Canterbury
District Health Board
Te Poari Hauora ō Waitaha

# CORPORATE OFFICE

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30 September 2020

9(2)(a) [redacted]

[redacted]

[redacted]

**RE Official information request CDHB 10422**

I refer to your email dated 18 September 2020 requesting the following information under the Official Information Act from Canterbury DHB. Specifically:

1. **A copy of the original contract signed by the MoH in 2012 between the CDHB and the Ministry of Health for the Building of the Acute Services Building.**

As you were advised on 22 September 2020 this question was transferred to the Ministry of Health to respond to for you.

2. **A copy of the minutes of the Board Meeting of 16.7.20.**

Please find attached as **Appendix 1** a copy of the Minutes from the Canterbury DHB Board Meeting held on Thursday 16 July 2020. This includes the 'Public Excluded' minutes.

**Please note:** we have redacted or withheld information that is pursuant to the following sections of the Official Information Act:
Section 9(2)(a) "…to protect the privacy of natural persons, including those deceased".
Section 9(2)(b)(ii) "…would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information".
Section 9(2)(g)(i) "….to maintain the effective conduct of public affairs through the free and frank expression of opinions".
Section 9(2)(h) "….to maintain legal professional privilege".

You may, under section 28(3) of the Official Information Act, seek a review of our decision to withhold information by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz; or Freephone 0800 802 602.

I trust that this satisfies your interest in this matter.

Please note that this response, or an edited version of this response, may be published on the Canterbury DHB website after your receipt of this response.

Yours sincerely

Ralph La Salle
**Acting Executive Director**
**Planning, Funding & Decision Support**

MINUTES

Canterbury District Health Board
Te Poari Hauora ō Waitaha

# MINUTES OF THE CANTERBURY DISTRICT HEALTH BOARD MEETING held in the Board Room, Level 1, 32 Oxford Terrace, Christchurch on Thursday, 16 July 2020 commencing at 9.30am

## BOARD MEMBERS

Sir John Hansen (Chair); Barry Bragg; Catherine Chu; Andrew Dickerson; James Gough; Gabrielle Huria; Jo Kane; Aaron Keown; Naomi Marshall; and Ingrid Taylor.

## CROWN MONITOR

Dr Lester Levy.

## APOLOGIES

An apology for absence was received and accepted from Dr Andrew Brant (Board Clinical Advisor).

## EXECUTIVE SUPPORT

David Meates (Chief Executive); Mary Gordon (Executive Director of Nursing); Michael Frampton (Chief People Officer); Carolyn Gullery (Executive Director, Planning Funding & Decision Support); Jacqui Lunday-Johnstone (Executive Director, Allied Health, Scientific & Technical); Hector Matthews (Executive Director, Maori & Pacific Health); Dr Sue Nightingale (Chief Medical Officer); Stella Ward (Chief Digital Officer); Justine White (Executive Director, Finance & Corporate Services); Karalyn van Deursen (Executive Director Communications); Susan Fitzmaurice (Executive Assistant to Chief Executive); and Anna Craw (Board Secretariat).



Hector Matthews opened the meeting with a Karakia.

Sir John Hansen, Chair, advised of the formal resignation of Sally Buck from her position as Board member due to ill health. Sir John has written to Ms Buck. The Board accepted Ms Buck's resignation with regret and acknowledged the significant contribution she has made to this Board and the patients of Canterbury.

Jo Kane spoke of Ms Buck being a true community advocate who worked at grass roots level. Ms Buck had a range of interest areas in health that she brought to the table. She was a good elected member that worked for the community and certainly brought in issues from the Eastern suburbs.

Aaron Keown recalled the first time that Ms Buck ran for the Board, noting that whilst she did not run one advertisement or have one bill board, she polled first. Mr Keown believed this was because of what Ms Buck had written for the candidate booklet, noting it had clearly resonated with the public. To come from nowhere, then to run and come first means that whatever you are standing up for is what a lot of people believed in. Ms Buck has been an honest representative for the community for many years.

## 1. INTEREST REGISTER

**Additions/Alterations to the Interest Register**
There were no changes or alterations to the Interest Register.

**Declarations of Interest for Items on Today's Agenda**
Item 6 – Approval of Trust/Donated Funds - Andrew Dickerson advised he is a Trustee of the Maia Health Foundation.

There were no other declarations of interest for items on today's agenda.

**Perceived Conflicts of Interest**
There were no perceived conflicts of interest raised.

## 2. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

**Resolution (22/20)**
(Moved: Aaron Keown/seconded: James Gough – carried)

"That the minutes of the meeting of the Canterbury District Health Board held on 18 June 2020 be approved and adopted as a true and correct record."

## 3. CARRIED FORWARD / ACTION LIST ITEMS

- Selwyn Health Hub

  Carolyn Gullery, Executive Director, Planning Funding & Decision Support, advised that conversations have been had with the Ministry of Health (*MoH*). There is no policy to say that we cannot use the capital on FF&E inside a property that we are leasing, but this is the approach the MoH have chosen to adopt. There is no written formal policy. The MoH does acknowledge, however, that as we have a 30 year lease, it is going to go onto the DHB's asset sheet and become one of our capital assets.

  Ms White, Executive Director, Finance & Corporate Services, advised that changes in accounting rules means that all leases are effectively recognised in the balance sheet. They are recognised as an asset and recognised as an obligation, but the net of those two will not necessarily match dollar for dollar timing wise, therefore the net result may create an asset for capital charge purposes.

  There was a query whether other DHBs were facing a similar problem. Ms Gullery undertook to check with colleagues and advise the Chair.

  Ms Gullery noted that the MoH has confirmed that $5M is still there for CDHB to allocate to some other project. The Board was reminded that there was a $300M pool of funding that became available for small projects across DHBs. The project CDHB put up was the Selwyn Health Hub as this seemed to fit the MoH's focus of child health, mental health and maternity. However, the MoH said they could not allocate the money to that project because it was an asset that we were leasing that we were fitting out.

  David Meates, Chief Executive, advised that the alternative we have gone back to the MoH with is tying it back into the new mental health CAF outpatient facility, which got valued out of the development at Hillmorton. The contribution from Maia Health Foundation ($5M), CDHB ($5M) and potentially $5M from the MoH, will enable a potential facility to be delivered. This comes back to the basis that the MoH cannot get its head around leased facilities compared to a facility owned and operated by the DHB.

The carried forward / action list items were noted.

## 4. COVID-19: POPULATION WELLBEING UPDATE

Evon Currie, General Manager, Community and Public Health (*CPH*), introduced Sue Turner, Public Health Manager; and Sara Epperson, Advisor Collaborative Partnerships, who were in attendance to present to the Board on Psychosocial Wellbeing. Ms Currie noted that Psychosocial Wellbeing is a very important component of the wellbeing for our populations. In Canterbury it has been an important focus for some time. CPH as the public health division of the DHB has focused a lot on developing and normalising some of the programs to address psychosocial and mental health wellbeing at a population level.

