Health Report: Strengthening workforce strategy, planning, commissioning and monitoring

Date: 14 September 2018
Report No: 20181913
File Number: AD62-14-2018

Action Sought

<table>
<thead>
<tr>
<th>Action Sought</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister Clark</td>
<td>Agree</td>
</tr>
</tbody>
</table>

Contact for Telephone Discussion (if required)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Telephone</th>
<th>Contact Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashley Bloomfield</td>
<td>Director-General of Health</td>
<td>S 9(2)(a)</td>
<td>1st Contact</td>
</tr>
<tr>
<td>Braden Sloper</td>
<td>Principal Advisor ODG</td>
<td>S 9(2)(a)</td>
<td>2nd Contact</td>
</tr>
</tbody>
</table>

Actions for the Minister's Office Staff

Return the signed report to Ministry of Health

Note any feedback on the quality of the report

RECEIVED
18 SEP 2018
Office of Hon David Clark
Strengthening health workforce strategy, planning, commissioning and monitoring

To: Hon Dr David Clark, Minister of Health

Purpose

This briefing provides advice on strengthening collective sector leadership and management of health workforce matters.

Key points

- A well-trained and sustainable health workforce is a fundamental building block of a strong health system. There is a widely-held view that the current oversight and leadership of health workforce matters needs improvement.
- Key workforce initiatives have progressed slowly over the last nine years, and Health Workforce New Zealand (HWNZ) is not seen as providing the level of leadership needed to respond to the existing and future challenges.
- As part of the current Ministry restructure, I am proposing to establish a stand-alone Workforce Directorate with greater capability and capacity on health workforce issues. This provides an opportunity to:
  - refresh the approach to workforce strategy and planning through clarifying the respective roles and functions of HWNZ, DHBs and the Ministry
  - create a Tier 2 health workforce leadership role within the Ministry to drive change
  - clarify the executive function of the Ministry on health workforce matters
  - renew terms of reference, leadership and membership of HWNZ Board to strengthen its advisory role.

Recommendations

The Ministry recommends that you:

a) Discuss the proposals to strengthen workforce leadership and oversight with the Director-General of Health

b) Agree to review the Health Workforce New Zealand (HWNZ) Terms of Reference and renew the Chair and membership of the HWNZ Board

Contacts:

Dr Ashley Bloomfield, Director-General of Health

Braden Sloper, Principal Advisor ODG

Section 9(2)(a)
c) **Note** that the Ministry will provide an updated HWNZ terms of reference and advice about possible appointments to the HWNZ Board by mid-October.

Dr Ashley Bloomfield  
Director-General of Health  
Ministry of Health

Minister's signature:  
Date: 23/9/18
Strengthening workforce strategy, planning, commissioning and monitoring

Purpose and context

1. Workforce planning, deployment and monitoring are some of the key levers available to ensure that the system is able to deliver safe, effective and accessible services. It is critical that the health workforce has the capacity and capability required to improve health outcomes for New Zealanders.

2. Health Workforce New Zealand (HWNZ) was established in 2009 to provide strategic leadership for a sector-wide response to New Zealand’s workforce challenges. HWNZ consists of a multi-disciplinary board and a Ministry of Health business unit that employs its staff. Professor Des Gorman has been the Executive Chair of the HWNZ Board since 2009.

3. In 2009, HWNZ also became the primary provider of funding for post-entry clinical training in New Zealand, with an allocation of approximately $180 million from Vote Health for postgraduate clinical training, workforce development and innovation.

4. Several parts of the sector are reporting concerns about the leadership and direction of workforce strategy and planning. More recently, the Ministerial Advisory Group for Health (MAG) reports that it perceives a lack of leadership on and a fragmented approach to workforce issues.

5. There is a strong expectation that the Ministry of Health will show leadership and provide effective stewardship of the health and disability system. This includes workforce, which is a fundamental building block of a strong health care system. While HWNZ has successfully improved workforce intelligence, it has been less successful at addressing key workforce pressures or creating a clear strategy and future pathway for health workforce in New Zealand – and ‘rallying’ the rest of the sector behind it.

6. I am therefore proposing to strengthen The Ministry's ability to respond to workforce challenges via the Ministry's second tier structure change. Complementarily to this, I am proposing that you review the functions, terms of reference and makeup of the HWNZ Board.

Case for change

7. The Ministry is currently considering how it can be organised to deliver for the health and disability system. We have identified three main issues with how the Ministry and HWNZ are managing workforce issues as set out below. Proposed solutions to these challenges are set out in the subsequent section titled ‘Proposed response.’

