4.1.7 National Oracle System

The Chief Executive confirmed that a report would be provided for the Board's next meeting regarding this project in light of Cabinet's recent decision.

4.1.8 National Procurement of Medical Devices

A member raised concerns that regulations around therapeutic devices were still under development, and that this legislation was now to be dealt with after the drinking water legislation. This meant momentum would continue to build regarding the procurement of medical devices in a non-regulated environment.

4.1.9 WebPAS

The Chief Information Officer advised that the data problems being experienced related to the collection of data. The Chief Executive advised once there was further clarity of the issues, a report would be provided to the Finance, Risk & Audit Committee.

4.1.10 National Mental Health Inquiry

Management confirmed that there was still opportunity for members of the public to provide their views to the Inquiry Team.

4.1.11 Review of NZ Health and Disability Sector

The national position of demand, and resources being directed to secondary care, growing at a faster rate than primary services was discussed. The Chief Executive advised that MidCentral DHB continued to increase investment in community-based services and recent analysis showed that around 64 percent of funding was directed to non-hospital DHB services. This analysis was still being concluded.

Ken Clark entered the meeting.

It was agreed that information on budgeted expenditure on services would be provided with the next 2018/19 budget update.

It was resolved:

that the CEO's report for May/June 2018 be noted. (Moved Diane Anderson; seconded Adrian Broad)

4.2 Finance Report for MidCentral DHB – May 2018

The Board noted that some factors, such as nursing backpay, were still to be factored into the year-end budget forecast.

The cost of consultants, Francis Health, was raised and management undertook to report this to a future meeting of the Health & Disability Services Advisory Committee, together with the expected return on investment.

It was noted that when the 2017/18 budget was developed, significant risks had been identified. In developing the 2018/19 budget, the DHB was in the same situation.

It was further noted that throughout the 2017/18 year, elective revenue was not achieved due to theatre availability issues. Assurance was sought that this situation would not continue in 2018/19. The Chief Executive advised that work was being done regarding the perioperative plan and a new theatre grid. This would enable the DHB to identify the volume of elective work it could undertake internally and what would need to be outsourced. Greater granularity of information would be provided regarding any future under delivery.

The Board noted that the year-end financial position was expected to be an improvement on the results for the 11 months to 31 May 2018 - \$8.593 deficit compared to \$8.674 deficit.

The improvement in bed day usage over the period 2015/16 to 2017/18 was discussed. Management advised that this related in part to the reduction in resourced beds. The Chief Executive advised that further information would be provided as part of the next 2018/19 budget update. She noted that there was opportunity to reduce bed day usage through better management of acute demand and this was part of the business improvement programme of work.

The Board noted that for the last 12 months the DHB had expended \$12k per day more than the revenue it received. In 2018/19, this level of over-expenditure was expected to increase to \$25k per day. Further discussions were required to resolve this situation.

It was resolved:

that the Board:

- *note that the operating result for May 2018 was an operating deficit of \$2.936m, which was \$488k adverse to the budget*
- *note that the year-to-date result is now a deficit of \$8.674m being \$3.980m adverse to budget*
- *note that due to theatre availability elective revenues are \$2.606m behind for the year to date*
- *note that the year-end financial forecast is now for a deficit of \$8.593m which is adverse to budget by \$4.795m with further downside risk*
- *note an NZNO MECA settlement may significantly impact the 2017/18 financial year*
- *note that total available cash is \$49m at May and is forecast to be \$40m at year-end. (Moved Dot McKinnon; seconded Brendan Duffy)*

4.3 Year End Audit Process

It was resolved:

that the Board Chair and a Board Member be authorised to sign the Letter of Representation in respect of the 2017/18 year-end financial return to the Ministry of Health. (Moved Diane Anderson; seconded Michael Feyen)

4.4 Six Monthly Workforce Update

The General Manager, People & Culture advised that the DHB endeavoured to exploit all available opportunities to increase the success of its recruitment activities. This including using the networks of new leadership staff, such as the Executive Director, Nursing & Midwifery and the new Operations Executives currently working in the British National Health Service. The DHB was also seeking to join other DHBs' overseas recruitment drives.

It was suggested that the DHB work closely with local organisations, such as CEDA, to promote Palmerston North as a place to live and work. The General Manager, People & Culture advised that recruitment was a major project for 2018/19 and would include these types of approaches.

Staff turnover rates were discussed, and concern was expressed regarding the rate for midwives. It was agreed that future reports provide a breakdown of turnover rates to show the key reasons for staff leaving the organisation, eg retirement, taking up a new role outside the organization.

The General Manager, People & Culture advised that exit interviews were held with staff and he monitored these closely. The exit interviews could be done anonymously or face-to-face with a member of the HR team.

The General Manager, People & Culture assured members that the drop in annual leave over two years' entitlement was the result of staff taking leave. He advised management was trying to discourage people from buying out their annual leave.

