Canterbury
District Health Board
Te Poari Hauora ō Waitaha

CORPORATE OFFICE

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24 September 2020

9(2)(a) [redacted]

RE Official information request CDHB 10404

I refer to your email dated 31 August 2020 requesting the following information under the Official Information Act from Canterbury DHB. Specifically:

- **The Board minutes, including the public-excluded sessions, from March 19th to July 16th.**

Please refer to **Appendix 1** (attached), which contains both the Public and Public Excluded Minutes from the Canterbury District Health Board meeting on 19th March 2020 and **Appendix 2** (attached) which contains both the Public and Public Excluded Minutes from the Canterbury District Health Board meeting on 16th July 2020.

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…"
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".

I trust this satisfies your interest in this matter.

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.

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

APPENDIX 1

MINUTES

Canterbury District Health Board
Te Poari Hauora ō Waitaha

MINUTES OF THE CANTERBURY DISTRICT HEALTH BOARD MEETING held at 32 Oxford Terrace, Christchurch on Thursday 19 March 2020 commencing at 9.30am

BOARD MEMBERS

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

CROWN MONITOR

Dr Lester Levy (via teleconference).

APOLOGIES

An apology for early departure was received and accepted from Sally Buck (12.40pm).

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); Hector Matthews (Executive Director, Maori & Pacific Health); Sue Nightingale (Chief Medical Officer); Karalyn van Deursen (Executive Director, Communications); Stella Ward (Chief Digital Officer); David Green (Financial Controller); and Kay Jenkins (Executive Assistant, Governance Support).

EXECUTIVE APOLOGIES

Jacqui Lunday-Johnstone (Executive Director, Allied Health, Scientific & Technical); and Justine White (Executive Director, Finance & Corporate Services).

Private Board only time 9.30am – 10.15am.

Hector Matthews opened the meeting with a Karakia.

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

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

Perceived Conflicts of Interest

There were no perceived conflicts of interest raised.

2. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Resolution (05/20)

(Moved: Gabrielle Huria/seconded: Sir John Hansen – carried)

"That the minutes of the meeting of the Canterbury District Health Board held at 32 Oxford Terrace on 25 February 2020 be approved and adopted as a true and correct record."

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3. CARRIED FORWARD/ACTION LIST ITEMS

It was noted that car parking would be discussed later on the agenda and treasury rules for fit out would be carried forward to the next meeting.

4. PATIENT STORY

A video "Feeling at Home as Maori – Burwood Hospital" was viewed.

5. CPH&DSAC – TERMS OF REFERENCE

Jo Kane, Chair, CPH&DSAC, presented these Terms of Reference.

Resolution (06/20)
(Moved: Catherine Chu/seconded: Sally Buck – carried)

"That the Board:

i. adopts the draft Terms of Reference attached as Appendix 1."

6. QFARC TERMS OF REFERENCE

Barry Bragg, Chair, QFARC, presented these Terms of Reference for the Board's approval. Mr Bragg commented that the changes in the document take into consideration: the dis-establishment of the Facilities Committee - meaning that their key terms now sit with this Committee; oversight around staff health and wellbeing; IT; and the difference between remuneration for attending actual meetings and workshops. He added that they also cover the monitoring of the deficit reduction monthly taskforce programme.

Resolution (07/20)
(Moved: Barry Bragg/seconded: Gabrielle Huria)

"That the Board:

i. adopts the draft Terms of Reference attached as Appendix 1."

7. CHAIR'S UPDATE

The Chair commented that Corona virus is consuming an awful lot of time for everyone in the health sector, however, we still need to keep an eye on the rest of the business as the Letter of Expectations remains, as does an unsigned Annual Plan. He added that we may need to consider the regularity of meetings by continuing with Board & QFARC and putting the other Committees on hold.

