

MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 24 September 2013 at 10.08am at MidCentral District Health Board Offices, Board Room, Gate 2, Heretaunga Street, Palmerston North

PRESENT

Phil Sunderland (Chair)
Lindsay Burnell
Barbara Cameron
Ann Chapman
Kate Joblin

Pat Kelly
Karen Naylor
Richard Orzecki
Barbara Robson

Unconfirmed Minutes

IN ATTENDANCE

Murray Georgel, Chief Executive Officer
Mike Grant, General Manager, Planning & Support
Heather Browning, General Manager, Enable New Zealand
Jill Matthews, Principal Administration Officer
Dennis Geddis, Communications Officer
Jeff Small, Group Manager, Commercial Support Services
Nicholas Glubb, Operations Director, Specialist Community & Regional Services
Scott Ambridge, Manager, Enable New Zealand
Vivienne Ayres, Planning & Accountability

Public (1)
Media (1)

1. APOLOGIES

Apologies were received from Diane Anderson and Jack Drummond, Board Members. An apology for lateness was received from Board Member Barbara Cameron.

2. LATE ITEMS

There were no late items.

3. CONFLICT AND/OR REGISTER OF INTERESTS UPDATE

3.1 Amendments to the Register of Interests

Karen Naylor advised she was Vice President, New Zealand Nurses' Organisation.

3.2 Declaration of Conflicts in Relation to Today's Business

Murray's Georgel's interest in HBL, being a board member representing the Central Region DHB CEOs, was discussed. It was agreed that the CEO would manage this in the same way as board members in respect of his MDHB duties.

4.2

4. MINUTES OF PREVIOUS MEETING

4.1 Minutes

It was resolved:

that the minutes of the previous meeting held on 13 August 2013 be confirmed as a true and correct record.

4.2 Matters Arising from the Minutes

There were no matters arising from the minutes.

5. BOARD COMMITTEES

5.1 Hospital Audit Sub-Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Audit Sub-Committee held on 13 August 2013 be received and the recommendations contained therein approved.

5.2 Matters Arising

There were no matters arising from the minutes.

5.3 Hospital Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 3 September 2013 be received and the recommendations contained therein approved.

5.4 Matters Arising

There were no matters arising from the minutes.

5.5 Community & Public Health Advisory Committee

It was resolved:

that the unconfirmed minutes of the meeting of the Community & Public Health Advisory Committee held on 3 September 2013 be received and the recommendations contained therein approved.

5.6 Matters Arising

There were no matters arising from the minutes.

5.7 Enable New Zealand Governance Group

The Committee Chair and the Board Chair paid tribute to Heather Browning, General Manager, Enable New Zealand for her leadership of this part of the DHB. Members wished Heather well for the future, noting she would be leaving Enable New Zealand in mid October.

The CEO advised that Scott Ambridge would be acting in the General Manager role until such time as a new appointment was in place.

The Board was advised a farewell for Heather was being arranged and an invitation would be issued in the near future.

It was resolved:

that the unconfirmed minutes of the Enable New Zealand Governance Group meeting held on 3 September 2013 be received and the recommendations contained therein approved.

5.8 Matters Arising

There were no matters arising from the minutes.

6. WORK PROGRAMME

The CEO noted the forthcoming board reports.

In respect of Manawhenua Hauora, it was noted that informal advice on the proposed 2013/14 work programme had been provided for the current meeting. Formal advice had subsequently been received from Manawhenua Hauora and this would be submitted to the Board's next meeting.

The orientation arrangements for new board members was raised by one member. Management advised these would be included in the next report and that the Ministry of Health was currently looking into this matter. It was likely there would be a mix of regional and national induction processes.

It was resolved:

that the updated work programme for 2013/14 be noted.

7. STRATEGIC MATTERS

7.1 Master Health Service Plan

The consumer advisory group was discussed and the General Manager, Planning & Support advised a public process would be used to recruit members. The Group would likely comprise no more than 10 people.

It was noted that the strategic assessment document would be submitted to the Board's Hospital Advisory and Community & Public Health Advisory Committees in October. This was a high level document for the Capital Investment Committee, outlining the facility investment within the context of the needs of the population and the models of care which would form part of that investment. The strategic assessment would also take into account Whanganui and Hawke's Bay areas, as well as Capital & Coast DHB to some extent.

It was resolved:

that the report be received.

7.2 centralAlliance Strategic Plan Proposal

The timeline and approach to the development of a strategic plan for the centralAlliance was noted. The CEO advised that timeline was outside that originally outlined in the Board's Annual Plan.

4.4

It was resolved:

that the report be received.

