

Te Whatu Ora | Health New Zealand Board

NGĀ MINITI A POARI O TE WHATU ORA

Meeting minutes December 2022

Date	23 December 2022
Chair for the meeting Te Kaihautū mō te hui	Rob Campbell
Board attendees Ngā mema o te Poari	Hon. Amy Adams, Tipa Mahuta, Dame Karen Poutasi, Dr Curtis Walker, Naomi Ferguson, Dr Jeff Lowe.
In Attendance Ngā manuhiri	Margie Apa (Chief Executive) Catherine Foster (Board Secretary)
In attendance for specific items Ngā manuhiri take	Rosalie Percival (CFO) Rosemary Clements (Interim Lead, People & Capability) Carolyn Palmer (Lead - System Accountability & Performance) Fionnagh Dougan (National Director - Hospital & Specialist Services) Dan Coward (Chief Operating Officer Hospital and Specialist Services) Cat Fleming (Principal Solicitor - Governance, Partnerships and Risk) Jeremy Holman (Chief Infrastructure & Investment Office) Aaron Matthews (Director - Capital Investment) Nick Chamberlain (National Director, National Public Health Service) Sue Gordon (Interim Lead Corporate Services - National and Regional) Vicktoria Blake (Sustainability Manager) Deborah Roche (Interim Chief of Staff)
Apologies Ngā tamōnga	Vanessa Stoddart

PUBLIC SESSION

*****OPEN TO THE PUBLIC via Webinar Digital link*****

1. Karakia and mihi

The meeting began at 8.30am with Karakia, led by the Chair.

2. Apologies and interests

The Register of Interests was noted.

There were apologies from Vanessa Stoddart.

There were no interests declared or changes to the Interest Register.

3. Chair's update

The Chair's report was noted. Key discussion points raised by the Board members included:

- The Board wants to see more action and the progress of change needs to be faster. The Board needs to see the pace of change increase, and the next 6 months is critical.
- Board wants to see management focused on outcomes and be accountable for creating change for New Zealanders accessing health services.
- Board members raised their concern that the quality of business cases is poor and not serving the Board or Ministers well.
- The Board is looking for a stronger focus on developing a national strategy as a unified system.
- The Board noted the importance of getting costs out of the system and investing in the frontline. Te Whatu Ora must be delivery focused.
- The Board noted that they must hold themselves and management accountable for delivery and outcomes.
- The Board must stay focused on the vision of the reforms.
- The Board noted that change would come through empowering our total workforce, and the Board's role is to remove barriers that make the delivery of services difficult.
- The Board noted the healthy relationship with Te Aka Whai Ora at the governance and management levels.
- Board wanted to see work progress on how to better give effect to equity and Te Tiriti in the New Zealand health care system.
- The Board acknowledged the CE and her hard work over the last 6 months.

4. Chief Executive's update

Management points included:

- Growing and developing the workforce remains a key priority.
- Acknowledge the need to focus on health outcomes for all communities so they can access health care services.
- Summer preparedness: Management has implemented daily monitoring of capacity to ensure communities across New Zealand will receive care during the Summer period and monitor for a surge in COVID-19 cases.
- The Board noted budget 22 initiatives and wants disciplined delivery over the next six months.
- Management is assessing COVID-19 care in the community provider certainty, noting the importance of maintaining a workforce until the end of June. Management highlighted that this provided an opportunity to rethink community models, which were fundamental to New Zealand's COVID-19 response.

OPEN SESSION CLOSED. Closed Session began at 9.35am


ITEMS FOR DISCUSSION

5. Chief Executive reflections

The Chief Executive's report was noted.