The Board noted that the 2018 staff survey, which has recently been undertaken, would provide information to inform future workforce/workplace initiatives.

It was resolved:

that the June 2018 workforce update be noted.

4.5 Board's Work Programme 2018/19

The following amendments and changes to the work programme were requested:

- a meeting with both the Clinical and Council Councils (in addition to the individual meetings)
- frequency of reporting regarding NZ Health Partnerships Limited to be amended to quarterly
- quality and safety walk-arounds to be quarterly, with quarterly quality improvement updates to HDSAC

Management advised that the result of the Workforce Survey would be reported to the Board in September 2018.

It was resolved:

that the 2018/19 work programme be endorsed, and progress in its delivery noted. (Moved Dot McKinnon; seconded Brendan Duffy)

5. POLICY & GOVERNANCE

5.1 Communications Policy Review

Ann Chapman declared her interest as a newspaper owner. She did not participate in the discussion.

The following changes to the Policy were requested:

- clause 1.3, sentence to end after the word "values"
- clause 2.6.3, 3rd point, term Public Health Unit to be used.

It was resolved:

that the renaming of the Communications Policy to the Communications and Media Policy be approved

that the changes made to the Policy be approved, including the additional changes requested by the Board

that the policy be reviewed in 24 months. (Moved Dot McKinnon; seconded Diane Anderson)

Michael Feyen abstained from voting and asked that this be recorded.

6. COMMITTEE RECOMMENDED PAPERS

6.1 Business Improvement Update

Clarification was provided by the General Manager, Quality & Innovation regarding the new business improvement function. She advised this function would provide programme and project management, and would support all parts of the organisation as well providing technical and operational support to the Clusters.

It was resolved:

that the update on the Business Improvement Programme be noted

that the proposed approach to the Business Improvement Plan 2018/19 be approved. (Moved Dot McKinnon; seconded Adrian Broad)

6.2 Health & Safety Strategy and Plan

It was suggested that the delivery of “stress management, harassment and bullying prevention training” be extended to include the Board. This was agreed.

It was resolved:

that the Health and Safety Strategy and Plan for 2018-22 be approved. (Moved Brendan Duffy; seconded Adrian Broad)

6.3 Inpatient Mental Health Unit – Progress Update

Management confirmed that advice was yet to be received from the Ministry of Health regarding the proposal to take a single business case approach for this project. Concern was expressed at the impact on the DHB’s endeavours to achieve a fit-for-purpose facility. Management confirmed that development of the business case continued while the MoH advice was awaited.

It was noted that the business case would set out the two options agreed by the Board to enable a decision to be made. Issues regarding value for money and affordability would be taken into account.

The Chief Executive advised that she and the Chair were to meet with the Ministry of Health in the near future regarding the 2018/19 year plan and budget, including capital works. Ward 21 and the acute services block projects would be on the agenda for discussion.

It was resolved:

that the Board:

- *note the progress to date on developing and evaluating options for the inpatient mental health unit*
- *note the current status of development of the business case associated with investment in inpatient mental health services and facilities*
- *agree that management continue to develop a full Better Business Case for the project guided by MoH feedback with a request for additional capital injection. (Moved Dot McKinnon; seconded Ann Chapman)*

6.4 Draft Internal Audit Plan 2018/19

Consideration was given to including “monitoring of expenditure” in place of the “internal controls for Enable New Zealand” internal audit. It was agreed that the scope of such an audit was too broad and would be beyond what the internal auditors could provide.

The General Manager, Finance & Corporate Services undertook to provide a paper for the Finance, Risk & Audit Committee on how it could be assured of the veracity of the DHB’s financial processes and controls. The veracity of its clinical costing system was also suggested. The Board supported this approach.

It was resolved:

that the Board:

- *note that the Draft Internal Audit plan for 2018/19 was endorsed by the Finance Risk and Audit Committee for the Board’s consideration 5th June*

- *note that FRAC deferred and replaced the Vulnerable Children audit with the Staffing for Patient Acuity audit*
- *note the proposed internal audit programme for the 2018/19 year*
- *consider any reprioritisation of risk aspects and reviews*
- *approve the 2018/19 internal audit programme. (Moved Dot McKinnon; seconded Brendan Duffy)*

6.5 2017/18 Internal Audit Progress Update

It was resolved:

that the Board:

- *note that the Internal Audit update paper and the substitution of the Staff Reimbursement Review in place of the Business Continuity Management Review was endorsed by FRAC 5 June*
- *note the update on the progress on the internal audit programme for the 2017/18 year and the issue of two further draft reports for comment and one final report issued*
- *approve the substitution of the Staff Reimbursement Review in place of the Business Continuity Management Review in June. (Moved Brendan Duffy; seconded Ann Chapman)*

6.6 Updated Capital Expenditure Policy – MDHB 2019

A member expressed concern that it was sometimes hard to understand the practical implications of the Delegations Policy and the Annual Plan in respect of capital works.

