

# MIDCENTRAL DISTRICT HEALTH BOARD

## **Minutes of the MidCentral District Health Board meeting held on 26 May 2020 at 9.00am via Zoom Video Conferencing**

### *PART 1*

#### **MEMBERS**

|                            |               |
|----------------------------|---------------|
| Brendan Duffy, Chairperson | Materoa Mar   |
| Heather Browning           | Karen Naylor  |
| Vaughan Dennison           | Oriana Paewai |
| Lew Findlay                | John Waldon   |
| Norman Gray                | Jenny Warren  |
| Muriel Hancock             |               |

#### **IN ATTENDANCE**

Kathryn Cook, Chief Executive  
Jeff Brown, Acting Chief Executive  
Celina Eves, Executive Director, Nursing & Midwifery  
Gabrielle Scott, Executive Director, Allied Health  
Tracee Te Huia, General Manager, Māori Health  
Nicki Williamson, Committee Secretary

#### **IN ATTENDANCE (part meeting)**

Neil Wanden, General Manager, Finance and Corporate Services  
Judith Catherwood, General Manager, Quality & Innovation  
Keyur Anjaria, General Manager, People & Culture  
Darryl Ratana, Deputy Chief Financial Officer

1 x Media

#### **1. KARAKIA**

The meeting opened with the organisational karakia.

#### **2. ADMINISTRATIVE MATTERS**

Kathryn Cook was in attendance at the meeting, however she was officially on leave and Jeff Brown was the Acting Chief Executive.

##### **2.1 Apologies**

Apologies were received from ex officio member Tony Hartevelt.

##### **2.2 Late Items**

There were no late items.

##### **2.3 Register of Interests Update**

There were no additions to the Register of Interests.

## **2.4 Minutes of the Previous Meeting**

It was resolved:

*that the minutes of the previous meeting be approved as a true and correct record. (Moved Vaughan Dennison; seconded Muriel Hancock)*

## **2.5 Matters Arising**

There were no matters arising. A reminder of where the Māori Workforce Development Plan could be found was to be sent to the members.

## **3. PERFORMANCE REPORTING**

### **3.1 Chief Executive's Report for April 2020**

The Acting Chief Executive presented this report. The report was taken as read. Three main areas of the report were emphasized. 1 the work that had continued in the major capital projects area; Mental Health rebuild, SPIRE, electrical substation and Linacs. 2 the COVID-19 preparation work; the team had to get ready for a European worst case scenario with thousands of people affected and 3 the 'what next' area which included budget and planning work for the next financial year and COVID-19 regeneration.

Item 4.2 in the report had been wrongly titled as Industrial Action instead of Industrial Matters.

The Chief Medical Officer that had been recruited was due to arrive from Australia 4 July but would have to complete two weeks quarantine in Auckland before travelling down to Palmerston North and starting mid July.

The Clinical Executive Te Uru Arotau, Acute and Elective Specialist Services had not been recruited to, but two acting clinical leads for medicine and surgery were assisting the Operations Executive.

The Chair wished to acknowledge the entire DHB team, not just those that were hospital based, on the extraordinary effort that had been delivered in the fight against COVID-19. All staff had stepped up and the energy levels and commitment had been amazing.

It was resolved that the Board:

*note the update of key local, regional and national matters. (Moved Brendan Duffy; seconded Oriana Paewai)*

### **3.2 Finance Report – April 2020**

The Deputy Chief Financial Officer presented the report. April had had a poor result due to COVID-19. The report had been split, with and without COVID-19 impacts.

Without COVID-19, the result was positive and on track with the budget and forecast. Te Uru Arotau, Acute and Elective Specialist Services and Te Uru Rauhi, Mental Health and Addictions were still negatively impacting the result however other areas were off-setting this. The entire adverse result was COVID-19 related. Significant COVID-19

impacts are forecast to continue in May and June. Electives had been significantly impacted during the month.

Reporting of COVID-19 expenditure was being provided to the Ministry on a weekly basis. The Ministry were keeping track of all expenditure but had not made a final decision on what they would fund.

During the last few weeks more detailed questions had come from the Ministry on expenditure which led management to believe that a number of costs were unlikely to be funded, eg the casual workforce that were not required or could not work had been paid at their usual hours, as instructed by the Ministry, but the Ministry didn't see that as a COVID-19 expense. There would be some costs that would not be recovered from COVID-19.