8. CHIEF EXECUTIVE'S UPDATE

David Meates, Chief Executive, advised that the focus is very much on Corona virus and its emerging impacts. Canterbury Health Labs has been one of the Labs testing and is now moving to 24 hour testing. In addition, there is a nationwide move for testing amongst the community as those undertaking widespread testing appear to have better control over the virus.

He advised that the DHB has had its Emergency Response system in place for over a month. There are also plans in place around Community Based Assessment Centres (*CBACs*) and also mobile assessment centres.

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He advised that work is taking place around capacity, with the biggest restraint being workforce and the impact of closing schools.

Mr Meates advised that many of our Senior Leaders have been asked to be part of national groups due to our experience in handling crises situations. This also ensures a coordinated and national approach. He added that Health Pathways is being picked up across the country. Locally, Dr Sue Nightingale is leading the Clinical teams, including rosters and sustainable operations, with most non-urgent meetings on hold. There is a focus on delivery and the sustainability of clinical services. He added that a lot of follow up outpatient appointments are being undertaken by telephone or video conference.

Discussion took place regarding whether additional staff would be required and Mr Meates commented that this is more about how we use the existing staff and how we utilise and redeploy them.

A query was made as to whether there is a possibility that part of the Hagley building could be used and it was noted that this is being explored with the focus being on floors 4 & 7, the intensive care pods and the ED & Radiology suites.

Discussion also took place around the mental health aspects of this current situation and Mr Meates confirmed that planning was also taking place around this.

Mr Meates advised the Board that they would be kept up to date; he would continue to highlight issues to the Chair; and any decisions made under urgency would be brought back to the Board with information around how the decisions have been made.

The Chief Executive's Update was noted.

9. FINANCE REPORT

David Green, Financial Controller, presented the Finance Report which was taken as read. The report showed that the consolidated Canterbury DHB financial result for the month of January 2020 was a net expense of $8.761M, which was $5.634M favourable against the draft annual plan net expense of $14.395M. YTD the result is $10.382M favourable.

It also showed that the net operating result for the month (ie before indirect revenue and expenses) was a favourable variance of $545k, reducing the YTD unfavourable variance to $2.176M.

In addition, the report stated that the current draft annual plan is for a full year deficit result of $180.470M. This includes savings initiatives from our five key taskforces. However, it does not take into account recently announced adjustments to the capital charge regime (although announced in July 2019, the mechanics of this adjustment calculation are yet to be clarified), which will take effect upon transfer of the Hagley building.

Mr Green highlighted key risks: the treatment of capital charge on earthquake proceeds; the importance of the tracking of COVID-19 costs; and insurance premiums starting to increase.

Discussion took place regarding some modelling around the impact of COVID-19 and it was noted that this would be provided at the next QFARC meeting.

10. ADVICE TO BOARD

Jo Kane provided an update from the CPH&DSAC meeting held on 5 March 2020. Ms Kane provided an overview of the meeting. She commented that the visit to Ashburton was now unlikely to take place at this time.

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The draft minutes were noted.

11. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution (08/20)
(Moved: Barry Bragg/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 & 11 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 25 February 2020	For the reasons set out in the previous Board agenda.	
2.	Chair & Chief Executive - Update on Emerging Issues – Oral Reports	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.	Rangiora IFHC Progress	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)
4.	Equity Discussions	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s9(2)(j)
5.	Primary Health Discussions	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s9(2)(j)
6.	Burwood Spinal Unit	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	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Protect the privacy of natural persons	s9(2)(j) S9(2)(a)
9.	Legal Report	Protect the privacy of natural persons. To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Maintain legal professional privilege.	S9(2)(a) s9(2)(j) s9(2)(h)
10.	2020\21 Annual Plan Update	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Maintain legal professional privilege	s9(2)(j)

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11.	Advice to Board: • QFARC Draft Minutes *3 March 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 11.15am.