Responsibility for workforce strategy and planning is fragmented

8. Accountability for decision-making about many aspects are unclear, including purchasing and decision-making. This is largely driven by the dual accountability arrangements between the Ministry and HWNZ, a Board established under section 11 of the Public Health and Disability Act 2000.

9. The dual accountability arrangement creates tensions when preparing advice on workforce issues. The HWNZ Board has a strong sense of independence from the Ministry but relies on staff employed by the Ministry to carry forward its work programme. Similarly, the Ministry is responsible for leadership and stewardship of the system, but major workforce issues and decisions are being driven by the Executive Chair of HWNZ, who is not a Ministry employee.

10. This has led to frustrations for both the Ministry and HWNZ and contributed to slow or patchy progress on key workforce initiatives. This is unlikely to be resolved under the current arrangements.
HWNZ is not set up to lead and deliver across the system

11. The HWNZ Terms of Reference (TOR) are expansive in scope, with functions ranging from overseeing budgets and expenditure to data collection and oversight (Appendix 1). The resulting lack of clarity means that HWNZ has not been able to deliver its work programme effectively.

12. HWNZ’s briefing to the incoming Director-General noted that HWNZ had achieved just one of its three overall objectives (relating to health workforce data and intelligence), with partial achievement of another. As noted above, there is growing concern across the sector that HWNZ has not delivered sustained and effective leadership on workforce issues.

13. These challenges have been exacerbated by Ministry resourcing of the health workforce work programme. The number of Ministry staff supporting HWNZ has reduced over time due to changing work priorities within the Ministry, workforce considerations being considered within Ministry projects by individual project teams, and a sense that the HWNZ work programme was not seen as addressing the highest priority workforce issues and/or lack of progress in key areas. This has been a source of frustration for the HWNZ Board as it has compromised the delivery of its work programme.

14. At the same time, a shared district health board (DHB) team has begun to consider workforce issues and there is now a significant investment by DHBs in this capacity. There is scope for greater alignment with this DHB team and opportunities to reduce duplication.

New leadership of HWNZ is required

s 9(2)(g)(i)

s 9(2)(f)(iv)

Proposed response and recommendations

18. To help address the issues identified above, I am intending to establish a dedicated workforce leadership role at Tier 2 level within the Ministry. A dedicated Tier 2 role will strengthen the Ministry’s ability to lead on workforce issues and is consistent with the Ministry’s sector leadership and stewardship roles. I expect to announce my decision on this later this month after considering staff feedback. I will continue to keep you informed about this process.

19. I am also recommending two further actions for your consideration:

a. Review HWNZ’s TOR to shift its focus toward a stronger advisory and monitoring role. This would clarify HWNZ’s role and would allow HWNZ to focus strategic oversight consistent with the role of similar boards. Responsibility for budget management and commissioning would be provided by the Ministry’s strengthened workforce function.

b. Refresh HWNZ’s leadership and membership by appointing a new non-executive Chair and new members. The new Chair would lead the development of HWNZ’s oversight function and would provide advice to you on how the Ministry’s strengthened workforce function is being implemented.

20. Proposals a) and b) are decisions for you. As Minister, you are able to determine the functions of a section 11 committee by written notice, and the HWNZ TOR further notes that you may vary its constitution, membership and functions at your discretion. Should you agree to my proposals, the changes can be implemented relatively quickly.
Next steps

21. I look forward to discussing this with you at the next available opportunity, and I can provide further advice on any aspect of these proposals as required.
Appendix 1: Current HWNZ Terms of Reference

Preamble

1. The Minister of Health (the Minister) established the Clinical Training Agency Board as a Committee under section 11 of the New Zealand Public Health and Disability Act 2000 (NZPHDA). The name of the Clinical Training Board was expanded to Health Workforce New Zealand (HWNZ) to reflect its national focus and that the health and disability workforce is broad in scope and includes clinical, non-clinical, private and NGO workforces.

2. The role of HWNZ is to provide advice to both the Minister of Health and the Director-General of Health to oversee and drive the rationalisation of workforce planning, education, training, development and purchasing within the health and disability services sector. It will be accountable to the Minister.

3. The establishment of HWNZ in this form was an interim measure to drive immediate change while advice on the best arrangements and location of the health and disability services workforce policy, planning and purchasing is developed.

4. Cabinet has further considered the long term structure of the national health workforce functions and agreed to retain HWNZ as a section 11 Committee and establish a branded health workforce unit in the Ministry, to be known as the Health Workforce New Zealand Business Unit (HWNZBU).

5. These Terms of Reference have been agreed to by the Minister in July 2017. They have been amended to reflect Cabinet's decision on HWNZ's long term structure and finalise HWNZ's alignment with the legislative parameters of Section 11 Committees.