The presentation highlighted the following:

- Statutory requirement under the Civil Defence Legislation to lead psychosocial recovery. There are nine sub-functions of welfare, of which psychosocial support is one. The Ministry of Health leads it nationally, and DHBs lead locally.
- National Psychosocial Plan.
- COVID-19 Psychosocial and Mental Wellbeing Recovery Framework.
- Conditions for mental wellbeing.
- Pae Ora Framework.
- Local initiatives gone national – Getting Through Together; Sparklers At Home; and Reconnect.

There was discussion on measures of success. Ms Turner advised that for the All Right? campaign there is a yearly reach of impact evaluation. Recent results have shown 90% coverage and in terms of impact approximately 41% of people have said they have done something differently as a result of seeing the messages. It was noted the size of the cohort measured was 600 people in Christchurch.

Mr Meates advised that All Right? is a highly successful campaign. Right from the start it had to be able to demonstrate that it was making a difference. The methodology of reporting and tracking from the beginning has been robust, as it needed to be able to provide evidence it was making a difference.

There was a query about funding for the programmes. Ms Turner advised that funding for "Getter Through Together" ends at the end of September 2020. The funding for All Right? Canterbury continues through to the end of June 2021. The MoH have made it clear that although the Psychosocial Recovery Plan has been designed for 12 to 18 months, it is thought that it will be more like two to three years. Mr Meates advised that Canterbury's recovery plan will be partially offset by the All Right? component, so will not become an additional cost impediment. However, Mr Meates, noted that if it is going to be rolled out nationally there will need to be additional funding. There is ongoing dialogue and conversation in terms of securing funding streams for that. If it goes national, it has to be contingent on a funding stream sitting with that.

## 5. SUBMISSION: INQUIRY INTO STUDENT ACCOMMODATION

Ms Currie presented the report which was taken as read. There was no discussion.

**Resolution (23/20)**
(Moved: James Gough/seconded: Gabrielle Huria – carried)

"That the Board:

i. approves the submission on the inquiry into student accommodation."

## 6. APPROVAL OF TRUST / DONATED FUNDS

Justine White, Executive Director, Finance & Corporate Services, presented the report which was recommended to the Board for approval by the Quality, Finance, Audit and Risk Committee. There was no discussion.

**Resolution (24/20)**
(Moved: Barry Bragg/seconded: Jo Kane – carried)

"That the Board, as recommended by the Quality, Finance, Audit & Risk Committee:

i. approves the investment of trust/donated funds from Buddle Findlay Child Health Foundation Trust and Paediatric Trust Funds of $76,000 for the purchase of a SimBaby manikin, as training equipment for Christchurch Hospital Child Health Services."

## 7. CHAIR'S UPDATE

Sir John referred to the ongoing work being done by the whole organisation, but particularly management, public health and others in relation to COVID-19. That burden is still upon the organisation.

Sir John also noted the fantastic effort that has been made in catching up backlogs that were occasioned by the lockdown. It is an outstanding effort to bring it up to date as quickly as it has.

Sir John and the Board acknowledged the work that has gone into both of the items above.

The Chair's update was noted.

## 8. CHIEF EXECUTIVE'S UPDATE

Mr Meates presented his report which was taken as read. An update on COVID-19 was provided as follows:

- Six hotels have been stood up in Christchurch as quarantine / isolation facilities. We are working more closely with the MoH and a clinical governance group has been set up within the MoH to oversee the facilities, which has streamlined things a lot. Whilst going reasonably well in Christchurch, the challenge is the ongoing sustainability of that. Indications are that this could continue out over an 18 month to two year timeframe, and it is important that the timeframe is set on a stable and sustainable basis. Service specifications and funding elements are still to be worked through and will remain a work in progress – a national process to be finalised by the MoH.
- Catch-up: absolutely stunning the way the catch-up and recovery plans have been playing through, resulting in at 30 June 2020 having delivered all of the planned care volumes. Whilst the mix is a little bit different, volume targets have been hit.
- The approach taken by Radiology through the COVID-19 component was highlighted. Radiology used it as a means of catching all the backlog and this has left the service in a really robust position.
- Plans are in place to stand up surge capacity for contact tracing, with further plans to stand up additional contact tracing elements. This is a requirement and reflects the ongoing nervousness with what is playing out in Australia in terms of how quickly and rapidly community spread could occur and the ability for us to be in a position to respond to that. Plans are in place and we have the ability to step up very quickly. Labs play a really important component and will continue to be impacted for quite a prolonged period in terms of the level and type of testing required. With regards to ongoing surveillance testing across the community, the MoH are looking to encourage all GPs to be doing about five swabs a day in order to have a sense of what is going on in communities across NZ.

There was a query around Inter District Flow (*IDF*) funding that had not been picked up or invoiced. Mr Meates advised that in terms of normal IDFs these are picked up as a matter of course. There are a number of things we provide for other DHBs that do not fit under the IDF definitions,

but we are moving to overtly cost recover and/or charge directly for those. It was noted that this is a consistent issue across most parts of the country. There have been attempts at various stages to address this. Requires a charging mechanism that is outside the normal bounds of what has sat with the district flow framework.

There was discussion around perioperative nursing levels. Mr Meates advised that we have been very deliberate with perioperative staff, building up the theatre compliment with new graduates who undergo a very comprehensive training programme. Mary Gordon, Executive Director of Nursing, advised that perioperative nursing is a specialty area of practice. A nurse cannot walk in there tomorrow and be competent to undertake the skills and care required. It takes training – a minimum of six months, but ideally 12 months in order to be able to provide full 24 hour acute cover. It was noted that with the opening of the new Hagley, we will be going up by 12 operating theatres, requiring a significant nursing resource. The average number of nurses in an operating theatre is four to five, depending on the complexity of the surgery. It is a highly intensive resourced area. Ms Gordon advised that we have been taking new graduate nurses (they are the cheapest) and have put a specialised training programme in place on site – on the job training. Ms Gordon advised that there are not the required number of nurses in the community that we can go out and recruit who hold the specialised training and skill set required. It takes a lead in time. Unfortunately, the facility delays that have occurred are beyond our control.

There was a query on appointments cancelled due to COVID-19, how rebooking is tracking and the prioritisation process. Mr Meates advised that through the COVID-19 process all specialty teams, both surgical waiting lists and outpatient waiting lists, went through a classification and clinical prioritisation based on type of surgery, type of condition, what was deferrable, what was non-deferrable, what was deferrable for 3-4 weeks without harm occurring, what was deferable for 8-12 weeks without harm occurring, and care that actually needed to be done. The process was based on clinical criteria and urgency, which was critical to ensure that we did not have cases or care falling through the cracks. The catch-up component has been driven by the clinical urgency and need.

There was discussion regarding cost saving work in Maternity services. A presentation to the Hospital Advisory Committee is to be scheduled.

There was discussion around Specialist Mental Health Services (*SMHS*) and occupancy within the Adult Acute Inpatient Unit (Te Awakura). It was noted that occupancy reduced in response to raised admission thresholds put in place as part of the COVID-19 response plan, however, we are seeing a return to a more typical occupancy pattern. Mr Meates advised that over time a new balance will be found. It will not go back to what it was, but will involve a new balance between face to face and virtual care.

There was a query around the Labs cost saving initiatives of $1M. Mr Meates advised this is incorporated in part of this year's plan.