Sir John Hansen, Chairman

16 April 2020
Date of approval

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MINUTES - PUBLIC EXCLUDED MEETING
CANTERBURY DISTRICT HEALTH BOARD MEETING
held at 32 Oxford Terrace, Christchurch
on Thursday 19 March 2020

BOARD MEMBERS

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

CROWN MONITOR

Dr Lester Levy (via teleconference).

APOLOGIES

An apology for early departure was received and accepted from Sally Buck (12.40pm).

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); Hector Matthews (Executive Director, Maori & Pacific Health); Sue Nightingale (Chief Medical Officer); Karalyn van Deursen (Executive Director, Communications); Stella Ward (Chief Digital Officer); David Green (Financial Controller); and Kay Jenkins (Executive Assistant, Governance Support).

EXECUTIVE APOLOGIES

Jacqui Lunday-Johnstone (Executive Director, Allied Health, Scientific & Technical); and Justine White (Executive Director, Finance & Corporate Services).

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COVID-19 UPDATE

Dr Sue Nightingale (Chief Medical Officer); Dr Ramon Pink (Medical Officer of Health); Dr Josh Freeman (Clinical Director, Microbiology); Dr Alan Pithie (Consultant Physician, Infectious Diseases and General Medicine); and Sarah Bergen (Nursing Director, Infection Prevention & Control Service), provided the Board with an overview of the implications of the COVID-19 virus.

Dr Ramon Pink advised that from a Public Health perspective the initial response was at the border since January. This response has increased as time has progressed. He advised that the first case in Canterbury has now been reported and CPH are now part of a national initiative to trace contacts. It was noted that this process will be established and in place by early next week, which will lift a significant burden from local teams.

Dr Josh Freeman, Clinical Director, Microbiology, and a member of the Infection, Prevention and Control Executive Committee, provided a perspective of what the DHB is dealing with. He advised that we are dealing with the biggest health challenge in 100 years and if it is just left to run its course the burden on the health system would be catastrophic. He provided some data from other countries and commented that the key to slowing the spread of this down lies in the community. He added that there is no question that the hospital burden will be huge, far bigger than the 2009 flu epidemic, and we need to have some respect for what we are dealing with and need to act quickly and decisively.

Dr Alan Pithie, Consultant Physician, Infectious Diseases and General Medicine, provided a hospital perspective and how it will cope if and when this ramps up. He commented that we need to be prepared

as we are very much restricted by capacity, with 24 intensive care beds which are not designed for this purpose. He added that they believed that this could be extended to 35 beds by closing Ward 10. He commented that Italy currently have 1500 people on ventilators. Dr Pithie also commented that this virus picks on vulnerable people with co-morbidities, with a 15-20% mortality rate for people over 80 and 0.2% mortality rate for people below 50. Dr Pithie advised that they are working hard with newly engaged occupational health physicians around this so that vulnerable staff are not working in these areas.

Michael Frampton, Chief People Officer, advised that the DHB as an organisation employs 775 staff over the age of 65.

Sarah Bergen, Nursing Director, Infection Prevention & Control Service, provided an overview of the work being undertaken around ensuring staff receive education around the use of equipment and whilst we are currently in "green" phase a lot of staff are wanting high level protective equipment. She advised that we have a pandemic supply and a number of community and other agencies are looking to us for PPE and there is a concern that people will use this for non-critical patients.

Dr Sue Nightingale read a statement to the Board:

"I feel extremely, and I use that word deliberately, concerned about the COVID–19 threat. This may turn out to be the most significant human event in our lives with momentous impact on all of us, our population, our country and history. In my career, I have dealt with many personally challenging and frightening events, including earthquakes and the responsibility of leading an emergency response to H1N1. There have been many times in my career when I have been daunted, but nothing like the fear of what may happen with Covid 19.

