

Meeting between Laura Fergusson Trust and the Ministry of Health – 11 November 2019

Attendees:

Adri Isbister, Deputy-Director General, Disability, Ministry of Health

Amanda Bleckmann, Group Manager, Operational Performance, Ministry of Health

Heather McLeish, Chief Executive Officer, Laura Fergusson Trust

Dr Simon Barclay, Deputy Chair, LFT

Ministry of Health noted:

- Ministry wants to work closely with LFT and as much as we are having an open conversation today, we cannot criticise each other publically.
- Adri registered her surprise about LFT's intention to exit the Ministry contracts, as Heather first notified the Ministry on 24/10/19 and formally on 1/11/19. It is the Ministry's expectation that providers would engage Ministry about any issues affecting the future of services would occur very early on.
- LFT did not raise any issues the Ministry of Health about the Trust's financial sustainability issues with the prior to engaging PWC 12 months ago.
- LFT did not raise any issues with the Ministry of Health about Trust's financial sustainability prior to the Board's decision to exit their Ministry contracts.
- The Ministry would have worked with the Trust to address their concerns and come up with solutions
- An offer was extended to work through this with the Trust, but it was declined as the Trust's decision to exit the Ministry's contracts is final.
- Noted the Ministry has not had formal notice of exit.

Laura Fergusson Trust noted:

- There have been 8 different Ministry Contract Relationship Managers since 2008 when Heather started at LFT.
- As trustees, there has been an avalanche of changes in the sector.
- LFT has spent the last two years reviewing and reducing costs and ensuring the business is running effectively.
- LFT has experienced frustration about the attitude of NASCs, for example Heather has had to cover the costs of expired service authorisations, there have been endless problems with no answers.
- While ACC were willing to listen to LFT concerns, ACC did not provide any additional funding.
- Contracts with DHBs expire, which means the Trust does not get paid and has to borrow money from the bank to cover these costs.
- LFT raised systemic issues with DSS.
- LFT need to achieve occupancy of 90% and are not able to achieve this.
- LFT set up the stroke rehab programme which was a significant investment, there was low uptake from the DHBs.
- There have been difficulties with immigration and nurses on work permits, who are only employed for 2 years. There is a direct relationship to the results of their certification audits and the turnover of nurses on work permits.
- There have been 5 nurses in 7 years and 5 resignations in last 3 months

- LFT states that the government needs to make a decision to provide adequate funding, plus a margin/profit.
- LFT has valuable assets and cannot erode these assets. Currently, the Trust is eroding the assets at an unacceptable ration.
- The Trust has a responsibility to meet the vision of founders and will continue to deliver services to disabled people.
- PWC created another model for LFT. None of the contracts are profitable and some are running at a s 9(2)(b)00 loss. There were some questions about how the money costs services, level of overhead and R&M.
- Pay equity has been disappointing. It could have offered the chance for career development but has not achieved this for LFT employees.

Next steps

- Ashley Bloomfield to attend a LFT Board meeting on 19 December via VC from 7 – 9 am
- Most concerned about respite services, which impacts approximately 49 families.
- All NASCs have been notified.
- LFT have requested funding to assist with the service exit.
- LFT will provide the Ministry will a business case to assist with the costs of service exit, including the cost of agency staff.
- LFT have redundancy provisions in their employment agreements
- Many LFT staff will be disadvantaged under pay equity if they move to a new employer.
- Agreed Amanda would get advice on this and there may be a mechanism to ensure staff are not disadvantaged.
- 31 people are on work visas and these visas are attached to the service provider.
- Adri to follow up with Ailsa at ADHB requesting the DHB do not recruit LFT staff
- LFT is open to novating the contract, but no decisions have been made.
- Messaging that the contract exit is due to underfunding from the government is disingenuous, as the Trust never raised this as an issue with the Ministry – the Ministry has no record of these conversations happening. The Trust agreed that the decision was made due to their current business model.
- It was agreed that the Trust will develop a detailed transition plan to clarify how clients will be transitioned to alternative support. Confirmed that it would be in both parties best interests to do this is a planned way, and ideally up to August 2020.
- LFT noted that the Whanganui unit has a development opportunity with Wellington LFT.
- It was agreed that Amanda and Heather meet to talk about the transition plans.
- LFT is talking to other providers about novating the contract.
- LFT agreed to share the conclusions of the PWC report with the Ministry, can be used as talking points, however they will not provide the Ministry with the full report.
- Agreed Heather needs support.
- Adri confirmed she can be contacted anytime.
- Simon confirmed he can be contacted immediately if any issues arise.