Health Workforce New Zealand

6. There remains an urgent need for a simpler, more unified and responsive approach to workforce issues that is driven by the future needs of the sector and which enables changing roles and practices to deliver improved models of care and service delivery.

7. In particular, the Minister acknowledges that:

a. there is a need for greater clarity and coordination in respect of the roles and responsibilities of the various stakeholders at the national, regional, and local level. This may result in significant change in current work programmes of the Ministry of Health and allied agencies

b. there is also a need for greater clarity in respect of roles and responsibilities for public and private employers, teaching and training organisations, registration and accreditation bodies, professional colleges, societies, and unions

c. there is an urgent need for much greater flexibility and responsiveness in the nature and deployability of the health workforce in respect to roles and scopes of practice and to address the current workforce shortages and meet future workforce demand

d. the education and training sector needs to be more responsive to changing workforce priorities, new and emerging models of care and service configurations, and that these should drive consequential competences and learning outcomes and the curriculum of education and training organisations

e. the funding for training needs to be better coordinated across programmes and providers to ensure across-sector and across educational continuum views

f. recruitment, retention and the distribution of the health workforce requires better coordination and a more integrated approach

g. there is an urgent need for a more cohesive and collective leadership of clinicians and managers, and a focus on developing the essential domains of professional leadership such as skills in communication and conflict resolution, clinical governance, and management

h. there is a pressing need for high-quality information on the workforce, including current quantitative realities, and modelling demand (linkages back to service requirements) and supply (linkages back to teaching and training capacity).

Key tasks

8. To fulfil its advisory and funding roles the Board's work programme (through the HWNZBU) needs to include:
a. providing independent advice at the request of the Minister on developing technologies, and models of care that will impact on the health workforce and ongoing training needs
b. developing and advocating modernisation of service delivery by fully utilising the investment in health workforce skills development by the employee, employer and education sector
c. maintaining strong relationships with, and developing a common set of objectives and clear goals with the regional training hubs to coordinate regional workforce planning and strengthening local and regional health workforces consistent with the objectives of the New Zealand Health Strategy and the National Health Workforce Strategy
d. establishing, confirming, and monitoring the work programme for the Board’s subcommittees and advisory groups to work for set periods on both a single discipline and multi-disciplinary basis. (The purpose of such groups is to provide support and advice to the Board in undertaking its role)
e. establishing criteria for the allocation of funding on a needs basis to meet the recognised shortages emerging in specialties and regions
f. overseeing the contracting of training funding against the criteria established above
g. maintaining oversight of the total HWNZ spend
h. establishing and maintaining strategic relationships across the health sector and broader public sector that disperse the work of the HWNZBU, understanding of HWNZ’s role and cohesiveness of the groups active in health workforce initiatives
i. overseeing the collection and analysis of data describing the health workforce that is consistent across employers, regulators and the Ministry; synthesising data and interpreting, distributing the analysis to the sector and prospective health workforce
j. leading and supporting the HWNZBU and its Group Manager in partnership with the appropriate Ministry of Health (ELT) leader
k. reviewing and monitoring the Board’s and HWNZBU’s work programme, taking account of the Ministry and Government priorities
l. providing public advocacy for the future of the health workforce in support of the Chair and the HWNZBU
m. developing a Health of the Health Workforce interactive plan which outlines workforce data and analysis on a range of workforce topics
n. developing an annual work plan and an annual report to be agreed by the Minister
o. reviewing its annual work plan and terms of reference annually.

Accountability

9. HWNZ is accountable to the Minister of Health for the quality and timeliness of its advice and reports through the HWNZ Chair.

Relationship between the Ministry and Health Workforce New Zealand

10. HWNZBU has been established in the Ministry to provide administrative and planning support to HWNZ and to implement projects and initiatives as agreed.
11. The Chief People and Transformation Officer and ultimately the Director-General of Health are accountable for the performance of the HWNZBU.
12. The Chief People and Transformation Officer will appoint a Group Manager for the HWNZBU after first consulting with the chair of HWNZ on the appointment. The Group Manager will be responsible for the performance of functions and powers delegated by the Chief People and Transformation Officer and set out in a delegation Instrument agreed between the Director-General of Health, Chief People and Transformation Officer and the Group Manager.
13. The Director-General of Health will require the Group Manager to seek advice from HWNZ in the performance of delegated powers and functions.
14. The Director-General of Health will give due regard to the advice provided by HWNZ.