Key discussion points included:

- Several live issues highlight the need to expedite the payroll system unification, including the Holidays Act and Nurses' pay equity. Additional resource is being deployed to focus on getting money into staff pockets and unifying systems.
- The Board was concerned that new roles are added to the management structure without removing old roles. Management assured that there would be fewer Tier 2 leadership roles in Te Whatu Ora than in the previous system.
 - **Action:** Management committed to bringing back the detail of the regional structure to the Board's January Meeting and what roles have been disestablished and reorganised.
- Hospital leadership: Management is considering options for hospital network leadership. The Board acknowledged the importance of small hospitals, the services they provide to their communities, and support for primary care. Management assured the Board that the patient flow would drive leadership and configuration of hospital networks.
- Regional integration teams: The Board supported developing a clinical layer and regional oversight but reiterated it wanted to avoid replication of the District positions and structures.
- 9(2)(f)(iv)

- The Board requested that management focuses on developing a benefits framework that is fast-tracked via the Finance and Audit Committee. The Board emphasised the importance of governance oversight on these matters.
- Budget 22 initiatives: The Board noted that several initiatives have zero expenditure and requested management be clear on what we will deliver by the end of the financial year.
 - **Action:** Add a column that tells the Board what outcomes are being delivered and achieved.
- Acute flow: The Board emphasised the importance of Te Whatu Ora staff feeling empowered and that we don't establish groups that tell people on the ground what to do. Our people have solutions, and we must listen to them and act accordingly.
- Subsidiaries: The Board noted the importance of governance involvement in the divestment strategy. The Finance and Audit Committee will receive an update at its February meeting.
- 9(2)(i)

- The Board acknowledged the emerging narrative that there is a freeze on hiring frontline staff until backend savings are realised.
 - **Action:** The Board requested that management clarify that this needs to be explained to assure frontline staff that the workforce is a top priority for the Board.

6. Pae Ora delivery

The Chief Executive provided a verbal update on Pae Ora delivery and wider changes to the programme.

- The Board confirmed the following timelines as planning assumptions:
 - Horizon 1 to 30 June 2024 next 18 months of transition;
 - Horizon 2 to 30 June 2027 the life of the "New Zealand Health Plan" or Te Pae Tata 2.0 (working titles); and
 - Horizon 3 from 1 July 2027.
- **note** that the former Change & Transition Unit is now referred to as the Pae Ora Delivery Unit to better reflect its purpose – support Te Whatu Ora deliver the intentions of the Pae Ora (Healthy Together) reforms.

7. Health and Safety reporting

Key discussion points included:

- The Board requested long-term trends to provide governors with better oversight. 3-month trends do not give a reliable trend.
- The Board requested more granularity on violence and aggression data, including whether it was wilful or unwilful due to the patient's medical condition.

- The Board also want to see staff voices reflected and hear what will make them feel safe at work.
- The Board recognised the importance of PBCU responsibilities to everyone on all Te Whatu Ora sites. The Board noted that the systems and processes are developing to provide a comprehensive national view but wanted to see more progress made.
- Board also noted the role of EAP services for staff but that, anecdotally, their services are under pressure.

PERFORMANCE | FINANCE | RISK REPORTING

8. Finance report

Rosalie Percival joined the meeting.

Key discussion points included:

- The CFO provided on issues raised at the November Board meeting regarding money not received for transfers from Manatu Hauora. Funding has now been received and reconciled with roles inherited.
- DHB Year-end audit: As a result of auditor shortages, only one DHB audit is complete. The Board acknowledged the auditor shortage but noted the need to be completed. 9(2)(h) [REDACTED]
 - **Action:** Noting the issues related to the DHB year-end audit, the Board requested that Management prepare correspondence for the sector highlighting the delays in the signoff of the DHB year-end audits. Correspondence can be distributed, if required.
- Financial underspends. The Board noted that spending is not uniform across the year but highlighted the importance of delivering and ensuring no underspending.
- The Board noted the importance of the March Budget Update and Manatu Hauora's role in Vote Health.

9. Performance reporting

Rosemary Clements and Fionnagh Dougan joined the meeting.

Key discussion points included:

- The Board recognised the importance of data and understanding consumer needs and whānau voice to ensure we realise better health outcomes.
 - **Action:** The Board requested reporting of vacancy data by region.
- Board requested management provide insights and analysis on trends.
- Infrastructure metrics: The Board does not want spend as a performance metric; we must be focused on quality and outcome generation as a measure of good performance.
- The Board highlighted the need for Primary Care and acute demand data.

