

Te Whatu Ora | Health New Zealand Board

NGĀ MINITI A POARI O TE WHATU ORA

Meeting Minutes 27 January 2023

Date	27 January 2023
Chair for the meeting Te Kaihautū mō te hui	Rob Campbell
Board attendees Ngā mema o te Poari	Hon. Amy Adams Tīpa Mahuta Dame Dr Karen Poutasi (online) Dr Curtis Walker Naomi Ferguson (online) Dr Jeff Lowe Vanessa Stoddart
In Attendance Ngā manuhiri	Management: Margie Apa (Chief Executive) Board Secretariat: Catherine Foster (Board Secretary)
In attendance for specific items: Ngā manuhiri	In attendance for specific items: Peter Watson (Interim National Director - Medical) Jo Gibbs (Senior Responsible Officer / National Lead Hospital & Specialist Services) Fionnagh Dougan National Director – Hospital and Specialist Services
Apologies Ngā tamōnga	Nil.

Public session

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

In attendance:

Te Whatu Ora Board

Margie Apa, (Chief Executive)

Peter Watson (Interim National Director - Medical)

Jo Gibbs (Senior Responsible Officer / National Lead Hospital & Specialist Services)

Fionnagh Dougan National Director – Hospital and Specialist Services

Catherine Foster (Board Secretary)

1. Karakia and mihi

The meeting began at 8:45am with Karakia, led by the Chair.

Amy Adams joined the meeting at 8:56am.

2. Apologies and interests

The Register of Interests was noted.

The Chair noted the correspondence from the Director-General of Health highlighting the importance of managing conflicts of interest.

There were no potential conflicts declared or changes to the Interest Register.

There were no apologies received.

3. Chair's update

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

- Priorities listed in the Chairman's note; priorities include service improvements relating to immunisations, ED waiting time, Planned Care waiting time and Cancer screening and care initiatives. The Chair identified goal clarity which is specific and measurable with efficiency, delivery of localities, and empowering front-line staff.
- Clinical Governance is a priority, especially governance that empowers our people. We must consider different models including distributed Clinical leadership, wānanga and Taumata models.
- Board agreed to add Workforce to list of priorities and established targets to monitor progress. There must be an emphasis on one workforce, one system.
- Workforce accountabilities, targets and metrics are critical.
- Primary care visibility and integration is critical to reducing planned care wait times and managing a winter without crisis.
- The Board must stay focused on long-term financial position. Must ensure efficient delivery of services to generate savings to reinvest in frontline. Must be prioritised in our investment of savings to ensure we are targeting the areas we need to.
- Building strong culture in workforce is critical. Highlighted the role of the Charter.
- Need to ensure we are designing in the system patient centricity and control over their health outcomes.
- National consistency, regional coordination and local delivery remains a useful way to communicate the reform and change.

Action: Chair to update and recirculate the document reflecting the Board feedback.

4. Chief Executive's update – Open Session

Discussion pointed raised by CE included:

- Workforce is a priority: Currently welcoming 500 Junior Doctors into the system. Expect 1500 nurses to come out of training this year. 650 international nurses are going through the process of competency testing. Positive that pipeline is developing but there continues to be work

needed in this area including Primary Care where more GPs are retiring from the profession than joining.

- Planned Care: overall production is ahead of plan but acknowledge wait time continues to grow. Management noted that we need to plan our production to ensure it is not impacted by seasonal flux exacerbating wait list times further. Working as one system and moving workforce across the system is expected to improve how we deliver planned care.
- The Board questioned whether what we are doing will realise the changes we need. The Board requested Management investigate and articulate what the bottleneck is to ensure we are doing all that we can to deliver planned care effectively and efficiently to those who need it most.
- The Board noted that we must look at procedures that make a difference to people living with conditions to target care. In addition, unmet need is still unclear.
- The Board highlighted the importance of a national consistency of thresholds.
- The Board noted that Covid19 has changed the landscape, however demand will continue to increase with an aging population therefore we must find efficient solutions which caters to unmet need.
- The Board noted that not all responses need to be hospital settings. Community response is also important and increasing access to diagnostics is critical.
- Te Aka Whai Ora have an interest from a Māori health perspective and what specific actions are being taken to reduce number of Māori on waitlist.
- Management confirmed that they are implementing the taskforces recommendation. Management must prioritise effort because it cannot do all things.
- Historical inequities are still in the system with such different thresholds which continue to be barriers.
- The Chair summarised that this is a multigenerational issue. The Board needs to have real reports on what difference to the waitlists our actions are going to make. The Board must have clarity on what we can deliver in this time. Must break down into do-able chunks.