There was discussion around the Cancer Centre. Mr Meates advised that this is currently with the MoH and we await feedback. The Board was reminded that it had approved the broad concept plan and initial elements, and had been clear that for the next stage of that work it needed the commitment from the MoH to do that. There was query around timing. Mr Meates advised that work needs to be underway now, otherwise the inevitable conclusion is that we will end up replacing the linacs into existing facilities and will have significant capacity issues. Mr Meates noted that once installed you do not want to be going through an uninstall and replacement process as this will involve machines being out of commission for a significant period.

There was a query about FTEs in relation to the COVID-19 uplift plan. Mr Meates advised that in terms of contact tracing we have existing capacity to deal with up to 21 community cases. The capacity for the initial 21 is within our existing establishment - people within CPH pulled from jobs they are currently doing into contact tracing. We have then identified a further range of about 60 staff that will, if needed, be trained and stood up into a service delivery component. We do not have

FTEs sitting idle. If we get to full community spread, there are arrangements and agreements in place with Ara and others.

There was query around how happy we are with the system in relation to new hotels being stood up and what is happening within occupied facilities. Sue Nightingale, Chief Medical Officer, advised that with our system, we are working very cooperatively with Defence. All the hotels have our Infection Prevention Control Team go through them before they are approved and commissioned. Things such as streaming guests to minimise risk of infection is worked out prior to guest arrival. There are strict rules about exercising and smoking. PPE guidelines are very clear, as are guidelines around who has contact with guests and who does not. We are as confident as we can be with the facilities. Ms Nightingale noted there is always a risk, although low, that there may be a transmission and this is why we have to have very good contact tracing to ensure that such a transmission is picked up quickly and contained. Mr Meates advised that contact tracing is a fundamental part of New Zealand's strategy and this is why the surge capacity is so important.

There was discussion around the challenge of influenza, particularly in the northern hemisphere at the moment, which is starting to become an additional burden at the same time as COVID-19. Another concern is the number of people or conditions that have been either deferred or are not presenting. Cancers are most concerning, because numbers have dropped off and it is hard to imagine that they have disappeared. It was noted that influenza is often a trigger for a number of other conditions, and we are not seeing these at the moment. Mr Meates advised that this is a big concern in many countries at the moment, in terms of what that burden is.

The Chief Executive's update was noted.

*The meeting adjourned for morning tea from 11.08 to 11.25am.*

## 9. FINANCE REPORT

Justine White, Executive Director, Finance & Corporate Services presented the Finance Report, which was taken as read.

Ms White noted the operating results in the paper are the May results, which show that the month, including COVID-19 costs, was favourable by $172k. If you exclude COVID-19, you essentially end up with a $7.74M favourable operating result (pre indirect items) for the month and $14M favourable year to date.

We have had confirmation of Whakaari funding of $1.1M. That has been accrued into the June results and will be paid in August. Largely covers the direct costs of those patients, but does not cover the costs of any deferred activity as a result of those patients.

The MoH has declined the request around policy recognition for insurance proceeds and capital draw down, so there is an additional $12M that has been put through in the June result.

In terms of the June result, the provisional results (pre Holidays Act, any impairments and year end audit) for the full year are sitting around $175.9M deficit, compared to the budgeted deficit of $180M. Ms White noted that that is essentially $4.6M favourable, including all the COVID-19 unfunded costs (which is a net of about $17M) and including the additional $11.8M capital charge. If you were to take out the unfunded COVID-19 component, that is $21.7M favourable to budget, and obviously if you take out the other $11.8M it becomes $33.7M favourable to budget.

In response to a query, Ms White advised that in the last month of the financial year there is the recognition of the additional capital charge ($11.8M) plus a standard month, some MECA provisions, and significant extra costs around clinical supplies because of some of the catch-up.

There was discussion around the Holidays Act accrual. Ms White advised that we have a provision that was put in at the end of last year which was $65M for the Holidays Act. We have been going through the process of looking through our records over the last seven years to determine what that liability looks like. There was high level analysis done at the end of last year to satisfy Audit New Zealand to enable that $65M provision. Ms White's expectation is that we will be asked to revisit that figure and is waiting to get some clarity on those numbers so as to work with Audit NZ to determine what the level of accrual put through for this year should be. The level is likely to be higher that $65M. It was noted that this is consistent with every other DHB's position. Ms White advised that there will be funding to offset those costs coming through, but we do not know whether they will be revenue or equity funded, which will have an impact on the final look of the result. Mr Meates advised that this is a national process and there are a range of conversation and dialogues happening with both Unions and Government. Mr Frampton, Chief People Officer, advised that this is the largest and most complex Holidays Act remediation in the entire economy. This is affecting 135,000 people nationally, including 23,000 CDHB employees (both current and previous employees over the last 10 years).

**Resolution (25/20)**
(Moved: Jo Kane/Seconded: Naomi Marshall - carried)

"That the Board:

i. notes the consolidated financial result (before comprehensive income) for the month of May 2020 is a net expense of $31.992M, being $8.591M favourable to plan, and year to date $13.235M favourable to plan;
ii. notes the operating result (pre indirect items) for the month is favourable to plan by $172k, year to date $2.096M unfavourable to plan;
iii. notes that costs associated with the Whakaari tragedy (excluding IDF) as included in the year to date operating result are in excess of $1M;
iv. notes that net costs associated with COVID-19 pandemic as included in the month of May results are $7.570M, and year to date $16.470M;
v. notes the operating result (pre indirect) excluding COVID-19 costs, is favourable to plan by $7.742M for the month, YTD $14.374M;
vi. notes liquidity (cashflow) risk continues to be a significant concern without any sustainable long term resolution; and
vii. notes that the Ministry has declined our request for the exclusion of EQ insurance capital in excess of capital impairment from the capital charge calculation, the impact of $11.8M has been included in our full year forecast."

## 10. MAORI & PACIFIC EQUITY REPORT JUNE 2020

Hector Matthews, Executive Director of Maori and Pacific Health presented the report, which was taken as read. He also provided a presentation to the Board which highlighted:

- What is health equity / inequity?
- Health is impacted by determinants - some are from outside the health system.
- CDHB Population Projections 2020-21.
- CDHB Maori Health Dashboard May 2020.
- CDHB Pacific Health Dashboard May 2020.

- CDHB Children Immunised at Age 8 Months.
- CDHB Children with Caries Free Teeth at Age 5 Years.
- CDHB Child Oral Health.
- Benefits of Fluoridation.

There was a query around the dashboard being centrally created. Mr Matthews advised that its genesis was centrally created but we have adjusted it to suit our own population. Mr Matthews advised that when doing snapshots, you need to find what is useful. Oral health is a very good one, as it is a red flag for a whole number of things and frequently leads to a range of other issues opening up. In the scenario we are in, we have got to find things that will demonstrate red flags. We are constantly looking at these sorts of things.

There was a request that the next report focus on solutions. It was recognised that some solutions will be outside of our control, but there is interest in getting cross-sectorial gains, and how to utilise the strength of the DHB in this space.

The Maori & Pacific Equity Report June 2020 was noted.

## 11. ADVICE TO BOARD

**Community & Public Health & Disability Support Advisory Committee (*CPH&DSAC*)**
Jo Kane, Chair, CPH&DSAC, provided the Board with an update on the Committee's meeting held on 2 July 2020.