You will have read accounts of life in China at the peak of events, however, what we hear are snapshots and small pictures of a massive societal upheaval and the overwhelming of the local health system. Similar events are now occurring in Italy, Spain and other countries in the world. There is every potential that our health system will be overcome by the demand for care and stresses upon our health community. You might think that I am overstating these risks or disaster mongering. I am not. The risk exists that we may not be able to prevent such an extreme situation, but with the right actions plans, and above all leadership, we have the opportunity to steer a course and protect our community.

We, in this room carry the responsibility for the well-being and indeed the lives of hundreds of thousands of people. The lives of children, teenagers, mothers, fathers, grandfathers and grandmothers. They are depending upon us and all of the people who work in health. We are the leaders of health, we are the responsible people. It is the decisions that we take now that will influence which direction things go and the total impact on mortality and morbidity from COVID 19. I am not exaggerating to say that there is every possibility that if we fail we may find ourselves with hundreds of people severely ill, many of them requiring treatments not available because capacity has run out.

Our mission must be clear. We must have as few people infected as humanly possible by supporting our extraordinary and talented public health team with every possible resource to support the community and limit the spread. This is critical. Our public health team will rely on us to ensure they have the people and resources to make this possible. We cannot set limits.

Secondly, we must do all that is humanly possible to ensure that we can provide all reasonable and possible treatments to limit the harm to people who are infected with COVID 19. This means having a primary care, hospital and intensive care system that is resourced to the maximum possible and staffed by people (our great people) who have the necessary training, equipment and supplies to create the maximum possible benefit. Furthermore, they must feel valued and be led with our combined maximum effective leadership.

Thirdly, we must strive to look after our health community, whether they are health workers in a rest home, a practice nurse in general practice, or an orderly in the hospital. We must take all possible measures to protect them from harm, whether it be from COVID 19 or the exhaustion and duress of working in a pandemic.

Finally we must emerge from the end of this epidemic, because it will end, with the capacity to recover and sustain an intact health system.

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Business as usual in health is full of complexity, of compliance, indeed of bureaucracy. This is not business as usual. This is a risk challenge uncertainty and operation with limited information and no clear view of the future. However, that future is influenced by us if we have the wisdom, the strength and the bravery to step out of our ways of thinking and operating in business as usual into a new state of leadership and decision-making. As leaders we cannot be driven by fear of consequences for ourselves, because the consequences for the wider community are life-and-death."

A query was made regarding how easy it would be to convert some space from Southern Cross, St Georges & Forte Health into ICU space. Dr Pithie advised that it is not necessarily beds that are required, but experienced staff and the St Georges ICU is already run by CDHB staff. The Chief Executive commented that planning is already taking place with these private hospitals, particularly around no-urgent surgical cases with us acting as one organisation. Mary Gordon, Executive Director of Nursing, advised that we have also tried to standardise the equipment across private and public hospitals so all of this equipment can be used. She added that equipment for Hagley is also being used, however, the biggest issue is manpower.

Dr Pithie commented that clinicians are already looking at the criteria around who would access ICU and conversations are also taking place around rationing.

A query was made regarding the protocols around rationing and Dr Freeman advised that these decisions are ethical decisions where multiple considerations are taken into consideration and Clinical Ethicists are also used. It was noted that there is already an ethical framework as Clinicians are used to making these decisions on a day to day basis, however, not on this scale.

Discussion took place regarding the planning around what will happen if schools are closed and what the contingency would be. Mr Frampton advised that there is work taking place nationally in this space to ensure a coordinated response, noting that a connection between health and education is critical.

Discussion also took place regarding bringing people back into the workforce and it was noted that a significant amount of work is also taking place nationally in this space.

The Chair thanked the Clinicians for giving up their time to brief the Board.

1. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Resolution (PE12/20)
(Moved: Ingrid Taylor/seconded: Barry Bragg – carried)

"That the minutes of the Public Excluded meeting of the Canterbury District Health Board held at 32 Oxford Terrace on 25 February 2020 be approved and adopted as a true and correct record."