Annual leave had a large effect on the balance sheet. Due to the COVID-19 situation staff were not taking leave. Pre COVID-19, annual leave liability had been an area of focus and had decreased from 13 percent to 9.3 percent, however as more staff cancelled annual leave, the liability was increasing quickly. Annual leave was accrued each pay period reflecting the amount owed to staff for that pay period. This accrual created an expense in the Statement of Financial performance and increased the annual leave liability which was recorded on the Balance Sheet. The liability decreased when staff took annual leave. All Operations Executives and Clinical Executives were encouraging staff to take leave.

The COVID-19 impact for the next two months was forecast at \$3.1m.

During the weekly DHB Chair and Ministry briefings, the Chairs were strongly negotiating with the Ministry about recovering costs.

It was resolved that the Board:

*note that this is an update paper and the full April 2020 Finance Report will be provided to FRAC's June 2020 meeting*

*note that the result for April 2020 is a deficit of \$4.706m, which is \$3.164m adverse to budget for the month*

*note that the result for April 2020 includes \$3.138m of related COVID-19 event impacts*

*note that the year to date result is a deficit of \$13.668m and is \$4.077m adverse to budget with \$4.081m of related COVID-19 event impacts*

*note that the year-end financial forecast for an underlying operating deficit of \$12.1m will be impacted by any unfunded COVID-19 costs, with a downside risk estimated deficit of \$19.286m*

*observe that total available cash and equivalents of \$30.477m as at 30 April 2020 is sufficient to support liquidity requirements. (Moved Muriel Hancock; seconded Lew Findlay)*

### **3.3 Finance Report – March 2020**

The Deputy Chief Financial Officer presented the report. The report was taken as read.

It was resolved that the Board:

*note that the March 2020 financial report was received and considered by FRAC for Board approval at their April Zoom briefing*

*note that the result for March 2020 is a deficit of \$2.321m, which is \$1.130m adverse to budget for the month*

*note that the result for March 2020 includes \$0.943m of directly related impacts of the COVID-19 event.*

*note that the year to date result is a deficit of \$8.961m and is \$0.912m adverse to budget*

*note that the year-end financial forecast for an underlying operating deficit of \$12.1m will be impacted by any unfunded COVID-19 costs, with a downside risk estimated at \$17.459m*

*observe that total available cash and equivalents of \$33.387m as at 31 March 2020 is sufficient to support liquidity requirements*

*approve the March financial report. (Moved Karen Naylor; seconded Heather Browning)*

### **3.4 Performance Improvement Plan (PIP)**

The General Manager, Quality and Innovation presented the report. The report was taken as read. This report would normally be presented to FRAC before the Board, but due to the changed meeting timings that had not been possible.

The next report would include ethnicity data.

ESPI 5 had been severely impacted by COVID-19 and would remain challenging until out of the pandemic. ESPI 2 had fared slightly better with 70 percent of out patients receiving a virtual consultation. The clinicians were keen to continue virtual consultations in the future.

There were improvements in data remediation and the WebPAS backlog data was almost cleared with no more clinical incidents found to date.

SSIED target progress was being made month on month.

The savings initiative had struggled to deliver the savings year to date despite significant work. Some initiatives had been impacted by the COVID-19 response.

It was resolved that the Board:

*note progress made to date in the delivery of the Performance Improvement Plan*

*note the behind target performance of the Savings Plan (Initiatives in Progress)*

*endorse the PIP report and the mitigation plans in place to improve performance. (Moved Lew Findlay; Seconded Norman Gray)*

### **3.5 Quarterly Health and Safety System Report**

The General Manager, People and Culture presented the report. The report was taken as read. The Health and Safety Committees and work place inspections had dropped significantly due to COVID-19. Two additional measures had been included in the dashboard; number of workplace claims and number of incidents of staff shortages.

It was resolved that:

*the quarterly Health and Safety System report be noted*

*the quarterly Health and Safety report be endorsed. (Moved Muriel Hancock; Seconded Jenny Warren)*

## **4. DISCUSSION / DECISION PAPERS**

### **4.1 Enable New Zealand Limited – Annual Reporting Requirements**

The General Manager, Finance & Corporate Services presented this report. The report was taken as read. This was a technicality that was presented to the Board each year which allowed the annual reports to be condensed.