Action:

- Management to bring back more detail on barriers to reducing wait list, information requested includes thresholds and how management intends to prioritise pathways to tackle Planned Care wait times, detail to better understand what is driving demand (specific specialities vs day surgery).
- Make Planned Care a standing item for Board to receive regular updates and monitor progress.
- Board Secretariat to add to Agenda for February Joint Hui discussion.

OPEN SESSION CLOSED. Closed Session closed at 9:45am

ITEMS FOR DECISION

5. 9(2)(f)(iv)

[REDACTED]

[REDACTED]

[REDACTED]

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

[Redacted Section Header]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

9 [REDACTED]

4 [REDACTED]

N. Chamberlain left the meeting.

6. 9(2)(f)(iv) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Holidays Act

V. Stoddart spoke to the paper.

Key discussion points included:

- 9(2)(g)(i) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

e) [Redacted]

[Redacted]

March Function Transfers:

V. Stoddart spoke to the paper which was discussed at the People and Culture Committee.

Key discussion points included:

- 9(2)(g)(i) [Redacted]

BD-23-04 The board endorsed the following recommendation with consensus:

- g) 9(2)(f)(iv) [Redacted]

- i) **delegated** to the Chief Executive all actions required to give effect to proposed March transfers, including:
 - i) entering into agreements between Te Whatu Ora and Te Aka Whai Ora and / or Manatū Hauora for the purposes of effecting these transfers
 - ii) entering into or novating agreements between Te Whatu Ora and Te Aka Whai Ora and / or Manatū Hauora and third parties

- iii) entering into agreements with the Ministers of Health and Finance under the Health Sector Transfers Act
- iv) seeking agreement from the Ministers of Health and Finance to transfer associated funding through the March Baseline Update
- v) any ancillary actions required to give effect to the proposed transfers.

Culture Change Initiatives:

The CE presented a slide with Culture Change initiatives. Key discussion points included:

- The Board noted the importance to build momentum for change and support for the Charter. This includes empowering our people, listening to what they say and not over prescribing what people need to do.
- Te Aka Whai Ora recognised that work needs to be done, and whether the original body of the work envisioned by the Charter is reflected in the paper. Fostering a workplace culture that supports diversity is priority for Te Aka Whai Ora. Need to consider Charter for Māori providers too.
- 9(2)(f)(iv) [REDACTED]
- Board wants tangible outcomes. People come to work to make a difference, and we must reflect the real issues people are focused on. Listen to what staff and patients are saying and design initiatives that respond.
- Must be a two way conversation which builds accountability and a culture of efficiency. Be clear on the problem we are going to solve and distinguish between corporate 'head office' culture and the front-line culture. Need it to resonate with staff and be effective.
- Noting that it did not go far enough, the Board acknowledged that it was a good first step and something to build on. **Action:** People and Culture Committee to build on this platform. Committee members to review offline and provide detailed feedback to management.
- 9(2)(g)(i) [REDACTED]
- The Board highlighted the importance of language, because change infers the status quo is no good. Be clear this is a culture change plan.
- The Board noted the importance of recognising achievement and being fair which is broader than remuneration.
- Board noted that this is a management document, and it is not a cultural change plan for frontline staff. Need to be clear on the doing vs the beneficiaries. Important frontlines see humility from management and that cultural change is needed at all levels of the organisation.

- Board encouraged management to prioritise as we can't do it all.

Next Steps:

Action: People and Culture Committee to build on this platform. Committee members to review offline and provide detailed feedback to management. Additional feedback to be provided to V. Stoddart to continue to iterate.

J. Green left the meeting at 11.30 am.

DISCUSSION POINTS:

7. CE Closed Report:

F. Dougan joined the meeting at 11.40am.

- 9(2)(g)(i) [Redacted]
- | [Redacted]
- | [Redacted]

9(2)(g)(i) [Redacted]

- | [Redacted]
- | [Redacted]
- | [Redacted]

9(2)(g)(i)

- [REDACTED]
- [REDACTED]
- [REDACTED]

Risk:

- The Board noted the Committees' role is overseeing and monitoring risk. At recent committee meetings it was discussed that all Committees should have a risk register which aggregate up to the central board risk register to govern risk.
- The Board agreed that it would delegate the monitoring of risks to specific Committees as they arose for the Committee to provide closer oversight. Noting that some risks will be relevant more than one Committees.
- Management raised the issue whether the Board needs a Hospital Committee and Hospital focus. **Action:** The Board Chair agreed to consider this proposal noting there is also a desire to reconfigure the Public Health and Community and Primary Care Committee due to the large workload of both areas.