2. CHIEF EXECUTIVE UPDATE

David Meates, Chief Executive, commented as follows:

- Registrars have returned to the country after sitting exams and with countries increasingly closing their borders we have a number of Doctors wanting to terminate their contracts to go home.
- It is possible that there may be some contractors working and living in the Hagley building in order to commission new equipment.
- In regard to the roll out of the Bowel Screening programme, assessments have been submitted, however, there is strong view from Clinicians that this should be delayed until we are out the other side of the COVID-19 situation due to workforce issues.
- The financials have landed exactly where forecast, however, there is still the March to June outsourcing and outplacement to be considered.
- Hagley – CPB have come to Hagley as a consequence of political intervention with their workforce moving from the metro centre project.

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- There is largely broad agreement with Otakaro around Carparking and a resolution will be presented later in the meeting. A Cabinet paper has secured an amount of capital. This will be worked through in the next 4 – 7 weeks. The Metro Centre needs access to our afternoon carpark and we cannot let them have this until we have certainty.
- The DHB will continue to deliver the Colposcopy contract at a cost of $1m per annum to the DHB.
- There is a level of potential industrial action at Nurse Maude. Attempting to reach an agreed pathway with them and the other two providers.
- Sir John and I were in Wellington on Tuesday for strategic discussions with the Ministry of Health.

The Chief Executive's update was to be continued after Item 5.
The meeting moved to Item 5.

5. PRIMARY CARE REPORT – UPDATE AND DISCUSSION

Vince Barry, Chief Executive, Pegasus Health, commented that he was interested in hearing from Board members what types of things they would like to see in a report. He added that front of mind at the moment is the COVID-19 response. He said that relationships already exist between Primary Care and Secondary Care, however, sometimes the evolving messages can be confusing.

Mr Barry commented that the Board are Governors of one of the best Integrated Health Care Systems in the country and people often comment that the Primary Care/DHB relationship is also the best in the country. He asked can it be better and commented of course, as there is always room for improvement.

In respect of the COVID-19 response he commented that this system is as well prepared as anywhere in the country, however, one of the big issues is around staffing. The new CBACs need to be staffed at a time when General Practice is already under pressure. He added that he believed there would be a lot of opportunities to get people to think differently about the health system.

In regard to the Health & Disability review, he commented that we should not get distracted by this as we need to do what is best for our community.

Mr Barry advised that a new Primary Mental Health intervention has been trialled which puts mental health workers into practices which has shifted our model of care. The government provided funding for this which is being progressively rolled out and there are now five practices with these workers.

Sally Buck departed the meeting at 12.40pm.

A query was made regarding virtual consultations and any issues around payments for these. Mr Barry commented that there is a need to understand both the user and receiver in these instances and a model has been built around virtual health care. He added that there are many options for payment and there are mechanisms in place for these.

Discussion took place regarding unconscious bias and how racism can be changed in the system. Mr Barry advised that a lot of things are taking place. A Director of Primary Care, Maori, has just been appointed and she has been given license to be the conscience of our system.

The meeting moved back to Item 2.

2. CHIEF EXECUTIVE UPDATE CONTINUED

Pharmaceutical Cancer Treatment Financial Impacts
Carolyn Gullery, Executive Director, Planning Funding & Decision Support, presented this paper which was taken as read and asked the Board to support working with the South Island Alliance

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Programme Office and other South Island DHBs to explore the feasibility of establishing a New Zealand-wide high cost pharmaceutical risk sharing pool.

A query was made regarding research and it was noted that the research around this has already been done.

Resolution (PE13/20)
(Moved: Aaron Keown/seconded: Gabrielle Huria – carried)

"That the Board:

i. notes the information provided on Pharmaceutical Cancer Treatment and other high cost pharmaceuticals; and
ii. requests management to work with the South Island Alliance Programme Office and other South Island DHBs to explore the feasibility of establishing a New Zealand-wide high cost pharmaceutical risk sharing pool."

The Chief Executive's update was noted.