7.3 2012/13 Annual Report

The Chair, Group Audit Committee advised the Annual Report had been considered by the Committee earlier that day, and discussed with the Board's external auditors. Key matters raised by the auditors were as set out below.

- The non-financial reporting standards were new. The Auditors recognised the significant input from MidCentral. However, across the DHB sector auditors had been unable to audit all the information in the Statement of Service Performance to the standard required. This matter was to be taken up with the Auditor-General. Meantime, the result for the 2012/13 annual report would be a "modified audit opinion".
- Significant changes/activities in the year were CRISP and HBL. The auditors felt sufficient information and disclosure regarding these was contained in the accounts.
- The OAG's requirements covered sensitive and topical matters. All matters from last year had been dealt with and new standards being introduced would require additional disclosures at the end of the 2013/14 financial year.
- The internal controls appeared reasonable and no significant issues had been identified.
- No changes to MidCentral DHB's annual accounts were required by Deloitte.
- The Annual Report had been accepted by the Committee as written.
- The auditors had thanked MDHB's team for their co-operation during the audit.

The new requirements for the Statement of Service Performance were discussed and it was noted this was a matter for all DHBs. The accuracy was not being questioned, however as DHBs were required to tell the whole performance story, some data came from systems outside the DHB's ambit and so could not be audited to the same degree. The CEO noted that the Statement of Forecast Service Performance for 2013/14 had already been established via the Annual Plan. Therefore it was likely all DHBs would be in a similar position next year.

The level of annual leave and long service leave liabilities were raised and members noted the value had risen over 2011/12 levels. The CEO advised that this would be influenced, to some degree, by increased staff numbers and increased pay rates. Based on an annual salary/wage bill of \$200m, the leave liabilities equated to around 20 days per staff member. The CEO advised he would provide more information around leave levels over the past few years for the Board's next meeting.

Barbara Cameron entered the meeting.

Management confirmed it would provide a letter of representation in respect of the annual accounts as it traditionally did.

It was resolved:

that the 2012/13 annual report including the accounting policies be approved, subject to any feedback from the Board and Group Audit Committee being incorporated, and final audit approval;

that the Chair and Deputy Chair be given delegated authority to approve any changes that are required to be made to the annual report;

that the Chair and Deputy Chair be authorised to sign the 2012/13 annual report on behalf of the Board;

that the Chair and Deputy Chair be authorised to sign the letter of representation in respect of the 2012/13 external audit on behalf of the Board;

that the Chair and Deputy Chair be authorised to sign the annual report and letter of representation in respect of Enable New Zealand Limited.

8. OPERATIONAL REPORTS

8.1 CEO's Report

8.1.1 Availability & Accessibility of After-Hours Services

The CEO advised this audit report looked at access at a population level and was not about an individual's access.

8.1.2 Children's Action Plan

A member questioned what MidCentral DHB was doing in this regard. The General Manager, Planning & Support advised a report had been furnished to the Community & Public Health Advisory Committee at its last meeting. There was quite a significant programme of work in place, a lot of which was being done on an inter-agency basis. This included the "Big Brother, Big Sister" programme.

It was noted that the Police regions did not align to local government boundaries, and a member questioned whether this created any difficulties. Management advised the Police boundaries in the Central District went beyond MidCentral DHB's and so there were no problems in that regard.

8.1.3 Stakeholder Meetings

The CEO advised that all meetings had been completed and a summary report would be provided for the Board's next meeting. He confirmed that the matter of transport had been discussed with Horizons Regional Council.

It was suggested that the MP for Te Tai Hauauro be included in future arrangements.

It was resolved:

that the report be received.

9. GOVERNANCE ISSUES

9.1 Allied Laundry Services Limited

9.1.1 Annual Update

The annual update on Allied Laundry Services Limited was received. The CEO advised in addition to business as usual activity, the company had managed many governance issues including the HBL contracting process.

The CEO further advised the reason for ALSL's request for a short delay regarding the allocation of its annual profit was to provide time for it to consider the outcome of the HBL process. It was noted that the level of surplus was \$417k, of which ALSL would return \$240k as recognition of the capital charge. It was the remaining \$177k that was under consideration.

The Board acknowledged the work done by ALSL and the good results achieved for the year.

It was resolved:

that the report be received, and further that it be noted and agreed to ALSL deferring its decision until the AGM on retaining a portion of the profit it generated in 2012/13.