**Resolution (26/20)**
(Moved: Jo Kane/Seconded: Naomi Marshall - carried)

"That the Board:

i. notes the draft minutes from CPH&DSAC's meeting on 2 July 2020 (Appendix 1)."

## 12. RESOLUTION TO EXCLUDE THE PUBLIC

**Resolution (27/20)**
(Moved: Sir John Hansen/Seconded: Gabrielle Huria - carried)

"That the Board:

i resolves that the public be excluded from the following part of the proceedings of this meeting, namely items 1, 2, 3, 4, 5, 6, 7, 8, 9, & 10 and the information items contained in the report;

ii. notes that the general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter and the specific grounds under Schedule 3, Clause 32 of the Act in respect to these items are as follows:

| | GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED | GROUND(S) FOR THE PASSING OF THIS RESOLUTION | REFERENCE – OFFICIAL INFORMATION ACT 1982 (Section 9) |
|---|---|---|---|
| 1. | Confirmation of minutes of the public excluded meeting on 18 June 2020 | For the reasons set out in the previous Board agenda. | |
| 2. | Chair's Update (Oral) | Protect the privacy of natural persons. To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | S9(2)(a) s9(2)(j) |

| | | | |
|---|---|---|---|
| 3. | Chief Executive - Emerging Issues (Oral) | Protect the privacy of natural persons.<br>To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | S9(2)(a)<br>s9(2)(j) |
| 4. | Seismic Monitoring System, Christchurch Hospital Campus | To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | s9(2)(j) |
| 5. | 2020/21 Planning Update | To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | s9(2)(j) |
| 6. | 2020/21 Capital Intention | To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | s9(2)(j) |
| 7. | Chief Digital Officer Report | To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | s9(2)(j) |
| 8. | People Report | Protect the privacy of natural persons.<br>To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | S9(2)(a)<br>s9(2)(j) |
| 9. | Legal Report | Protect the privacy of natural persons.<br>To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).<br>Maintain legal professional privilege. | S9(2)(a)<br>s9(2)(j)<br><br>s9(2)(h) |
| 10. | Advice to Board:<br>• QFARC Draft Minutes *30 June 2020* | For the reasons set out in the previous Committee agendas. | |

iii notes that this resolution is made in reliance on the Act, Schedule 3, Clause 32 and that the public conduct of the whole or the relevant part of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under any of sections 6, 7 or 9 (except section 9(2)(g)(i)) of the Official Information Act 1982."

The Public meeting concluded at 12.31pm.

_____ _____

Sir John Hansen, Chairman Date of approval

Canterbury District Health Board
Te Poari Hauora ō Waitaha

# MINUTES - PUBLIC EXCLUDED MEETING
# CANTERBURY DISTRICT HEALTH BOARD MEETING
# held in the Board Room, Level 1, 32 Oxford Terrace, Christchurch
# on Thursday, 16 July 2020

## BOARD MEMBERS
Sir John Hansen (Chair); Barry Bragg; Catherine Chu; Andrew Dickerson; James Gough; Gabrielle Huria; Jo Kane; Aaron Keown; Naomi Marshall; and Ingrid Taylor.

## CROWN MONITOR
Dr Lester Levy.

## APOLOGIES
An apology for absence was received and accepted from Dr Andrew Brant (Board Clinical Advisor).

## EXECUTIVE SUPPORT
David Meates (Chief Executive); Mary Gordon (Executive Director of Nursing); Michael Frampton (Chief People Officer); Carolyn Gullery (Executive Director, Planning Funding & Decision Support); Jacqui Lunday-Johnstone (Executive Director, Allied Health, Scientific & Technical); Hector Matthews (Executive Director, Maori & Pacific Health); Dr Sue Nightingale (Chief Medical Officer); Stella Ward (Chief Digital Officer); Justine White (Executive Director, Finance & Corporate Services); Karalyn van Deursen (Executive Director Communications); Susan Fitzmaurice (Executive Assistant to Chief Executive); and Anna Craw (Board Secretariat).



## 1. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

**Resolution (PE44/20)**
(Moved: Gabrielle Huria/seconded: Naomi Marshall – carried)

"That the minutes of the Public Excluded meeting of the Canterbury District Health Board held on 18 June 2020 be approved and adopted as a true and correct record."

## 2. CHAIR'S REPORT

Sir John Hansen, Chair, noted the appointment of a new Health Minister. Minister Hipkins is also the Minister of Education and Leader of the House, 9(2)(g)(i) [redacted]. He is, however, going to continue regular conference calls with all of the Chairs. In the first one of those, he reiterated the expectation of Government that with the additional funding that has been given to DHBs, deficits be back to zero in two years.

Sir John advised that he and David Meates, Chief Executive, had a telephone conference call with Michelle Arrowsmith, MoH, who reiterated what the Minister said and that basically the expectation is that within the next 12 months we reduce our deficit by $90M. Sir John noted that papers later in today's meeting suggest this is an impossible target and in addition, that some of the figures relied on by the MoH to reach their assumptions are incorrect.

## 3. CHIEF EXECUTIVE – EMERGING ISSUES

Mr Meates provided updates on the following:

COVID-19 – Quarantine Facilities
Service specifications and funding mechanisms are still to be resolved by the MoH. It is clear there is a high level of nervousness sitting within the Government around any community transmission of COVID-19. Responses and actions will be particularly fast. Any swab will be funded via GPs.

Advice going out to general practice is that at least five swabs per day should be completed per general practice to keep an eye on what is happening in the community.

Clear direction has been given that direct COVID-19 costs continue to be captured in the COVID-19 tracker.

Coroner's Inquest
The inquest into 9(2)(a) death has created media interest. A more detailed update will be provided under the Legal Report, but Mr Meates highlighted that some very interesting processes had occurred in the Coroner's Court that have not been seen before relating to evidence being struck out as it did not match with the facts.

Complex Cases Returning to New Zealand
Examples of complex cases returning to NZ include a 9(2)(a) who has recently transferred to Canterbury, as well as an individual 9(2)(a) this weekend. The way in which we continue to isolate and manage these individuals with appropriate protections in place is complex.

Carparking
Subject to final confirmation, we have reached a pathway forward for an agreement that would see about 450 public carparks being built. In addition, a further 350 carparks with the Deans Avenue Park & Ride, as well as adding two additional floors to the existing staff carpark building. This will create the equivalent of about 1,000 carparks in total.

There was a query around the further 450 new additional public carparks. Sir John advised that this was a completely new proposal from what was being considered previously, with the carpark to be situated where the old Diabetes Centre used to be.

There was a query around the potential for the Hagley netball courts area to be used for hospital parking. It was noted this is a very complicated issue involving an Act in Parliament.

In response to a query about the Hillmorton Masterplan, Mr Meates advised that the Business Case will be coming through in August, approximately two weeks later than hoped, but is tied to further clarification work happening around staging options. What will come through is the Programme Business Case and First Tranche Business Case.