3. RANGIORA IFHC PROGRESS

Ms Gullery also presented this paper which was taken as read. Ms Gullery advised that the progress is seen by the community as positive.

A query was made regarding whether the use for after-hours service provision of properly trained nurses in Oxford was still to be imported to Rangiora and Ms Gullery confirmed that this was the case.

Resolution (PE14/20)
(Moved: Aaron Keown/seconded: Barry Bragg – carried)

"That the Board:

i. approves progressing with South Link Health Services (*SLHS*) the development of a family health and extended-hours urgent care centre at the Rangiora Health Hub, and the removal of the former Rangiora Hospital building to accommodate this; and
ii. approves the release to the local community of an update on this development."

4. EQUITY REPORT – VERBAL UPDATE AND DISCUSSION

Hector Matthews, Executive Director, Maori & Pacific Health, provided a short presentation to set the scene around equality versus equity. He advised that the equity actions would be extracted from the Annual Plan to make these more visible to the Board. He also advised that work is taking place with People & Capability around how the DHB can grow its Maori workforce.

Discussion took place regarding the achievement around immunisations and also the presentation made at the Regional Induction on 13 March.

An observation was made that a key issue about reporting from a governance perspective is about collating the information into a cohesive report so the Board can appreciate what the key strategic goals are and what is being tracked.

The Chair commented that he looks forward to receiving reporting around this on an ongoing basis.

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6. BURWOOD SPINAL UNIT

Mary Gordon, EMT Lead Facilities, presented this report which was taken as read.

There was no discussion around this paper.

Resolution (PE15/20)
(Moved: Barry Bragg/seconded: Ingrid Taylor – carried)

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

i. notes that the seismic upgrade and refurbishment and extension of Burwood Spinal Unit has been fully completed and is currently at defects liability stage, with patients and staff relocated back into the building on time;
ii. notes there has been substantial complications and unplanned requirements during the construction phase including defective passive fire installation process, resulting in having to stand down the contractor and reappointing another contractor and subsequent legal claim activities by the DHB against the contractor;
iii. notes that the legal claims have recently been settled and the DHB has finalised the cost estimate for this project; and
iv. notes that the substantial complications and unplanned requirements have resulted in a forecast overspend of $382,738.39 (against the approved budget of $7,430,784)."

7. CHIEF DIGITAL OFFICER REPORT

Stella Ward, Chief Digital Officer, presented this report. Ms Ward advised that she is also very involved in supporting the COVID-19 response and in particular people working remotely and speeding up of the infrastructure to support this.

A query was made regarding the availability of the network to support staff working from home and it was noted that health is a priority and also a priority for network availability. It was also noted that testing around our capability will commence next week.

Ms Ward updated the Board around a cyber security incident.

The update as noted.

8. PEOPLE REPORT

Michael Frampton, Chief People Officer, presented this report which was taken as read. Mr Frampton briefed the Board on COVID-19 from a workforce perspective. He advised that an Occupational Health & Safety Physician has been engaged to manage some of the risks to our staff and guide line managers and service managers around workforce issues.

Mr Frampton advised that the influenza vaccination for staff commenced yesterday and 1100 staff were vaccinated in one day.

In terms of remote working, he advised that a number of services are critical, including rostering & payroll, and tomorrow the first payroll will be run from the Design Lab.

Mr Frampton spoke regarding involvement in the national response. There a number of groups operating and he has been asked to step in and coordinate the workforce issues. He commented that it is likely we will see some emergency legislation that will prevent industrial action taking place over this period of time and also some recommendations that all collective employment agreements in the next six months be rolled over for a year with a small percentage increase.

In regard to the Holiday's Act, the first preliminary report from EY has been received with an initial estimate of $80m – 110m against the baseline agreed.

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A query was made regarding sick leave and Mr Frampton advised that there are now active case managements for 100 staff and this remains an area of active focus. He added that in this environment that the DHB is encouraging people who are unwell to stay home. The Chief Executive advised that a lot of pressure is coming from Unions to treat COVID-19 illness separately.