9.1.2 Annual General Meeting

It was resolved:

that this report be received,

that Jeff Small, Group Manager, Commercial Services (or, in his absence, the CEO) be appointed as MidCentral DHB's proxy at Allied Laundry Services Limited's annual general meeting in October 2013;

that he be instructed to support the recommendations as included in the Notice of Annual General Meeting dated 12 September 2013; and

that Murray Georgel's step down from the Board of Allied Laundry Services Limited be noted, and Jill Matthews, Manager, Administration & Communications be appointed to the Board for a 12 month term commencing 25 October 2013.

9.2 Health Benefits Limited – Finance, Procurement & Supply Chain Policy Pack

Management advised this matter had been considered by the Group Audit Committee earlier that day. It considered that further deliberation was required and had requested a paper outlining:

- the potential impact and ramifications of each policy
- any disadvantage to MidCentral DHB
- how any identified disadvantage would be mitigated

The timing of this paper was for the December 2013 audit and Board meetings.

The Board supported this approach. The timing was discussed, including the possibility of progressing this matter through the audit sub-committees. On balance, it was agreed to remain with the suggested December timeframe as this would offer more ability to influence HBL's policy if required.

It was resolved:

that the report and recommendations lie on the table.

9.3 2014 Meeting Arrangements

The necessity to hold meetings in rural areas on an annual basis was raised by one member, given low attendance levels. This was discussed and it was agreed that it was important for the Board to provide the opportunity for local engagement.

It was resolved:

4.3

that the 2014 meeting schedule, as set out below, be approved:

2014 MEETING SCHEDULE FOR MDHB BOARD & ITS COMMITTEES							
HAC	CPHAC	DSAC	ENZGG	Board	Group Audit	Hosp. Audit	Funding Audit
8.45am	1pm	3.30pm	3.30pm	10am	Note 1	Note 1	Note 1
4 Feb 18 Mch 29 April 10 June 22 July 2 Sept 14 Oct 25 Nov	4 Feb 18 Mch 29 April ¹ 10 June 22 July 2 Sept 14 Oct 25 Nov	18 Mch	4 Feb 29 April 2 Sept 25 Nov	25 Feb 8 April 20 May ² 1 July 12 Aug ³ 23 Sept 4 Nov ⁴ 16 Dec	25 Feb 1 July 23 Sept 16 Dec	8 April 12 Aug	20 May 4 Nov
Notes: 1. To include a presentation from the Central Primary Health Organisation 2. To include a public forum in Feilding. 3. To include a public forum in Dannevirke 4. To include a public forum in Levin							

9.4 2013 DHB Elections

Management advised that the voting process was now underway. The Ministry of Health was developing orientation arrangements for both new and returning DHB members. It was also progressing the appointed member process.

The announcement of results was dependent upon the processes adopted by electoral officers throughout the district.

An error regarding the proportion of male and female MDHB candidates was noted in the report. Of the 15 candidates, 27% were female and 73% male.

It was resolved:

that the report be received.

9.5 Manawhenua Hauora

Richard Orzecki noted the forthcoming meeting on 14 October with Sir Mason Durie regarding Maori health leadership, and the upcoming wider hui regarding Whanau Ora.

It was resolved:

that the minutes be received.

10. LATE ITEMS

There were no late items.

11. DATE OF NEXT MEETING

Tuesday, 5 November 2013, MidCentral District Health Board Offices, Board Room, Gate 2, Heretaunga Street, Palmerston North.

Apologies were received from Barbara Cameron and Ann Chapman.

12. 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>Ref</i>
<i>"In Committee" Minutes of the Previous Meeting</i>	<i>For reasons stated in the previous agenda</i>	
<i>"In Committee" Minutes of Committee Meetings:</i> <ul style="list-style-type: none"> • <i>Hospital Advisory Committee, 3 September 2013</i> • <i>Community & Public Health Advisory Committee, 3 September 2013</i> • <i>Enable New Zealand Governance Group, 3 September 2013 – minutes of previous meeting held in committee (contract update)</i> 	<i>For the reasons set out in the Committee's order paper of 3.9.13 meeting held with the public present</i> <i>For the reasons set out in the Committee's order paper of 3.9.13 meeting held with the public present</i> <i>Subject of negotiation</i>	<i>9(2)(j)</i>
<i>Strategic Matters</i> <ul style="list-style-type: none"> • <i>2014/15 annual plan assumptions and parameters</i> • <i>Allied Laundry Services Limited's contract</i> 	<i>Subject of negotiation</i> <i>Subject of negotiation</i>	<i>9(2)(j)</i> <i>9(2)(j)</i>
<i>Operational Matters</i> <ul style="list-style-type: none"> • <i>CEO's Report: HBL contracts, and, regional services planning</i> 	<i>Subject of negotiation</i>	<i>9(2)(j)</i>

Confirmed this 5th day of November 2013.

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Chairman