BOARD MEETING

Date: Wednesday, 26 July 2017

Time: 1.00pm

Venue: Te Waiora Room, DHB Administration Building,
Corner Omahu Road and McLeod Street, Hastings

Members:
Kevin Atkinson (Chair)
Ngahiwi Tomoana
Dan Druzianic
Barbara Arnott
Peter Dunkerley
Dr Helen Francis
Diana Kirton
Jacoby Poulain
Heather Skipworth
Ana Apatu
Hine Flood

Apologies: Barbara Arnott

In Attendance:
Dr Kevin Snee, Chief Executive Officer
Members of Executive Management Team
Members of the public and media

Board Administrator: Brenda Crene

Public Agenda

Item	Section 1 : Routine	Ref #	Time (pm)
1.	Karakia		1.00
2.	Apologies		
3.	Interests Register		
4.	Minutes of Previous Meeting		
5.	Matters Arising - Review of Actions		
6.	Board Workplan		
7.	Chair's Report – verbal		

8.	Acting Chief Executive Officer's Report	75	
9.	Financial Performance Report	76	
10.	Board Health & Safety Champion's Update – Helen Francis	-	
11.	Consumer Story - Kate Coley	-	
	Section 2: Reports from Committee Chairs		
12.	HB Clinical Council & Consumer Council Joint Meeting Report – Chairs	77	1.50
13.	HB Clinical Council Report	78	
14.	Māori Relationship Board – Chair, Ngahiwi Tomoana	79	2.05
	Section 3: For Information / Discussion		
15.	Building a Diverse Workforce and Engaging Effectively with Maori – Presentation – Kate Coley	-	2.10
16.	Health Literacy Progress - Presentation – Kate Coley	-	2.25
17.	Professional Development Policy for the Board – Ken Foote	80	2.35
	Section 4: General Business		
18.	**Section 5: Recommendation to Exclude the Public**		
	Under Clause 32, New Zealand Public Health & Disability Act 2000		

Public Excluded Agenda

Item	Section 6: Agenda Items	Ref #	Time (pm)
19.	Minutes of Previous Meeting		
20.	Matters Arising – Review of Actions		
21.	Board Approval of Actions exceeding limits delegated by CEO	81	2.50
22.	Chair's Update	-	
	Section 7: For Information		
23.	Cranford Hospice draft Business Case – Ken Foote	82	2.55
	Section 8: Reports from Committee Chairs		
24.	Finance Risk & Audit Committee – Chair Dan Druzianic	83	3.05