A query was made regarding additional resources for staff who fall ill and it was noted that many conversations are taking place around this, including a group of nurses who are about to sit exams and redeployment from other organisations.

The Chair commented that he would like to see the targets per month for sick leave and annual leave when we are through the current situation.

The People report was noted.

9. LEGAL REPORT

Greg Brogden, Senior Corporate Solicitor, presented the Legal Report which was taken as read.

Mr Brogden provided the Board with an update on current items in the report. He advised that this report provided the Board with a snap shot of key issues that are before external agencies.

Tim Lester, Corporate Solicitor, spoke regarding the commercial issues and provided updates around: Asbestos Management Plans; Spotless Cleaning Contract; Burwood Spinal Unit Passive Fire; Land Exchange with the Crown; and Christchurch Hagley Handover.

Car Parking

The Chair reminded Board members that at the last meeting they had delegated authority to him and the Chair of QFARC to reach agreement with management and bring a recommendation back to the Board regarding the St Asaph/Antigua Street site.

He outlined two options as follows:

OPTION 1- PUBLIC PRIVATE PARTNERSHIP PROJECT

Third party developer (Medcar) undertakes a two floor and eastward extension:

i. extension provides potentially 605 additional parks allocated as follows:
   a. 140 car parks to replace CDHB's ASC lost to Metro Sports;
   b. 90 car parks allocated to Medcar for Medcar's own use; and
   c. 375 car parks allocated to Medcar for public use;
ii. adjoining Medcar and Miles parcels, and the improvements, vest in CDHB;
iii. CDHB grants Medcar a long-term management agreement giving Medcar the rights to 375 car parks to lease (possibly to Wilsons) for public parking;
iv. on expiry of the Management Agreement, the 375+90 car parks revert to CDHB; and
v. Medcar is responsible for the construction project.

OPTION 2 - CANTERBURY DHB PROJECT

CDHB is compensated to undertake its own two-floor extension (anticipated to be $10-13M, broadly equivalent to the cash equivalent of the Crown's contribution for Option 1):

i. extension provides 270 additional parks allocated as follows:
   a. 140 car parks to replace CDHB's ASC lost to Metro Sports; and
   b. balance 130 parks available for CDHB's own use;
ii. CDHB can elect whether the 130 parks are for staff or public;
iii. CDHB collects the revenue from the additional 270 parks; and
iv. CDHB is responsible for its own construction project.

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The Chief Executive advised that the amount being sought to secure as Capital would be available for both options.

Discussion took place regarding these options and the Board indicated they preferred Option 1 – Public/Private Partnership.

Resolution (PE16/20)
(Moved: Barry Bragg/seconded: Gabrielle Huria – carried)

"That the Board:

i. notes that Otakaro requires the Afternoon Staff Carpark (*ASC*) for the Metro Sports Facility;
ii. resolves to, subject to evidence of Crown appropriation enough to allow either Option 1 or Option 2 to proceed (to replace the 140 ASC parks lost to the Metro Sports Facility):
    a. vacate the ASC on 1 April in consideration of a licence to occupy land on the south-west corner of the Metro Sports site (corner of Moorhouse Ave and Stewart St);
    b. grant Otakaro a licence to occupy the ASC from 1 April for the purposes of enabling Otakaro to commence the enabling works for the Metro Sports Facility;
    c. proceed with formally disposing the ASC to the Crown (acting by and through LINZ) for amalgamation into the Metro Sports Facility, subject to:
        - statutory clearances; and
        - Ministerial approval;
    d. agrees to progress negotiations on Option 1 Public/Private Partnership (Option 2 being the fall-back if agreement is not reached) and for Option 1, consider whether CDHB can lease 375 parks from the developer to keep Antigua Street for staff parking only;
iii. notes that both Options create additional parks above the number of lost ASC parks; and
iv. notes that discussions are ongoing and full terms are yet to be finalised/documented."