- **Action:** Board requested that management present a plan for how primary care data and metrics will be reported to the Board and involve Public Health, Community and Primary Care Committee in developing performance metrics.
- The Board noted it needs to be more explicit about what it expects in performance reporting.
 - **Action:** The Board to hold a session on reporting and performance metrics and define its reporting requirements and the role of Committees.
- The Board noted the information it requires as governors are different to what monitors and the public need.
- The Board noted several initiatives to alleviate planned care pressure and workforce issues. However, the results of the initiatives and the benefits realisation need to be communicated to the Board.

BD0XX – 23 December 2022: The Board endorsed the following recommendation with consensus:

- **discussed** the monthly financial (Appendix 1) and non-financial (Appendix 2) performance reports for Te Whatu Ora’s month ended 30 November 2022, including comments from senior responsible officers on risk areas and relevant action plans.
- **agreed** that the monthly reports be provided to Manatū Hauora and Te Aka Whai Ora (in their monitoring capacities) and the Minister of Health as a part of fulfilling the Board’s responsibility to provide clear and effective performance information.
- **noted** that the paper will be shared with the Te Aka Whai Ora | Māori Health Authority Board.

10. Risk reporting

The Board noted the report.

Key discussion points included:

- Management is developing a schedule of risk deep-dives to bring to the Board with clinical quality risk as a priority.
- Board discussed that all risks should be reported as red and reduced after testing that the management and mitigation are appropriate.
- Board wants to see KPIs and success outcomes developed to enable the Board to monitor. It wants to see progress made and risk management culture developing, which needs more visibility.
- The Board sought assurance from management that risk management is not a top-down process but that a culture is developing where staff take ownership and control of the risk and issues and how they are being managed and mitigated.
- The Board requested that arrows be added to demonstrate the movement of risk up or down due to mitigation.

BD0XX – 23 December 2022: The Board endorsed the following recommendation with consensus:

- **approved** the draft Risk Management Policy and Framework as a starting point noting that management will bring back to the Board a schedule of deep dives.

- **noted** that the Capital and Infrastructure Committee asked that the two Bay of Plenty district mental health infrastructure business cases be presented together for consideration.
- **noted** that recently Te Whatu Ora received a report from GNS Science, Te Pū Ao which provides revised information regarding the Whakatāne fault line location that requires revision of the current options for the proposed mental health facility.
- **endorsed** the Tauranga Te Whare Maiangiangi Business Case preferred option for the funding of an extension of the facility at a capital cost of [REDACTED].
- **endorsed** that any future replacement of the facility to be considered within the long-term Regional Hospital Redevelopment Programme for Tauranga.
- **noted** that further advice on Whakatāne will be provided in January 2023.
- **noted** that this paper will be shared with Te Aka Whai Ora | Māori Health Authority Board.

Critical Capital Allocation to In-Flight Project Cost Escalation

Key discussion points included:

- The Board highlighted the importance of managing cost escalation and that new projects would have better governance oversight.
- The Board sought assurance that projects have the appropriate skills and expertise to lead this work and execute effectively.
- The Board noted earlier comments made about the weakness of business cases and the need to ensure we are developing robust cases which are accurate and reliable.
- The Board highlighted the need to focus on the model of care and regional needs.
- The Board requested per m2 costs in all business cases as it is a simple metric to benchmark.
- The board noted the need to focus on operating costs and ensure we are embedding that with the CAPEX savings.
- The minutes recorded that C. Walker works at Mid-Central, where the Mental Health Facility cost increased by 71%.

BD0XX – 23 December 2022: The Board endorsed the following recommendation with consensus:

- **noted** this paper follows the 'Proposed management of cost pressures' paper considered by the Capital and Infrastructure Committee and seeks the allocation of additional funding from the Health Capital Envelope for eleven projects representing critical cost pressures that require immediate resolution.
- 9(2)(i) [REDACTED]
- **noted** the Infrastructure and Investment Group will continue to monitor value management activities for the projects in sub-paras d. and e., and will report any savings realised to the Committee in future portfolio updates.