Relationship with other Government Agencies

15. HWNZ will have the ability via the Chief People and Transformation Officer to request advice from other parts of the Ministry and Government agencies on issues related to its work programme.
Membership

16. HWNZ, including the Chair and Deputy Chair, will be appointed by Ministerial letter.
17. Collectively HWNZ will have the following expertise and attributes:

a. knowledge of and expertise in undergraduate, postgraduate, clinical and vocational educational and training programmes for the health and disability sector both in New Zealand and overseas
b. knowledge of New Zealand’s current health and disability services delivery in both hospital and community settings
c. an understanding of health and disability services delivery needs to meet future demands reflecting New Zealand’s ageing population and ethnic mix
d. an ability to think creatively to provide solutions that are not constrained by traditional health and disability sector professional boundaries or current service delivery models.

18. HWNZ will comprise eight members including the Chair and the Deputy Chair (if a Deputy Chair is appointed). The Minister may from time to time alter or reconstitute the HWNZ, discharge or reappoint any member or appoint new members in response to any changes to the key tasks that are being addressed.
19. Any member of HWNZ may tender their resignation at any time by advising the Minister in writing.
20. At any time, the Minister may remove a member or the Chair or the Deputy Chair of HWNZ from that office by notice in writing stating the date from which that decision is effective. The Minister shall have the discretion to consult with the Chair before removing a member from office.
21. Any member of HWNZ may at any time be removed from office by the Minister of Health for inability to perform the functions of office, bankruptcy, neglect of duty, or misconduct, proved to the satisfaction of the Minister.
22. HWNZ may draw on external expertise as required and may appoint expert advisors to assist in making deliberations after first discussing financial implications with the Director-General of Health. These expert advisors are not HWNZ members and have no voting rights.
23. The Director-General of Health shall have a standing invitation to attend HWNZ meetings and to contribute to deliberations, but is not a member of the HWNZ and has no voting rights.

Duties

24. Through their letters of appointment, members of HWNZ will be advised of the term of their appointment and will be given a copy of these Terms of Reference.
25. Members of HWNZ are expected to act in good faith, with reasonable care, and with honesty and integrity when exercising their powers or performing their duties on behalf of the HWNZ duties.
26. Members attend meetings and undertake HWNZ activities as independent persons responsible to the HWNZ. Members are appointed for their knowledge and expertise, not as representatives of professional organisations and groups. HWNZ should not, therefore, assume that a particular group’s interests have been taken into account because a member is associated with a particular group.

Liability

27. A member of HWNZ, in accordance with section 90 (4) of the NZPHDA:

a. is not liable for any legal liability as a result of an act or omission of the Ministry of Health
b. is not liable to the Ministry of Health or the Crown for any act or omission done or omitted in their capacity as a member of HWNZ if they have acted in good faith, and with reasonable care, in pursuance of the role specified for HWNZ in this Terms of Reference.

Disclosure of interest

28. Any HWNZ member, who has an interest in a transaction, which is not limited to advising on contracts but includes exercising all tasks under these Terms of Reference, must, as soon as practicable after the
relevant facts have come to the member’s knowledge, disclose the nature of the interest to HWNZ. For the purposes of this clause, section 6(2) of the NZPHDA will apply.

29. Disclosure under this section must be recorded in the minutes of the next meeting of HWNZ and entered in the separate Conflicts of Interests register.

30. A member of HWNZ who makes a disclosure under this obligation, after that disclosure must not:

a. subject to paragraph 36, take part in any deliberation, discussion or decision of HWNZ relating to the transaction
b. be included in the quorum required for any such deliberation or decision.

31. However, a member of HWNZ who makes a disclosure under paragraph 33 may take part in any deliberation or discussion (but not decision) of HWNZ relating to that transaction provided

a. a majority of the other members of HWNZ and the Chair wish the member to do so and
b. wherever and in whatever form such permission is given, this action must be reported via the minutes.

32. In such a case, HWNZ must record in its minutes:

a. the permission and the majority’s reason for giving it
b. what a member said in any deliberation or discussion relating to the transaction concerned.

33. Every member of HWNZ must ensure that:

a. the statement completed by the member is incorporated in the Conflicts of Interests register, and
b. any relevant change in the member’s circumstances affecting a matter disclosed in that statement is also entered in the Conflicts of Interests register as soon as practicable after the change occurs.

34. Failure to comply with these requirements however, does not affect the validity of any action taken, or arrangement, or agreement, or contract made by the Ministry of Health subsequent to the resolutions made by HWNZ.

Media and communications

35. HWNZ will develop a media and communications strategy.
36. Media statements about HWNZ recommendations will be directed to the Chair. The Chair will provide the Minister of Health or the Minister’s office with advance notice of any media statements.

Confidentiality

37. All HWNZ meetings will be held ‘in committee’, and minutes of proceedings will not be circulated outside HWNZ membership or the Ministry of Health. It is expected that official reports to the Minister of Health will be released into the Public Domain once the Minister of Health has agreed. HWNZ’s proceedings and advice are covered by the Official Information Act 1982.