The Legal Report was noted.

10. 20/21 ANNUAL PLAN UPDATE

Melissa Macfarlane, Team Lead, Planning & Performance, presented this update which was taken as read. Ms Macfarlane advised that this document contained tracked changes from the last update and three additional tables. She advised that the Ministry are still advising that they will be providing feedback to us by 8 April.

The Chief Executive advised that it is likely that reporting on the current annual plan will be greatly reduced over the coming months.

Dr Lester Levy, Crown Monitor, asked why management would think that this plan would get approved if the previous two plans have not been approved – what is different about this plan? Discussion took place regarding this comment and the Minister's Letter of Expectations.

Ms Macfarlane commented that the plan is not out of line with the Planning Package and the Letter of Expectations, with the financials being the only outstanding section.

Dr Levy commented that he would like to see us have a turnaround plan, particularly in view of the size of the deficit. He added that he believed that the plan has become a process.

Carolyn Gullery, Executive Director, Planning Funding & Decision Support, agreed that the plan has become a process as it is MoH prescribed and she would be disappointed if the Board thinks that this Annual Plan is how we will be delivering services as the Annual Plan is a compliance document.

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Dr Levy also commented that he believed that the Board becomes involved in a lot of these issues very late and should be involved much earlier as the Board is not getting the opportunity to fully play its part.

The Chief Executive commented that the plan shows $187m of savings over the next four years which has been discussed at the MoH/CDHB Operations Meetings.

Barry Bragg, Chair, QFARC, commented that we know that there is a series of initiatives that have been delayed due to the Hagley Facility, but the Board does not know what these are. He added that this needs to be understood and external assistance is needed to assure the Board that these savings can be achieved. He added that discussions had taken place in "Board Only" time and a proposal developed which will be discussed with management after the meeting. He commented that the Board needs to look beyond initiatives and look at the underlying assumptions.

The Chair commented that the financial section needed to be turned into something that is achievable.

The Chief Executive commented that the Board needs to understand the seriousness of the situation this country is facing in respect of COVID-19 and the focus of management and the organisation will go onto this which is the direction he has received from the Minister of Health.

The Chair commented that this Board remains responsible to the Minister of Health for the finances of this DHB with management being responsible to the Board.

The Annual Plan Update was noted.

11. ADVICE TO BOARD

Barry Bragg, Chair, QFARC, provided the Board with an update on the Committee's meeting held on 3 March 2020.

Mr Bragg highlighted the reports provided by the Internal Auditor which had some red flag items that were concerning. He advised that he had met with the Internal Auditor and these items will be re-audited and followed up. He added that discussion also took place regarding the process around how these reports are received and it was agreed that high consequence issues would be flagged to the Committee earlier.

Mr Bragg also advised that he had met with Audit New Zealand who were fully aware of these issues and Mr Bragg has developed a new process going forward whereby he will be more involved.

The Board noted the draft minutes.

INFORMATION

- Chair's Correspondence
- Quarterly Facilities/Earthquake Programme of Works Update (*ex QFARC 3 March 2020)*
- Risk Management Report (*ex QFARC 3 March 2020*)

The meeting concluded at 3.30pm.

Management retired and the Board met for Board only time.

Sir John Hansen, Chairman

16 April 2020
Date of approval

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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).

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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.

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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.

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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,

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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

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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.

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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.

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- 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)

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3.	Chief Executive - Emerging Issues (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)
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. To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	S9(2)(a) s9(2)(j)
9.	Legal Report	Protect the privacy of natural persons. To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Maintain legal professional privilege.	S9(2)(a) s9(2)(j) s9(2)(h)
10.	Advice to Board: • 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

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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).

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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

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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

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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

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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.

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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.

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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.

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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;

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- 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.

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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]

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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.

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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.

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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

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