LUNCH:

The Board broke for lunch and was joined by M. Albert (Chief of Tikanga) who introduced himself and explained his role to board members.

Action: Board Secretary to circulated M. Albert's details for the purposes of providing pastoral care and tikanga support to board members.

UPDATES:

7.1. Director- General of Health

In attendance for this item D. Sarfati (Director- General of Health), J. Ryan (Auditor- General) and S. Little (Treasury - Deputy Secretary, Budget & Public Services) arrived at 12.35pm.

S. Little (Treasury - Deputy Secretary, Budget & Public Services) opened discussion. Key discussion points included:

- Highlighted the role of Treasury in maintaining public trust and confidence in the Government's finances.

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

J. Ryan (Auditor- General) led discussion. Key discussion points included:

- Auditor General is independent of Ministers and reports directly to Parliament. Role is to give an independent assessment on Te Whatu Ora’s annual report and performance.
- Materiality of Te Whatu Ora significant given size and scale. Therefore, highlighted the importance of data integrity and reporting of Te Whatu Ora’s finance and non-financial performance.
- 9(2)(f)(iv) [Redacted]
- [Redacted]
- [Redacted]
- Auditor General noted Te Whatu Ora is in a state of flux and highlighted the importance of the change control environment as we roll out FPIM and consolidate financial information into one system. Board and Management must confirm delegations and controls are appropriate to manage a programme of this size.

- 9(2)(f)(iv) [REDACTED]
- Board encouraged an open discussion about the issues which the ensure we are all together to make things work.
- Board extended invitation to join Finance and Audit Committee meetings as an observer noting the staff from Audit New Zealand already attend. Management extended the same and for Auditor- General and staff to engage at Management level and escalate any issues directly to CE and welcomed issues being escalated.
- Te Whatu Ora noted the need build internal capability to get the flow of information right.

The Board thanked the attendees for the valuable discussion. D. Sarfati, S. Little and J. Ryan left the meeting at 1.40pm.

PERFORMANCE | FINANCE | RISK REPORTING

Finance report

M. Rivers and R Percival entered the meeting at 1:40pm.

Key discussion points included:

- 9(2)(f)(iv) [REDACTED]
- The Board requested visibility of time limited activities of short term funding and long-term commitments and when Board can make reinvestment decisions.

- [REDACTED]
- Board asked about whether finance team was appropriately resourced. CFO currently working through the operating model to unify and simplify, will discuss with Finance and Audit Committee.

8. DHB End of year Audit.

Key discussion points included:

- The Board requested two additional elements be added to the recommendation:
 - a) Noting Te Whatu Ora has missed the statutory deadline for each DHB audit to be provided by the close of 31 December 2022, as per schedule 1, clause 17 of Pae Ora (Healthy Future Act) 2022, because Audit New Zealand was unable to complete the audits due to auditor shortages. The Board is using its best efforts to complete the audits as soon as possible.
 - b) Noting that the Board members enter into the deed of indemnity.
- The Board requested that the Representation letter is drafted to the satisfaction of Rob and Amy who will be signing the letter.
- 9(2)(h) [REDACTED]

BD-23-05 The Board adopted the following recommendation with consensus:

1. **Approved** delegation to Rob Campbell and Amy Adams to sign off Financial Accounts within Annual Reports for outgoing DHBs on behalf of Te Whatu Ora Board between Board meetings.
2. **Approved** the signing of the Representation Letters, once they are prepared to the satisfaction of Rob Campbell and Amy Adams.
3. **Agreed** that this approval is subject to receipt and consideration of independent legal advice prior to signing which will be shared with full Board and discussed with Board if issues requiring Board consultation are raised.
4. **Agreed** that if significant issues that would require Board discussion are raised by Auditors these will be brought back to Board.
5. **Agreed** to the CFO organising a review of completed Annual Accounts by the Audit Committee Chair prior to submission of each set of accounts to Board for signing.
6. **Noted** this remains work in progress and further update will be provided at the January, February and March Board meetings.
7. **Noted** the status of each of the outgoing DHB's Annual Audits as per the schedule in the paper.
8. **Noted** finalisation of audits for the ten outgoing DHBs that are required to Select Committee in February and March 2023 will be the priority.

9. Noted that the Annual reports including signed Annual Accounts and the Audit Opinions issued for each outgoing DHB will be loaded into the Board resource centre for review. At the time of publishing the completed Audit ready for review is Southern DHB.
10. Noted Te Whatu Ora has missed statutory deadline for each DHB audit to be provided by the close of 31 December 2022, as per Schedule 1, clause 17 of Pae Ora (Healthy Future Act) 2022. The Board is using it's best efforts to complete the audits as soon as possible.
11. Noted that the Board enters into the deed of indemnity.

