

## MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 16 September 2008 at 10.00 am at the MidCentral DHB Offices, Board Room, Gate 2B Heretaunga Street, Palmerston North

### PRESENT

Ann Chapman (Deputy Chair)  
Diane Anderson  
Lindsay Burnell  
Dennis Emery

Stephen Paewai  
Barbara Robson  
Ormond Stock

### IN ATTENDANCE

Murray Georgel, Chief Executive Officer  
Stuart Wilson, General Manager, Corporate Services  
Mike Grant, General Manager, Funding Division  
Lareen Cooper, General Manager, MidCentral Health  
Heather Browning, General Manager, Enable New Zealand  
Jill Matthews, Principal Administration Officer  
Jeff Small, Group Manager, Commercial Services (part meeting)  
Robert Brown, Manager, Finance (part meeting)  
Dennis Geddis, Communications Officer

Public (3)  
Media (1)

### 1. APOLOGIES

An apology was received from Chair, Ian Wilson and Board members Jack Drummond, Jim Jefferies and Graeme Campbell

### 2. LATE ITEMS

There were no late items.

### 3. CONFLICT AND/OR REGISTER OF INTERESTS UPDATE

#### 3.1 Amendments to the Register of Interests

The following amendments to the Register of Interests were advised:

Ormond Stock:

- Director and Shareholder, Steel Pencil Properties Limited

Ann Chapman:

- As at 30 September 2008, the Otaki Community Health Trust would cease to lease the community health centre building, thus ending its connection as a landlord for MDHB's District Nurses, the Women's Health Group, and primary health nurses.
- Daughter works for ACC, Wellington.

### **3.2 Declaration of Conflicts in Relation to Today's Business**

Stephen Paewai declared his interest in agenda item 13.3, in committee minutes of the Community & Public Health Advisory Committee's meeting on 2 September 2008, section 14.1, B4 School Check – Catch-Up Programme. His interest related to his involvement with Rangitane Tamaki nui a Rua.

## **4. MINUTES OF THE PREVIOUS MEETING**

### **4.1 Minutes**

It was resolved:

*that the minutes of the previous meeting held on 19 August 2008 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 Funding Audit Sub-Committee**

It was resolved:

*that the unconfirmed minutes of the meeting of the Funding Audit Sub-Committee held on 19 August 2008 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**

A typographical error was noted; section 6.5, second paragraph, second sentence, should read, "to meet growing demand".

It was resolved:

*that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 2 September 2008 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 and Public Health Advisory Committee held on 2 September 2008 be received and the recommendations contained therein approved.*

## 5.6 Matters Arising

There were no matters arising from the minutes.

## 6. STRATEGIC ISSUES

### 6.1 District Strategic Plan

It was resolved:

*that the report be received, and,*

*that a district strategic planning workshop for Board and Committee members be held on 18 November 2008.*

### 6.2 Regional Clinical Services Plan

John Bent, member of the public spoke to this item. He encouraged the Board to ensure caregivers and families were included in the next stage of the Plan's development. He noted that it appeared caregivers and families had not been involved to date. Mr Bent considered their involvement essential, particularly given the proposed service model change which envisaged a significant increase in services provided from homes and the community, and, the Government's commitment to developing a care giver's strategy.

The importance of robust community engagement and/or consultation was noted. The importance of also ensuring consumer representation on future work streams was diverse, and representative of the different aspects of the care continuum. The General Manager, Funding Division undertook provide this feedback, including the need for caregiver and family representation, back to the Project Team.

In respect of the assumption that DHBs were required to invest 50% of the primary care infrastructure costs, the source of the remaining 50% was questioned. The General Manager, Funding Division advised it was assumed this would be private contributions.

It was considered critical that the five enablers were put in place in a timely way.

The need for a detailed timeline was raised to ensure that implementation occurred with speed, particularly given how quickly the health landscape changed.

The use of the term "tahuhu" (ridgepole) to describe the three centre network was questioned by Dennis Emery. He considered that it was inappropriate given the geographical line of the network was bent. Literal translation was a "bent ridgepole".

Members supported the plan and congratulated all involved in its development, with particular recognition of the work of Mike Grant, General Manager, Funding Division.

It was resolved:

*that the report be received.*

*that the Board receive the draft Regional Clinical Services Plan, including companion documents and the summary of the Combined Boards Forum;*

*that the Board note the draft plan has emerged from a process of clinical collaboration;*

*that the Board note that there are a number of clinical services at present where urgent planning work across the region is required; and,*

*that the Board note and agree that each DHB in the region is committed to regional and national networks as a component of the DHB's own clinical planning.*

### **6.3 Alliance with Whanganui DHB**

The waiver approved by the Board regarding Ormond Stock's involvement in discussion, as resolved at its July meeting, continued.

Robert Brown entered the meeting.

The concept of "one waiting list and no inter-district flows (IDFs)" was discussed, including the impact on MDHB's population. The potential benefits were also discussed, and a request was made for details of the specific benefits/improvements achieved by the southernAlliance. It was noted that the southernAlliance had focused on non-clinical areas initially and was now looking at clinical services. Its CEO considered that ideally a joint approach covering both areas was preferable.

The need for leadership from the top was noted, together with the attitudinal change which would be required. The difference in thinking regionally rather than locally was noted.

It was resolved:

*that the report be received.*

## **7. OPERATIONS REPORTS**

### **7.1 CEO's Report**

#### *7.1.1 Collaborative Activity*

The balance between progressing collaborative activity and ensuring local initiatives were progressed was discussed. The CEO said that before taking on further collaborative activity, it was important that current projects were advanced.