In response to a request for an update on Hagley, Mr Meates advised that by 10 August 2020 all of the major dirty construction work should be completed on site. On 3 August 2020 we will be starting to do the ensuite doors and that is about a six to seven week programme. The flood remediation work on the 3rd, 4th and 5th floors is likely to be completed by 11 September 2020. At this stage, the legal transfer is likely to be on 1 November 2020, with first patients into Hagley targeted for the week of 23 November 2020. This is all predicated on a final report next week from the Insurers about the water valve in terms of whether they are comfortable enough that all of the valves stay where they are. If not, there will be about 900 water valves that will need to be replaced.

Gabrielle Huria advised that as part of our Treaty awareness, there is a practice that when you go through a lot of troubles, as we have with Hagley, you take time to do a very thorough blessing on an area and change its name. The idea of changing the name is to give it a new sense of what it is. There is a suggestion to rename Hagley to Atawhai. Ms Huria advised the suggestion is to get Hagley blessed, change the name and then all the problems will go away. Ms Huria spoke of the practice that the holder of all customary authority in this whole area is one person - Upoko o Ngāi Tūāhuriri, Te Maire Tau - he is responsible for all the names. He has the final say of everything and no-one ever goes against that because that is his job. His one job is service to his community in terms of the custom. 9(2)(g)(i)

Mr Meates responded that the Wayfinding and Naming Strategy has been worked through with Manawhenua and the Board previously. He advised that Manawhenua have been involved in all of

the campus developments with naming, wayfinding, symbols etc. It was agreed that discussions would continue off-line to ensure we are meeting treaty and legal obligations.

The Chief Executive – Emerging Issues report was noted.

## 4. SEISMIC MONITORING SYSTEM, CHRISTCHURCH HOSPITAL CAMPUS

Mary Gordon, Executive Director of Nursing / EMT Lead Facilities, presented the report, which was recommended to the Board by the Quality, Finance, Audit and Risk Committee (*QFARC*). Ms Gordon noted that additional information had been added to the paper as requested by QFARC.

There was no discussion.

**Resolution (PE45/20)**
(Moved: Aaron Keown/seconded: Catherine Chu - carried)

"That the Board, as recommended by the Quality, Finance, Audit and Risk Committee:

i. notes that at the June 2017 meeting, the Board approved proceeding to procurement based on Option 2 post-earthquake monitoring for Christchurch Hospital Campus as the first stage only, with the condition that the system is scalable to other buildings and campuses to enable roll out in the future. The Board also noted that a separate Business Case will be submitted (in line with the CDHB approval process) requesting for capital investment and ongoing maintenance requirements, when more accurate costings are available and the proposal will include the implementation and roll out plan;
ii. notes that in March 2019, 9(2)(b)(ii) was approved to complete the design and procurement stages for developing a seismic monitoring system for the Christchurch Hospital Campus;
iii. notes that in May 2020, the recommendation from the CDHB Site Redevelopment is for Medium Complexity Simple Hybrid Network, requiring a further 9(2)(b)(ii) for the implementation and ongoing 9(2)(b)(ii) per annum for the ongoing operation and maintenance of the system;
iv. notes that the Facilities Subcommittee of the Executive Management Team (*EMT*) in recognising the current financial constraint, requested the EMT for a decision on referring this proposal to the current Board for approval. At the 3 June 2020 meeting, EMT agreed;
v. notes the completion of the Christchurch Hospital Facility Masterplan and the decision of the Board to support Tower 3, and
vi. approves the requirement for seismic monitoring of Christchurch Hospital Campus to be folded into the compliance programme for Christchurch Hospital."

*The meeting adjourned for lunch from 12.56 to 1.36pm.*

## 5. 2020 / 21 PLANNING UPDATE

Melissa Macfarlane, Team Lead, Planning & Performance, spoke to the report, which was taken as read. She noted updates that have been received from the MoH, including timelines for approval of the 2020/21 Annual Plan.

Barry Bragg, Chair of QFARC, noted that at its last meeting it was requested that a more definitive position from the Crown be obtained as to what their expectations were. The feedback that has been provided is for a $90M deficit result in the 2020/21 year, and a further $90M savings in the 2021/22 year, thereby reaching a break-even position (pre Hagley, depreciation and capital charge) in two years.

It was noted that CDHB is proposing a 2½ year plan to reach break-even. Further, it was noted that there was some question, not around the arithmetic, but the actual figures used by the MoH in

determining the achievability of a $90M deficit result in 2020/21. There is initial support from EY as to the questionability of this.

Sir John noted that we will hear why management think the MoH's proposal is unobtainable and what the longer timeframe will mean, how they are going to achieve it, their certainties around that and the assumptions they are relying on to reach that position. CDHB is proposing 30 months instead of 24 months to break-even, with a lot of the savings being in the second 18 months, largely due to Hagley.

Justine White, Executive Director, Finance & Corporate Services, advised that last Tuesday there was a teleconference with the MoH, Chair, Crown Monitor, Chief Executive and other Management staff, where Michelle Arrowsmith, Deputy Director General of Health, outlined her expectation of the 2020/21 year being a $90M deficit including Hagley and the interest depreciation capital charge (*IDCC*) impacts of Hagley, and for 2021/22 being break-even pre the IDCC of Hagley. CDHB requested the analysis that sat behind the MoH's thinking of how that would be achievable. What was received was a spreadsheet which gives a net deficit including Hagley IDCC of $109M (not $90M). Management have compared the assumptions used in that reconciliation with assumptions that Management believe are valid. Management have superficially socialised it with EY. Management have undertaken a detailed analysis and had feedback conversations with the MoH last week, which Dr Lester Levy, Crown Monitor, was involved in. Some of the assumptions that have been used effectively do not fit with Management's view of the world within which CDHB has to live in terms of national contracts and agreements. For example, in personnel cost areas we take the MECA step increment, which is where previously settled MECAs have an element of a step increase or pay increase built into them each year, and we literally work through name by name in terms of individuals and cost up the cost of the step increases and then assume a settlement percentage for new MECAs. What the MoH have done is taken last years extrapolated end position and applied a percentage uplift to it. CDHB cannot avoid step increases - they are legally binding. A similar thing has been done with external providers, where the MoH have extrapolated the May result to a forecast year end position (which is not quite where we are at year end) and then a blanket assumption of a 2% CPI on those contracts. Unfortunately, we know that our Aged Residential Care uplift is 3% contractually, we know that our Pharmacy uplift is likely to be more than 2.8%, we know that our capitation is about 3.5%, we know that the NGO sector are 3%. Unless we are going to breach those contracts and national agreements, we cannot adhere to a 2% uplift in those areas. Management are saying that it looks fine arithmetically, but the devil is in the detail. Ms White advised she has suggested to Mr Bragg that if the Board are getting EY to look at the veracity of the $145M plan, it would make sense for EY to also look at the plan the MoH have given and provide their opinion to the Board on the do-ability of that.

Mr Bragg noted that EY are currently doing two things. Reviewing the deliverability of the current Annual Plan, and then separate to that they are also providing a view of what initiatives could be put in place over and above that. Management are now suggesting that EY also have a look at what the MoH have come up with and provide a view as to whether the savings the MoH are proposing are deliverable. Mr Bragg was happy to recommend this.

Ms White advised it was important to note the MoH's numbers - they add to $109M not $90M, so there is a $20M variant in there which needs to be resolved.