9(2)(h)

Finance and Audit Committee

There was no January meeting held, and no verbal updated provided.

M. Rivers and R. Perceval left the meeting at 2.15pm

Pae Ora update

F. Dougan joined at 2.15pm.

- 9(2)(f)(iv)
- The Board requested focus on reducing duplication in roles across the system.
- 9(2)(f)(iv)
- The board requested visibility of contractors.
- Board requested a narrative to explain the pace of change to support staff through it.

9(2)(g)(i)

9(2)(g)(i) [Redacted text block]

[Redacted text line]

[Redacted text block]

[Redacted text line]

- [Redacted list item]

- [Redacted list item]

[Redacted text block]

[Redacted text line]

F. Dougan Left the meeting at 3.20pm

10. Legal:

C. Fleming and D. Roche joined the meeting at 3.20pm

- 9(2)(h) [Redacted]

The board received the report.

11. Te Aka Whai Ora

T. Mahuta provided a verbal update. Key discussion points included:

12. Te Aka Whai Ora will provide a submission on the proposed Therapeutics Bill and advocate for Rongoā Māori
13. Relationship of IMPBs and Localities remains a priority.
14. Joint hui - Te Aka Whai Ora want to present their view on monitoring.
15. Relationship building with Manatū Hauora remains ongoing and articulating role within the fleet.

12. Performance reporting

T. Maisey and C. Palmer joined at 3.35pm. D. Roche remained in the room.

Key discussion points included:

- Auditing of Te Pae Tata actions is of importance for the Board.
- Board enquired about how rigorous we are with testing ourselves and our performance. Management agreed there is a need to have milestones against all actions and ELT must put pressure on delivery and measuring outcomes.
- Management confirmed they are testing any optimism bias in the reporting of 'green' performance
- Board supported Planned care figures coming through as a critical performance metric.
- The Board highlighted there was not a clear or consistent approach to the Te Pae Tata traffic lights reporting with different colours and descriptions applied. Management agreed to review and have a consistent approach to reporting to give the Board visibility of critical milestones.
- Board wants to see resolution pathway for gaining access to Primary Care data. It must understand when it will gain this visibility.
- Workforce metrics: Must align this reporting with Committee conversations and priorities. Committee has requested visibility of FTE vs Budget and trends.
- Consumer voices: The Board requested wider use of consumer voice metrics. Important to distinguish between patient feedback and quality of service and consider people vs system performance. The Board noted Clinical Quality Assurance focus on this.

13. Annual Report:

R. Percival entered the room at 3:50pm.

- The Board supported a narrative style to the report, noting it is not an advocacy document, it is a story of our performance to the people we serve.
- It is critical that Audit NZ can audit our performance.
- Framework of the Report will be national, regional and local focus.
- Key System shifts: The Board discussed that it did not develop the key system shifts and they do not feel they represent the Board's priorities. The Board supported developing a basic set of priorities and agree a basic narrative early.

Action: Session at the February Board next meeting about what story do we want to tell.

Action: Share report with independent Chair of the Finance and Audit Committee for feedback on approach.

R. Perceval and D. Roche left the meeting at 4:02pm.

GOVERNANCE / BOARD ADMINISTRATION

14. Updates from Board Committees

Capital and Infrastructure Committee

Verbal update received with no discussion.

Clinical Quality Assurance Committee

Verbal update received with no discussion.

Data and Digital Committee

There was no January Committee meeting and no update to provide.

Environmental Sustainability Committee

There was no January Committee meeting and no update to provide.

Finance and Audit Committee

There was no January Committee meeting and no update to provide. Health and Safety Committee

Verbal update received with no discussion.

People and Culture Committee

Verbal update received with no discussion.

Public Health, Community and Primary Care Committee

Verbal update received with no discussion.

15. Board administration

Confirmation of Minutes

The minutes were accepted as a true and accurate reflection of the meeting.

Action Register

The Board's actions were noted without discussion.

Register of Interests

The Board noted the Register of Interests.

General business

Key discussion points included:

- Chair of People and Culture requested the addition of Payroll system update to the Monthly standing item report the People and Culture Committee receives.

Board only time.

The Board met in Board only session to discuss the CE's KPIs.

A. Adams and C Walker. Left the meeting 4.10pm

Tipa Mahuta left the meeting at 4.30pm.

The meeting closed at 4.35pm with Karakia.