It was resolved:

*that pursuant to section 211(3) of the Companies Act 1993, the annual report of Enable New Zealand Limited for the year ended 30 June 2020 shall incorporate the financial statements and auditor's report thereon and exclude information specified in any of the paragraphs (a) and (e) to (j) of subsection (1) of that section (Moved Heather Browning; Seconded Vaughan Dennison)*

### **4.2 2020/21 Annual Plan and Statement of Performance Expectations**

The General Manager, Strategy, Planning & Performance presented this report. Since writing, updated advice had been received from the Ministry.

Firstly, the General Manager, Strategy, Planning & Performance advised that the Ministry had provided feedback on the draft Annual Plan. Twenty three of the fifty six items were approved and thirty three were approved with amendments. None of the items were rejected. The Ministry had also provided additional planning guidance, including around COVID-19 and the types of service changes that need to be included in the Annual Plan. The latter now included any significant changes in models of care or workforce.

The timeline for the next draft of the annual plan had been revised to the 22 June.

The Funding Envelope had been received late last Friday and was still being analysed. The implications of that Funding Envelope were still being worked on and a full report would be provided to FRAC in June.

The Ministry had advised this morning that the Statement of Performance Expectations timeline had changed and it was now required to be published before or on 15 August 2020.

It was agreed that in light of these developments the original report and its recommendations were no longer relevant. Further, it was agreed that a joint FRAC and Board meeting would be held on 16 June at which a briefing would be provided on the Funding Envelope and the budget.

Member Browning had a number of suggestions for how the Statement of Service Performance could be strengthened with respect to disability issues. This feedback would be provided directly to the General Manager, Strategy, Planning & Performance.

It was resolved that the Board:

*note the updated Ministry advice received up to 26 May  
note all accountability documents will be considered at the 16 June joint FRAC and Board meeting. (Moved Karen Naylor; Seconded Vaughan Dennison)*

### **4.3 Draft Māori Health Equity Dashboard**

The General Manager, Strategy, Planning & Performance and General Manager, Māori Health presented this report. The report was taken as read. This was the first attempt at developing a Māori health indicator for MDHB to provide a coherent picture across MDHB. It included 27 measures that were related to life stages and were taken from existing well established indicator sets.

The intention was that there would be executive sponsors for each measure and they would put improvement plans in place to address the equity gaps. The dashboard would be reported to the Board quarterly, with improvement plans reported six monthly to the Board.

Member Browning would give feedback offline to the Executive Director Allied Health on capturing disability data.

It was resolved that the Board:

*approves the set of indicators that make up the Māori Health Equity Dashboard for monitoring improvements in Māori Health for the MidCentral district  
approves quarterly scheduled reporting of the Māori Health Equity Dashboard  
approves individual indicator reporting for each of the indicator sets twice per annum by Executive Sponsors. (Moved Oriana Paewai; Seconded Lew Findlay)*

## **5. INFORMATION PAPERS**

### **5.1 Recovery, Healing and Growth Framework Workshop**

The General Manager, Quality and Innovation presented this report. The report was taken as read. The report was for information purposes for the Board ready for the workshop in the afternoon.

It was resolved that the Board:

*note this report  
provide feedback on the priorities and themes to support improvement and innovation. (Moved Jenny Warren; Seconded Norman Gray)*

### **5.2 Board's 2019/20 Work Programme**

The Acting Chief Executive presented this report. The report was taken as read.

It was resolved:

*that progress against the Board's 2019/20 work programme be noted. (Moved Heather Browning; Seconded Materoa Mar)*

## **6. LATE ITEMS**

There were no late items.

**7. DATE OF NEXT MEETING:**

Tuesday, 7 July 2020

**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:*

| <i>Item</i>  | <i>Reason</i>  |         |
|--|--|---------|
| <i>"In committee" and "board only" minutes of the previous meeting</i> | <i>For the reasons set out in the order paper of 14.04.20 meeting held with the public present</i> |         |
| Insurance Update 2020/21 Financial Year                                | Negotiating position paper   | 9(2)(j) |
| Mental Health Unit Business Case                                       | Subject of Negotiation   | 9(2)(j) |
| Hospital Pharmacy Service  | Negotiating Commercial Position  | 9(2)(j) |
| Health & Disability Advisory Committee (HDAC) minutes, 04.02.20        | For the reasons set out in the order paper of 17.03.20 held with the public present.               |         |
| Board only time  | No decision sought   |         |

*(Moved John Waldon; seconded Vaughan Dennison)*

Confirmed this 7<sup>th</sup> day of July 2020.

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Chairperson