Dr Levy wondered whether Management were misinterpreting the MoH's reconciliation. He noted the MoH reconciliation is just their view of the world. They are not managing the DHB. Dr Levy did not see a straight line between their reconciliation and their requirement to have a $90M deficit position at the end of the year. Dr Levy thought the two were totally separate. The reconciliation is just their view of life, what they see based on their assumptions. Dr Levy stated that it did not matter in his view how you explain these things away, the reconciliation is just a discussion about points of view; it is not about what the deficit is. It is Management's responsibility to put up a plan and it is the Board's responsibility to determine whether they support the plan, and it is unlikely that the plan will get supported through unless it is around the $90M. Dr Levy also thought clarification

was necessary around exactly what is meant around Hagley, because he thought they were talking about depreciation and capital charge, not all of Hagley. Far too much emphasis is being placed on the reconciliation.

Ms White noted her understanding was that the DHB had specifically asked for the analysis behind why the MoH was thinking $90M was an achievable goal and that the reconciliation was what was provided for that purpose.

Carolyn Gullery, Executive Director, Planning Funding & Decision Support, noted it was material to understand that the original detailed business case was quite clear that CDHB could be back to break-even two years after the implementation of Hagley. That was carefully worked through – the business case was written by PWC, signed off by Cabinet, understanding the cost imposition on this DHB while we do not have Hagley. We still do not have Hagley and this will become material as we work through the presentation.

Ms Gullery also noted that the other thing crippling this DHB is depreciation and capital charge. With the business case that had us coming back to break-even two years post Hagley, which is meant to be now, it had a depreciation level of $52M and we currently have a depreciation level of $85M. It had a capital charge level of $27M and we currently have a capital charge level of $50M. It was noted that capital charge rates dropped during this period from 8% to 6% - so those numbers belie the fact that there has also been a rate decrease in that time.

Ms Gullery noted that this reflects a series of policy changes that have happened over the last decade that have caught this DHB in particular. While realising that people get tired of Canterbury referring to earthquakes, it is relevant to note that the position CDHB finds itself in is actually a direct consequence of the damage to our buildings and the capital consequences of repairing that damage, which no DHB could have planned for. No DHB could have planned to have this amount of infrastructure built in this timeframe. Those two together count for net $45M – so there is a $45M additional cost to this DHB that was never accounted for in any of our plans.

Ms Gullery advised that the Management team is determined to get back to a break-even position. In addition, she noted that she has been working directly with two of the three Primary Health Organisations (*PHOs*), who have also committed to working constructively with the DHB. They have made it very clear they want to be seen as part of the solution and they want to work along side the DHB to make the changes, some of which they find extremely uncomfortable, but they want to be part of it. The commitment from the Chairs of both PHOs has been received.

Ms Gullery presented to the Board on the financial turnaround plan to reduce 2020/21 costs and to build a sustainable future, noting that this was circulated to members a couple of days prior. The phased saving plan has projects divided into six Task Forces:

- Work, Working Better
- Clinical Resourcing Optimisation
- SMO and Service Reconfiguration
- Continuous Improvement
- External Provider Contracts
- Non-Personnel Cost Management

Projects are divided by type into Tactical, Strategic and Rip Cord.

Ms Gullery noted that last week was spent working at the detail level with EY on this, so that they understand the analysis that sits behind this, they understand how we came up with the numbers and how we are going to deliver on these numbers.

Ms Gullery advised that for year one we are looking at making a saving of $56M if all projects are implemented and in year two savings rise to $80M. At this point that $80M is at 2020/21 prices and costs, so in reality they would be higher than that.

There was a query about the legal opinion sought on EPOW insurance proceeds. Sir John advised that Buddle Findlay had provided an opinion that legally we did not have a claim, however, there was some precedence for another case that would suggest that insurance money might be treated differently. Ms White advised that the issue is one of policy interpretation as opposed to a legal position. Mr Meates advised that the Board at the time had engaged collectively with the Minister at the time who gave a commitment and based on that commitment it was agreed that the funds would not be accrued at that time.

There was discussion around the Board needing to make a decision regarding the financial expectations for the 2020/21 Annual Plan. A member commented that one size does not fit all in New Zealand and averaging out CDHB's deficit reduction over two years was a crude measure. Sustainability is important, as are good programmes that are not one offs.

Sir John spoke about risks related to some of the assumptions. For example, the assumption that we will be fully deficit funded. As we have not been fully deficit funded for the last two years, there is a risk that the MoH will continue with this policy. The other assumption is that we have a lot of eggs in the Hagley basket. Both assumptions contain significant risk.

Mr Meates noted that the element of an additional component of saving this first year runs the grave danger of undermining the pathway trajectory to the 2½ year break-even plan.

Dr Levy advised he did not believe you could solve the situation without addressing the underlying issue which goes to how things are done, the model of delivery – the operating model, the care model – all of which are fundamentally driving the cost structure. It is up to the MoH and Minister to make their decision, but having sat in the meetings Dr Levy did not see that $145M would be anywhere near acceptable. Dr Levy advised that there was an underlying expenditure increase over the last seven years that is way beyond the revenue increase and this is the fundamental issue and problem. With all due respect, he did not view the plan as a credible one and did not believe the underlying plan had sufficient mechanics to actually show that it could be done. Dr Levy expressed that in his opinion he thought it was a massive ask to expect the Board, MoH and Minister to accept the plan based on recent history. Dr Levy also noted that the MoH have made it quite clear that any uplift in FTEs is a service change.

Mr Meates advised that the plan presented is a credible pathway over 2½ years to break-even. Whilst people are uncomfortable and there have been some very challenging conversations across the whole Canterbury health system, it is real and doable.

*Catherine Chu retired from the meeting at 2.30pm.*

The Board acknowledged it was obliged to resubmit its draft plan on 17 July 2020.

Dr Levy thought there were two things the Board should think about. What does the Board do if the plan is not approved and sending a plan like this, what sort of signal does it send to the Government which is looking to reform institutionally the whole centre?

There was a query as what Dr Levy would suggest as an alternative – not submitting on time? Dr Levy advised of his frustration that the underlying issue here is that the cost base is too high and the only way to address that is to deal with the structural issues in the cost structure. Dr Levy advised that it was not his decision in any event and there probably was no option. Dr Levy observed that it was disturbing that the Board always receives critical papers at short notice with insufficient detail, and this is something that Management should be asked to address as a practice. It is inconceivable that people are asked to make such complex decisions on really what is quite limited information.

Ms Gullery noted that part of the issue relates to the short notice received from the MoH in terms of the Annual Plan's deadlines, with Management and staff running and working quite hard to meet these. She advised that the plan is seeking to address the structure and what is proposed is a reduction in the cost structure which would be sustainable over time. Ms Gullery advised she is very open if Dr Levy can point Management in the direction of what else he believes can be done to change the cost structure. EY has not been able to point us in that direction – they have said FTE, so we have cut FTE. Ms Gullery is not sure what else it is that is supposed to be done.

Dr Levy advised that for clarification when he refers to structure he is referring to structural costs which is really about the "how" we do things.

Ms Gullery noted that Management is certainly focusing on the "how". That is certainly the intent.