Collective activity through DHBNZ was noted. The progress in workforce and industrial relations areas was discussed. The CEO advised that when DHBs were established in 2001 there was a void of workforce planning information. Considerable work had been done in this area to enable strategic projects to advance.

The joint initiative with Wairarapa and Whanganui DHBs regarding commercial and corporate services was supported, and members noted the timeframe. It was agreed that this initiative was in line with the centralAlliance and Regional Clinical Services Plan (RCSP). The importance of a regional IS strategy was seen as critical to future collaborative initiatives. It was noted that the RCSP provided for regional decision making around significant capital expenditure, including IT development. The importance of ensuring a consumer/public perspective in IS strategy was raised.

#### *7.1.2 District Annual Plan*

The CEO advised that the delays in obtaining Ministerial approval of MDHB's annual plan were process related, and not specific to MDHB.

### 7.1.3 Financial Position

The positive result to budget was noted.

Management confirmed an error in the presentation of financial position and advised this matter would be rectified for the next report.

It was resolved:

*that the report be received.*

## 7.2 2007/08 Annual Report & Accounts

The CEO and General Manager, Corporate Services advised that the annual report and accounts had been considered and supported by the Group Audit Committee. At the Committee's meeting, the external auditors had advised:

- they were finalising their reports;
- following Board approval of the accounts and letter of representation, it would issue an unqualified audit opinion
- there were a number of items arising from the audit, none of which required the Board's attention. More rigour to year end calculations and processes was recommended.
- it had noted MDHB's district annual plan was yet to receive the Minister's approval
- there were no unresolved differences at this time, and no material differences

The Deputy Chair, Group Audit Committee advised Graeme Naylor would be standing down as MDHB's external auditor in accordance with audit policy. Bruno Dante, Deloitte would be assuming this role and he had met with the Group Audit Committee.

It was noted that the 2007/08 accounts were the first to be prepared using the NZ International Financial Reporting Standards. It was further noted that MDHB's annual report comprised two parts, being the report proper and a summary report. Members supported this approach.

No matters relating to the annual accounts were raised. In respect of the annual report, there was general agreement it covered the main events of the year and was very readable. Members were asked to provide any changes of a minor nature to the Manager, Administration and Communication or the General Manager, Corporate Services. An amendment to the Rural Health summary was requested to show the planning work undertaken in relation to after-hours services.

It was resolved:

*that the 2007/08 annual report 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 2007/08 annual report on behalf of the Board;*

*that the Chairman and Deputy Chair be authorised to sign the letter of representation in respect of the 2007/08 external audit on behalf of the Board.*

Jeff Small entered the meeting.

### 7.3 Associated Organisations

#### 7.3.1 Allied Laundry Services Limited

Members congratulated ALSL on its financial position and the level of savings it had achieved for MidCentral DHB and other DHBs.

Plans for further development and expansion were discussed. The General Manager, Commercial Services advised that Capital & Coast DHB would not be in a position to look at laundry services until the new year. At that time it would go to the market and ALSL would have the opportunity to make a bid. He rated ALSL's changes as 50/50.

The CEO advised that through ALSL the shareholding DHBs had a complete understanding of all costs involved in providing laundry services, including overhead costs. Other DHBs with in-house services did not necessarily have an appreciation of the full costs of service.

It was resolved:

*that the report be received.*

#### 7.3.2 DHBNZ

It was noted that Auckland DHB paid its contribution of all project activity. It was further noted that Canterbury DHB has rejoined DHBNZ.

It was resolved:

*that the report be received.*

#### 7.3.3 Technical Advisory Service

Management confirmed that MDHB's contribution covered all TAS activities, including audit work.

It was resolved:

*that the report be received.*

## 8. GOVERNANCE ISSUES

### 8.1 2008/09 Work Programme

It was resolved:

*that the updated work programme for 2008/09 be noted.*

### 8.2 Delegations Policy

The following feedback on the Delegations Policy was provided to management:

- in addition to new health services, termination and reconfiguration of contracts should be incorporated.
- in addition to a set dollar value, the potential ensuing liability posed by the contract should be incorporated. That is, if a contract was let for a set period within the funding parameter, it could create an expectation that the funding would be ongoing. The policy must manage the risk of the ongoing liability/obligation, and, also mitigate the risk staff would use this loophole to place contracts beyond the set dollar value.

- the Board would have to be confident supporting processes that were to be put in place were robust.

It was resolved:

*that management incorporates the feedback from the Board on this paper on delegations and provides a schedule of delegations (for the purchase of goods and services) for approval next month.*

### **8.3 Procurement Policy**

The following feedback was provided on the Procurement Policy:

- application to regional and/or national procurement processes.

It was resolved:

*that management incorporates the feedback from the Board on this paper on procurement and provides a revised policy for approval next month.*

## **9. LATE ITEMS**

There were no late items.

## **10 DATE OF NEXT MEETING**

Tuesday, 21 October 2008, Horowhenua District Council, 126-148 Oxford Street, Levin

## **11. 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 Meeting</i>		
<ul style="list-style-type: none"> <li>• <i>Hospital Advisory Committee, 2 September 2008</i></li> <li>• <i>Community &amp; Public Health Advisory Committee, 2 September 2008</i></li> </ul>	<ul style="list-style-type: none"> <li><i>For the reasons set out in the Committee's order paper of 2.9.08 meeting held with the public present</i></li> <li><i>For the reasons set out in the Committee's order paper of 2.9.08 meeting held with the public present</i></li> </ul>	
<i>Alliance with Whanganui DHB: Foundation Agreement</i>	<i>Subject of negotiation</i>	<i>9(2)(j)</i>

Confirmed this 21st day of October 2008.

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Chairman