The General Manager, Finance & Corporate Services clarified the meaning of a “low value attractive asset”, being an asset of a value which while not meeting the financial threshold for inclusion in the Asset Register, deserved a higher level of monitoring so was included in the Register.

It was resolved:

that the Board:

- *note that the updated Capital Expenditure policy was endorsed by FRAC for Board approval 5 June*
- *approve this updated Capital Expenditure Policy. (Moved Ann Chapman; seconded Brendan Duffy)*

6.7 NZ Health Partnerships Statement of Performance Expectations 2018/19

It was resolved:

that the Board:

- *note that the NZ Health Partnerships Statement of Performance Expectations 2018/19 and Annual Plan was endorsed by FRAC 5 June for Board approval*
- *note that FRAC has requested enhanced performance reporting with particular regard to NOS*
- *approve the draft NZ Health Partnerships Statement of Performance Expectation and Annual Plan. (Moved Brendan Duffy; seconded Barbara Cameron)*

7. COMMITTEE MINUTES

7.1 Finance, Risk & Audit Committee

7.2 Quality & Excellence Advisory Committee

7.3 Joint Healthy Communities Advisory Committee/Quality & Excellence Advisory Committee

7.4 Healthy Communities Advisory Committee

7.5 Enable NZ Governance Group

Confirmation was sought regarding the capability and capacity of coding services given the decision to remove coding services from the internal audit programme. The General Manager, Finance & Corporate Services advised that significant improvements had been made over the past 12-15 months and coding was now occurring in real time. A recent validation exercise with other DHBs had positive results and had not identified any areas of concern. Workforce planning took into account pending retirements, and support had been given for staff training. The service was functioning well.

The internal audit report on "planning alignment" was recommended to all members for reading.

It was resolved:

that the unconfirmed minutes of the meeting of the Finance, Risk & Audit Committee held on 5 June 2018 be noted

that the unconfirmed minutes of the meeting of the Quality & Excellence Advisory Committee held on 12 June 2018 be noted

that the unconfirmed minutes of the joint meeting of the Healthy Communities Advisory Committee and the Quality & Excellence Advisory Committee held on 12 June 2018 be noted

that the unconfirmed minutes of the meeting of the Healthy Community Advisory Committee meeting held on 12 June 2018 be noted

that the unconfirmed minutes of the meeting of the Enable NZ Governance Group held on 5 June 2018 be noted.

8. LATE ITEMS

8.1 Constitution of Central Region's Technical Advisory Service

The proposed changes to the Constitution were considered. There was general support for the concept, however while the changes allowed a Central Region DHB Chair to be appointed to the TAS Board, they did not explicitly provide for this. It was considered that the Constitution should be amended to provide this certainty.

Concern was also expressed that the quorum arrangement may not be practical and further consideration should be given to this.

The Chairperson undertook to take these matters back to the Regional Governance Group for consideration.

In light of the concerns, it was agreed that the matter be held over to the next meeting of the Board for a decision.

9. DATE OF NEXT MEETING

14 August 2018, 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:

<i>Item</i>	<i>Reason</i>	
<i>"In committee" minutes of the previous meeting</i>	<i>For the reasons set out in the order paper of 22.5.18 meeting held with the public present</i>	
<i>Strategic & Annual Planning</i>		
• <i>2018/19 Funding Advice and Budgeting Update</i>	<i>Subject of negotiation</i>	<i>9(2)(j)</i>
• <i>Draft 2018/19 Capital Expenditure Plan</i>	<i>Subject of negotiation</i>	<i>9(2)(j)</i>
• <i>Draft 2018/19 Annual Plan</i>	<i>Subject of negotiation</i>	<i>9(2)(j)</i>
<i>Policy & Governance Matters</i>		
• <i>Remuneration Committee Membership</i>	<i>To protect personal privacy</i>	<i>9(2)(a)</i>
• <i>HDSAC Membership</i>	<i>To protect personal privacy</i>	<i>9(2)(a)</i>
• <i>Remuneration Committee report – CE's performance review & measures</i>	<i>To protect personal privacy, and, under negotiation</i>	<i>9(2)(a)</i>
• <i>Board only time</i>	<i>No decision</i>	<i>9(2)(j)</i>
<i>Committee Recommended Papers</i>		
• <i>Capital application for dental caravan replacement</i>	<i>Subject of a commercial procurement process</i>	<i>9(2)(j)</i>
• <i>Insurance Update 2018/19 Financial Year</i>	<i>Subject of negotiation</i>	<i>9(2)(j)</i>

(Moved Dot McKinnon; seconded Diane Anderson)

Confirmed this 14th day of August 2018.

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Chairperson