A member observed that given we are in the middle of an international health crisis and from directions that have been received in the last month from the MoH, things have moved quite quickly. Whilst not optimal, staff are working extremely hard to come up with what has been derived. It was noted that we are meant to be in a partnership with the MoH. When papers are coming down from the MoH a couple of days prior to Board meetings, it is unrealistic to expect Management to react to and provide papers to the Board in usual timeframes. The member noted that the Board itself has not given any real direction at all as to what it wants. Sir John advised that he disagreed, noting that the Board has asked for improvement in papers since his very first meeting.

Dr Nightingale wished to challenge Dr Levy. She noted that she is not one of the people who have been working 15 hours per day on these papers and projects from which we have had extremely tight timeframes from the MoH. It is making our staff sick by working phenomenal hours to come up with Annual Plans that are changed and different from last time, and come up with these cost saving plans, which are making us all feel ill anyway, creating huge amounts of tension. Dr Nightingale noted that previous experience was working in a cooperative way with our Boards to manage this. The current adversarial atmosphere is killing us – it is killing our clinical engagement with our staff, and it is killing our collective working with EMT. It is not helping. Dr Nightingale added that if you sack us all, which does look like the agenda, as you are trying to make us do something impossible, these problems will not go away. Dr Nightingale noted that Dr Levy is constantly saying how this is not good enough, but without any practical advice about what would be good enough. Dr Nightingale advised that she was speaking for herself, not for her fellow EMT members, but noted that this is just untenable as an EMT.

Mr Meates noted that what has been presented is a credible 2½ year programme to break-even. It has got the broad buy in and support of the broader system and the one thing that this DHB has been able to demonstrate over and over again is that collaborative component. If we are to get to a different space (eg, a $90M deficit), that would have to be going in as a $50M untagged balancing saving item. Mr Meates advised that he has not seen any other system anywhere that would have achieved or pulled that off. However, there is a 2½ year pathway to break-even, which is what the Crown has been seeking to get. The point of EY validating the pathway for that is something the Board needs for confidence, but in terms of what is already underpinning that most of those are already happening and have been in play for a period of time. What has been put forward for the Board's consideration is an Executive recommended viable pathway, reliant on our system to committing to do this, and they are on board with the broad plan.

**Resolution (PE46/20)**
(Moved: Sir John Hansen/seconded: Barry Bragg – carried)

"That the Board:

i. approves the final 2020/21 System Level Measures Improvement Plan (Appendix 1);
ii. notes the updated Draft 2020/21 Annual Plan, as submitted to the Ministry 22 June (Appendix 2);
iii. notes the updated timelines for approval of the 2020/21 Annual Plans;
iv. notes the Ministry feedback on the 22 June Draft Annual Plan received 9 July (Appendix 3);
v. approves the updated Annual Plan sections (in response to the 9 July feedback) for submission to the Ministry 17 July;
vi. approves the updated Annual Plan financial position and 2½ year savings plan for submission to the Ministry 17 July;
vii. advises the Ministry of Health that it is seeking EY's validation of the 2½ year savings plan;
viii. notes that further work will be undertaken to refine the mechanics and detail around how the savings will be delivered over the 2½ years;
ix. approves the expansion of EY's scope to include a review of the Ministry of Health's $90M plan; and
x. delegates authority to the Board Chair, Deputy Chair, and Chair of the Quality, Finance, Audit and Risk Committee to approve submission of the final Annual Plan to the Ministry of Health, before 31 July."

## 6. 2020 / 21 CAPITAL INTENTION

Ms White presented the report which was taken as read. There was no discussion.

**Resolution (PE47/20)**
(Moved: Barry Bragg/seconded: Gabrielle Huria – carried)

"That the Board, as recommended by the Quality, Finance, Audit and Risk Committee:

i. notes that from the annual capital planning process:
   - CDHB Baseline Capital Committee has prioritised and recommended the 2020/21 baseline Approved-In-Principle (*AIP*) capital requirements of $40.4M (as outlined in Appendix 3), against submissions totalling $51.2M;
   - CDHB Facilities EMT Sub-Committee has recommended the 2020/21 to 2034/35 planned facilities capital requirements (as outlined in Appendix 2);
ii. notes that the **baseline capital requirements** are investments to maintain current asset capacity (replacement) as well as equipment to provide additional capacity to meet the forecast clinical needs (additional), to support the continued delivery of our current clinical services in a safe manner for both patients and staff;
iii. notes our **baseline capital requirements** over the capital intention planning horizon; as outlined in Appendix 1:
   - included an indicative step-change increase (around Year 6 onwards) to accommodate the step-change in the asset management requirements with the increased asset base predominantly post Hagley;
   - specifically outlined the two linear accelerators (T3 & T4) replacements approved by the Board at the February 2020 meeting, because the first replacement has been endorsed by the national Capital Investment Committee (*CIC*) for Crown funding, pending formal Ministers approval, and the second replacement is on the plan for the 2020/21 national bidding process. Note that these replacements have been on our baseline requirements capital intention but are now to be funded from Crown, as part of the Ministry of Health's (*MoH*) New Zealand Cancer Action Plan 2019-2029;

- specifically outlined the additional Cathlab requirement, as this implementation is dependent on the release of one Parkside theatre to create the additional Cathlab, and the release of that Parkside theatre is pending the commissioning of Hagley;
- specifically outlined the additional Linear Accelerator (T5) required to meet the forecast South Island clinical demand, as this is dependent on the availability of the new Cancer Centre facility, due to the land-locked and spatial limitation of the existing Oncology building;
- are fully funded within the CDHB projected depreciation "cash";

iv. notes the **earthquake programme of works** over the Capital Intention planning horizon, as outlined in Appendix 1:

- included the approved requirements for Projects managed by MoH as follows:
  - Christchurch Hospital Energy Centre;
  - Christchurch Hospital Tunnel;
  - Additional CDHB funded scope for Hagley (Hagley Emergency Services access/entrance, relocation of Avon Generators to Hagley);
- included 9(2)(b)(ii) of Christchurch Hospital compliance works (inclusive of Riverside West demolition);
- are fully funded from remaining undrawn insurance settlement proceeds and within the CDHB projected depreciation "cash";

v. notes the **strategic ICT requirements** over the Capital Intention planning horizon, as outlined in Appendix 1:

- included Anaesthetic electronic record, of which the scoping is underway;
- included electronic orders which is a Hospital and Community lab system integration, pending MoH Digital Board approval;
- included a nominal yearly budget, as this stage, concepts such as predictive analytics tool, applications to support people at home, automation/ robotic processes and, artificial intelligence gathered during the planning process are pending further evaluation and prioritisation;
- are fully funded within the CDHB projected depreciation "cash";

vi. notes that the remaining group is the **strategic facilities capital** requirements, and these are investments in significant and/or major facilities and associated infrastructure in line with the Hospital Campus facility master plans, model of care changes and/or MoH directives to providing new clinical services;

vii. notes the list of strategic facilities requirements, as outlined in Appendix 2, require direction from QFARC and the Board, as Crown funding will be required for a number of the significant Christchurch Hospital and Hillmorton Hospital facility projects; and

viii. notes that the CDHB management is recommending a facilitated workshop with the Board to work through the prioritisation, risks and funding of these strategic facilities requirements."