- **noted** that endorsement of the Board will be the basis of a note to the Minister of Health and Minister of Finance, seeking confirmation of the funding requests.
- **endorsed** the recommendations of the Committee to approve the release of this paper to Manatū Hauora and the Treasury for monitoring purposes.

Waikato Regional Renal Centre Implementation Business Case

Key discussion points included:

- The minutes record K. Poutasi's role as Commissioner for Waikato DHB while this project was developed.

BD0XX – 23 December 2022: The Board endorsed the following recommendation with consensus:

- **approved** the (pre-deal) iteration of the Implementation Business Case for WRRC.
- **delegated** approval of the contract to the Te Whatu Ora Chief Executive, or delegate.

Jeremy Holman and Aaron Matthews left the meeting.

13. Public Health

Nick Chamberlain joined the meeting.

National Quarantine Capability Cabinet Paper and Programme Business Case – Te Whatu Ora approach

Key discussion points included:

- 9(2)(f)(iv) [REDACTED]

BD0XX – 23 December 2022: The Board endorsed the following recommendation with consensus:

- **noted** the Public Health, Community and Primary Care Committee has endorsed this paper and recommended it to the Te Whatu Ora Board.
- **endorsed** Health's current preference for Option 2 presented in the Cabinet paper, which supports the QIC Readiness Plan, COVID-19 Care in the Community framework and existing self-isolation capability. It also provides long-term strategic planning for managed community and self-quarantine and isolation responses. 9(2)(f)(iv) [REDACTED]

- **endorsed** Te Whatu Ora's position that without an assured funding track past 30 June 2023, Te Whatu Ora will not be in a position to accept the transfer of the National Quarantine Capability (NQC) as part of the Quarantine and Isolation Capability (QIC) Readiness Plan without significant trade-offs against services and investments already within Te Whatu Ora's baseline, noting Ministers could direct a transfer to occur.

- 9(2)(f)(iv)

Immunisation Taskforce

Key discussion points included:

- The Board discussed their support for the Report, but Management must clarify the level of investment required to undertake actions.
- The Board needs to see what actions are already underway to ensure a focus on protecting against epidemics. Actions must be outcome focused and be visible for the Board to monitor and assess effectiveness.
 - **Action:** Bring the management plan to the January Board meeting to oversee activities, phasing and costs.

BD0XX – 23 December 2022: The Board endorsed the following recommendation with consensus:

- **noted** the Immunisation Taskforce comprises 18 members from across the health sector, representing a wide range of knowledge, experience and skills, and have worked collaboratively to produce the Report.
- **noted** the Report identifies 10 priority areas and has 54 recommendations, many of which have wide-ranging implications for the health system in terms of resourcing and funding.
- **noted** the Taskforce and its report was commissioned by the Chief Executive of Te Whatu Ora.
- **noted** the Te Whatu Ora ELT have received and reviewed the report and recommendations and fully support the Report.
- **approved** the Report (appendix 1) to be publicly released in February 2023.
- **noted** that following the public release of the Report, Te Whatu Ora will acknowledge the Report and that work will now commence on assessing the operational implications of the recommendations.
- **noted** that the Board's Public Health, Community and Primary Care Committee has discussed the need to have oversight of the potential costs of operationalising the Report's recommendations.
- **noted** a high-level Immunisation Taskforce Management Plan is being prepared in response to the Report including prioritising the recommendations in terms of impact, complexity and indicative requirement for additional funding.

- **noted** the high-level Management Plan will be shared with Te Whatu Ora and Te Aka Whai Ora ELTs and respective Board Committees in early 2023, with a fully costed Management Plan completed by the first half of 2023.
- **noted** those recommendations that sit within the remit of the National Immunisation Programme, and that are already in progress, will be funded through existing baselines. Additional funding may be required following the completion of the full Management Plan but the underspend from our lower than budgeted immunisation rate over the past six months will help offset this.
- **noted** that other recommendations reach across other parts of the health system and we are working with those stakeholders to understand the cost and resourcing implications of these.
- **noted** the management plan will recommend a Taskforce Oversight Group reporting to the National Director of the National Public Health Service and the Deputy Chief Executive Public Health, Te Aka Whai Ora.
- **noted** that Dr Rawiri McKree Jansen is a member of the Taskforce and has agreed to sponsor the Report through the Te Aka Whai Ora Executive and Board processes.

Nick Chamberlain left the meeting.

14. Finance and Audit

Rosalie Percival and Ian Goulton provided a verbal update on Finance and Audit Committee.

Key discussion points included:

- The Board agreed to invite M. Rivers as Independent Chair of the Finance and Audit Committee to attend Board meetings and report to Finance and Audit Committee matters.
- The Board held over the decision on the audit charter, audit plan and counter-fraud strategy as it was unclear whether the Committee's December feedback was incorporated.
- The Board encouraged that work to continue and for formal approval to occur in January.

Rosalie Percival left the meeting.

15. Annual General Meeting requirements for subsidiaries

BD0XX – 23 December 2022: The Board endorsed the following recommendation with consensus:

- **noted** that Te Whatu Ora is the sole shareholder in eight subsidiary companies.

- 9(2)(h)

- **noted** that both Allied Laundry Services Limited and Canterbury Linen Services Limited have advised that there are no substantive matters that would need to be considered at an AGM.

- **agreed** that the Chair of Te Whatu Ora be authorised to sign resolutions resolving that Allied Laundry Services Limited and Canterbury Linen Services Limited are not required to hold an AGM.
- **noted** that for the former shared service agencies, Te Whatu Ora’s Chief Executive and Chief Financial Officer will sign resolutions resolving that those entities are not required to hold AGMs as directors of those companies.
- **noted** that this paper will be shared with Te Aka Whai Ora | Māori Health Authority Board.

16. Programme Business Case for Stationary Energy Transition

Vicktoria Blake joined the meeting.

- Key discussion points included: Board noted the formation of the Te Whatu Ora Sustainability Committee and requested that papers of this nature would come to the Board via that Committee. In addition, the Board confirmed that Capital Investment initiatives should continue to be discussed at the Capital and Infrastructure Committee.
- Management confirmed that the projects would have separate approval processes, enabling the Board to prioritise and assess trade-offs. The Board confirmed it wants to oversee the projects and work programme via the Sustainability Committee.
- Management reported that Procurement and supply chain is leading initiatives that will have a role in reducing Te Whatu Ora’s emissions. Visibility of these initiatives will come via the Sustainability Committee.

BD0XX – 23 December 2022: The Board endorsed the following recommendation with consensus:

- **received** the Programme Business Case (PBC) for Stationary Energy Transition (Appendix 1).
- **noted** the PBC is critical to enabling significant contributions toward Te Whatu Ora meeting its directions under the Carbon Neutral Government Programme (CNGP), specifically in relation to greenhouse gas emissions reduction of Category 1 and Category 2 emission sources as outlined in Te Pae Tata.
- **noted** the PBC has been reviewed by the Infrastructure and Investment Group (IIG) and Hospital and Specialist Services (HSS) have provided advice regarding the extent that proposed capital (specifically boilers, LED, and energy management) is included within 2022/23 plans.
- 9(2)(i) [REDACTED]
- **noted** that there are offsetting savings in operating expenditure to support the required capital investment.
- 9(2)(i) [REDACTED]
- **noted** that this paper will be shared with Te Aka Whai Ora | Māori Health Authority Board.
- 9(2)(i) [REDACTED]
- **noted** that a briefing paper relating to activities undertaken by the Climate Change Working Group over the 2022 calendar year has been included as Appendix 2 for information.

Vicktoria Blake and Rosalie Percival left the meeting.

17. Te Aka Whai Ora Update:

- S. Shea has resigned from the Board to Te Aka Whai Ora. Two new Board members will be appointed in New Year.
- Te Aka Whai Ora looking forward to having full ELT established in the New Year and a focus on delivery and outcomes.