*The meeting moved to Item 8.*

## 8. PEOPLE REPORT

Michael Frampton, Chief People Officer, presented this report which was taken as read. He advised, that as mentioned earlier, discussions are underway around alternatives to the Holidays Act process, but we will continue to track on with the current process as we had originally planned and wait for further advice. Mr Frampton also noted that NZNO bargaining is underway.

There was a query around the 185 work related / relationship issues being dealt with and whether this was high or low. Mr Frampton advised that until approximately nine months ago this information was not collected, so that number is higher than it has been over the nine months that data has been collected. Having discussed with colleagues in both the public and private sector, the number is not unusual, but what we are seeing are increasing incidents of challenging behaviour which actually reflects an organisation under pressure.

There was a query around sick leave trends for June. Mr Frampton advised for the last quarter (March, April, June), the trend was down a little. There were fewer people available to be sick because of the impacts of COVID-19.

**Resolution (PE48/20)**
(Moved: Sir John Hansen/seconded: Barry Bragg – carried)

"That the Board:

i. notes the People Report."

*Gabrielle Huria retired from the meeting at 3.08pm.*

## 9. LEGAL REPORT

Greg Brogden and Tim Lester, Corporate Solicitors, presented the Legal report which was taken as read.

Mr Brogden provided updates as follows:

- 9(2)(a), 9(2)(h) [redacted]

9(2)(a), 9(2)(h) [redacted].

Mr Lester provided updates as follows:

- 9(2)(b)(ii), 9(2)(h) [redacted]
- 9(2)(b)(ii), 9(2)(h) [redacted]

9(2)(b)(ii), 9(2)(h) [redacted]

- Deans Ave Park and Ride. Fulton Hogan have confirmed they are happy with Ecan's conditions regarding storm water discharge. Construction works are underway and Fulton Hogan have advised they should be completed by the end of the month.

**Resolution (PE49/20)**
(Moved: Jo Kane/seconded: Aaron Keown – carried)

"That the Board:

i. notes the Legal Report."

*The meeting moved to Item 7.*

## 7. CHIEF DIGITAL OFFICER REPORT

Stella Ward, Chief Digital Officer, presented the report which was taken as read. Ms Ward noted there is still significant activity related to COVID-19.

The following positive achievements were noted:

- Our cloud journey reached a major milestone recently with the go live of Kotahi interRAI (consolidation of the Taranaki DHB and Canterbury DHB instances of interRAI to one national host, including ongoing support), and we are now the national host for this application.
- The new ISG iSupport incident management and self-service portal on the ServiceNow platform was released on 11 June for Canterbury and West Coast DHBs. This platform also supports our regional and national customers which is crucial in our role as host for a number of applications.
- Telehealth session delivered by Microsoft was well attended by senior clinicians.

There was a query whether there was a common source of where we could look for benefits in terms of efficiency, better outcomes for patients, monetisation benefits for each of the projects as they are evaluated on the way through. Ms Ward advised that the best mechanism is the P3M3 methodology in terms of each programme / platform that has been deployed – how we do the benefits realisations through the business case process of that. Also, how we have the work happening in terms of the Annual Plan with respect to tracking which is the best platform to use for which application. Making sure that whatever platform we have at our disposal is the best one to use.

There was a query regarding the status of SIPICs. Ms Ward advised that the project has not been closed completely, noting that we wanted to make sure that the July reporting was as good as the June reporting. Also, there is a small component of mosaiq activity, so while we will not have ongoing resourcing we need to keep the project open because there is a foundation element that needs to be delivered. This is why a formal project closure has not occurred and why the benefits realisation has not come back as yet.

Further to the SIPICs discussion, Mr Meates advised that that relates to Nelson-Marlborough and Canterbury. The programme for Southern, South Canterbury and the West Coast will occur out over the next 18 months, which will then arrive at the whole South Island onto the same single instance. That is also being migrated to the Cloud as part of our resilience.

**Resolution (PE50/20)**
(Moved: Aaron Keown/seconded: Barry Bragg – carried)

"That the Board:

i. notes the Chief Digital Officer Report."

*The meeting moved to Item 10.*

## 10. ADVICE TO BOARD

**Quality, Finance, Audit & Risk Committee (*QFARC*)**
Barry Bragg, Chair, QFARC, provided the Board with an update on the Committee's meeting held on 30 June 2020.

There was a query around Tower 3 and compliance works. Mr Bragg advised that all information is with the MoH, waiting to go before the Capital Investment Committee (*CIC*). Mr Meates confirmed that in discussion with the MoH, they have advised if there is anything further required they would come back to us. At this point it covers the compliance costs for passive fire, some of the panels, and some seismic strengthening to the tune of around 9(2)(b)(ii), of which 9(2)(b)(ii) is the remaining part of the insurance component – so requesting approximately an additional 9(2)(b)(ii) of capital.

It was noted that a strategic capital workshop is to be planned, but this will not occur until we know the outcome of the CIC decision. The workshop will be for the Board to get its head around what choices and decisions it will make with regards to infrastructure. This will be where, for example, the Mental Health Business Cases and the Cancer Centre will all come into the equation, as all will require external capital.

**Resolution (PE51/20)**
(Moved: Barry Bragg/seconded: Jo Kane – carried)

"That the Board:

i. notes the draft minutes from QFARC's meeting on 30 June 2020 (Appendix 1)."

## INFORMATION

- Chair's Correspondence
  There was discussion on the "Cycling Parking Facilities Petition" noted in the Chair's inward correspondence. Mr Meates advised that there are about 1300 active cyclists on the Christchurch Campus site. Cycle parking fits with any other sort of parking – there is not enough of it. The Chair advised that he has agreed to visit the facility.

  There was a query around the process of replacing an elected member. The Chair advised that the provisions of the New Zealand Public Health & Disability Act allow for the Minister to appoint a replacement if he wishes. The Chair has advised the Minister's office of Ms Buck's resignation, receipt of which has been acknowledged, but not further advice at this point.

Dr Levy wished to state to Ms Nightingale that he did not mean to be incredibly tough or anything. He advised that his role is not as a Board member, his role is as Crown Monitor and a key part of his role is to represent the view of the Crown. Whether that is accepted or not is really up to the Board and Management. His role is to work particularly with the Chair, which he does, and with the Chief Executive and others. His role is to provide independent advice to the Crown. He advised that he is just trying to do his job. Everyone is working under difficult circumstances and that is understood.

Ms Nightingale responded that she totally understands that, but it needs to be constructive. Ms Nightingale's view was that what has been heard today is not constructive. It felt like the opposite. People have been working phenomenally hard, who have been ill, coming in to put all this together. That needs acknowledgement, not saying it is not good enough. Feedback needs to be not simply that it is not good enough and redo the "how", you need to define what that means. None of us are lacking intelligence, but we do not understand what you mean.

A member commented that he was more than happy to hear Dr Levy's detailed and specific suggestions, encouraging Dr Levy to send these through, as staff have invited him to do.

There being no further business, the meeting concluded at 3.37pm.

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Sir John Hansen, Chairman Date of approval