GOVERNANCE / BOARD ADMINISTRATION

18. Updates from Committees

Capital and Infrastructure Committee

Verbal update received with no discussion.

Finance and Audit Committee

- The Board requested visibility of Te Whatu Ora's Procurement strategy noting links to Data and Digital and the clinical focus for procurement of hospital supplies. Due to the scale of Te Whatu Ora, the Board expects to govern the strategy and oversee procurement decisions.
 - **Action:** Management to prepare a paper on procurement strategy, including appropriate governance oversight.

Data and Digital Committee

Key discussion points included:

- The Board received a verbal update on recruitment for Data of Digital role from CE.
- Minutes amended to reflect that Dame K. Poutasi was at the meeting.

Public Health, Community and Primary Care Committee

Key discussion points included:

- The Committee has a large work programme, and Chair closely monitors whether the workload is achievable.
- Localities: The Committee has provided feedback on the Guidebook, which has been simplified. Localities are now a standing item on this Committee's agenda and will be a crucial priority for the Committee.

People and Culture Committee

Verbal update received with no discussion.

- Minutes amended to reflect that A. Adams was at the meeting.

Appointing independent members

BD0XX – 23 December 2022: The Board endorsed the following recommendation with consensus:

- **approved** the appointment of Venasio-Lorenzo Crawley to the People, Culture, Development and Change Committee for 12 months.

Health and Safety Committee

- The Board highlighted the need to get this work progressing and ensure the effective execution of its responsibilities.
- The Board recognised the vital role of this Committee.

Clinical Quality Assurance

- S. Waters has joined the Committee as an allied and technical workforce management representative.
- RIS: The Committee has assurance an internal review will examine the issues. The outcome of the review will be brought back to the Board via the Committee.
- Clinical Trials: The Committee noted the work and importance of Manatu Hauora involving Te Whatu Ora Board.

Breast Screening Aotearoa review

Key discussion points included:

- Board requested the Comms plan highlight that the Report presents a significant opportunity to address equity.
- Necessary to Communicate the Board supports the Report, but more work is required by management to understand the costs of implementing the recommendations.
 - **Action:** National Director of Public Health is preparing a management plan via Public Health, Community and Primary Care Committee.
- The Board highlighted the importance of reviews, ensuring lessons are learned, and informing how we anticipate these issues emerging in the future.

- Te Whatu Ora has inherited several different screening programmes, all operating slightly differently. Management wants to consolidate the programmes at a national level and scale what works well.
- The Board noted the importance of delivering an effective screening programme and that it must ensure they are working appropriately.
- The Board confirmed the process and that it is the Committee's role to discuss and report implementation, and management plans can come to the Board once they require a board discussion.

BD0XX – 23 December 2022: The Board endorsed the following recommendation with consensus:

- **noted** the report findings and recommendations.
- **noted** a business case will need to be developed to ensure successful implementation the review findings.
- **noted** that the report has been endorsed by:
 - the Executive Leadership Team of Te Whatu Ora.
 - the Executive Leadership Team of Te Aka Whai Ora.
 - the Board's Clinical Quality Assurance Committee.
 - the Board of Te Aka Whai Ora.
- **provided feedback** on the report and any suggested changes.
- **endorsed** the proposed timeline for the release and dissemination of the report
- **requested** the development of an implementation plan for the Board to prioritise investment of baseline to give effect to recommendations.

Environmental Sustainability Committee

Appointing independent members

BD0XX – 23 December 2022: The Board endorsed the following recommendation with consensus:

- **approve** the appointment of Dr Rhys Jones, Saskia Verraes, and Juhi Shareef to the Board's Environmental Sustainability Committee for 12 months.

19. Board administration

Register of interests

Noted.

Minutes and actions of the 25 November 2022 meeting

Minutes were accepted as a true and accurate record of that meeting.

Actions register

Noted.

Meeting and engagements schedules

Noted.

General Business

There was no general business.

The meeting closed at 4.00pm with Karaki

Proactively released

Proactively released