The next HBDHB Board Meeting will be held at
1.00pm on Wednesday 30 August 2017

Board "Interest Register" - 17 July 2017

Board Member Name	Current Status	Conflict of Interest	Nature of Conflict	Mitigation / Resolution Actions	Mitigation / Resolution Actions Approved by	Date Conflict Declared
Kevin Atkinson (Chair)	Active	Chair of Unison Networks Limited	Potential Conflict of Interest. Non-Pecuniary interest. Unison Networks Limited, trading as Unison, has a lease agreement with HBDHB. Unison leases 3 generators which are located at Hawke's Bay Hospital. HBDHB has an electricity supply contract with Meridian Energy Limited. Meridian Energy Ltd has a subcontract with Unison for the supply of power lines.	Will not take part in any decisions or discussions in relation to HBDHB electricity contracts. Will not take part in any decisions in relation to the generators at Hawke's Bay Hospital and electricity generation.	Chair of FRAC	18.02.09
	Active	Director of Unison Fibre Limited	Non pecuniary interest. Unison is now a provider of high speed broadband to the District Health Board.	Will not take part in any decision or discussions in relation to the provision of high speed broadband to the District Health Board	The Chair of FRAC	17.11.10
	Active	Trustee of Te Matau a Maui Health Trust	The shares in Health Hawke's Bay (PHO) are owned by the Te Matau a Maui Health Trust, representing health and community stakeholders.	Will not take part in any decisions or discussion in relation to the Trust	The Chair of FRAC	Mar-11
	Active	Board Member of NZ Health Partnership Limited, *effective from 20 March 2017*	Lead, supported and owned by the 20 DHBs, NZ Health Partnerships creates efficiencies in the health sector that allow more to be spent on frontline services.	Will not take part in any decisions in relation to NZ Health Partnerships Limited	The Chair of FRAC	22.02.17
Ngahiwi Tomoana (Deputy Chair)	Active	Chair, Ngati Kahungunu Iwi Incorporated (NKII)	Actual Conflict of Interest. Non-Pecuniary interest. Chair of NKII. NKII is titular head of 6 Taiwhenua. 2 NKII Taiwhenua have contracts for health services with HBDHB: (i) Te Taiwhenua Heretaunga is HBDHB's 5th largest health services contractor. The contracts are administered by HBDHB's Planning, Funding and Performance department. (ii) Ngati Kahungunu Ki Wanganui a Orutu has a contract with HBDHB to provide mental health services. This contract is administered by HBDHB's Planning, Funding and Performance department.	Will not take part in any decisions in relation to the service contracts between the NKII Taiwhenua and HBDHB.	The Chair	01.05.08
	Active	Brother of Waiariki Davis	Perceived Conflict of Interest. Non-Pecuniary interest. Waiariki Davis is employed by HBDHB and is the Health Records Manager.	Will not take part in any decisions in relation to Health Records management. All employment matters in relation to Waiariki Davis are the responsibility of the CEO.	The Chair	01.05.08
	Active	Uncle of Tiwai Tomoana	Perceived Conflict of Interest. Non-Pecuniary interest. Tiwai Tomoana is employed by HBDHB and is a Kitchen Assistant in the Food and Nutrition Department at Hawke's Bay Hospital.	All employment matters in relation to Tiwai Tomoana are the responsibility of the CEO.	The Chair	01.05.08
	Active	Uncle of Iralee Tomoana	Iralee Tomoana is employed by HBDHB and works in the Radiology Department as a clerical assistant.	All employment matters in relation to Iralee Tomoana are the responsibility of the CEO.	The Chair	01.05.08
	Active	Brother of Numia Tomoana	Perceived Conflict of Interest. Non-Pecuniary interest. Numia Tomoana is employed by Cranford Hospice and works as a palliative care assistant and, in this role, works with chaplains at Hawke's Bay Hospital.	Will not take part in any decisions in relation to the Chaplain service at Hawke's Bay Hospital.	The Chair	01.05.08
Barbara Arnott	Active	Trustee of the Hawke's Bay Air Ambulance Trust	HBDHB has a partnership contract with Skyline Aviation who together operate the HB Air Ambulance Service which is supported by the Trust.	Declare this interest prior to any discussion on the HB Air Ambulance Services and Chair decides on appropriate mitigation action	The Chair	10.05.10
Dr Helen Francis	Active	Alzheimer's Napier previously a Committee member Patron and Lifetime Member	Alzheimer's Society holds a contract with the HBDHB to provide dementia specific daycare and community services.	Will not take part in any decisions or discussion in relation to HBDHB contract with Alzheimer's Society	The Chair	08.06.10 21.06.14
	Active	Employee of Hastings Health Centre	Actual Conflict of Interest. Pecuniary Interest.	Will not take part in any decisions or discussions in relation to Hastings Health Centre.	The Chair	18.02.09
	Active	Trustee of Hawke's Bay Power Consumers' Trust which holds all the shares in Unison Networks Limited.	Potential Conflict of Interest. Non-Pecuniary interest. Unison Networks Limited, trading as Unison, has a lease agreement with HBDHB for a generator which is located at Hawkes Bay Fallen Soldiers Memorial Hospital. HBDHB has an electricity supply contract with Meridian Energy Limited. Meridian Energy Ltd has a subcontract with Unison for the supply of power lines.	Will not take part in any decisions or discussions in relation to HBDHB electricity contracts. Will not take part in any decisions in relation to the generators at Hawke's Bay Hospital and electricity generation.	The Chair	03.10.11
	Active	HB Medical Research Foundation	Trustee	Declare this interest prior to any discussion in relation to the Foundation, and an appropirate mitigation action is decided on.	The Chair	20.08.14

Board Member Name	Current Status	Conflict of Interest	Nature of Conflict	Mitigation / Resolution Actions	Mitigation / Resolution Actions Approved by	Date Conflict Declared
Diana Kirton	Active	Brother, John Fleischl, is a Senior Medical Officer (surgeon) employed by HBDHB.	Perceived Conflict of Interest. Non-Pecuniary interest.	Will not take part in any decisions in relation to surgical services provided by or contracted by HBDHB. All employment matters in relation to John Fleischl are the responsibility of the CEO	The Chair	18.02.09
	Active	Employee of Eastern Institute of Technology (EIT), Practicum Manager, School Health and Sports Science from 3 Feb 2014	Non-pecuniary interest: Organises student practicum placements with some HBDHB funded health providers.	Declare this prior to any discussion in relation to EIT in the area of interest, and an appropirate mitigation action is decided on.	The Chair	16.01.14
	Active	Trustee of Hawke's Bay Power Consumers' Trust which holds all the shares in Unison Networks Limited.	Potential Conflict of Interest. Non-Pecuniary interest. Unison Networks Limited, trading as Unison, has a lease agreement with HBDHB for a generator which is located at Hawkes Bay Fallen Soldiers Memorial Hospital. HBDHB has an electricity supply contract with Meridian Energy Limited. Meridian Energy Ltd has a subcontract with Unison for the supply of power lines.	Will not take part in any decisions or discussions in relation to HBDHB electricity contracts. Will not take part in any decisions in relation to the generators at Hawke's Bay Hospital and electricity generation.	The Chair	03.10.14
	Active	Member, Hawke's Bay Law Society Standards Committee	Law Society	No conflict perceived	The Chair	20.06.17
	Active	RENEW counselling services	Counsellor	No conflict perceived	The Chair	17.07.17
Dan Druzianic	Active	Director of Markhams Hawke's Bay Limited	Potential Conflict of Interest. Some clients may from time to time be employed by or have contracts with HBDHB	Declare an interest at any time an issue arises concerning a client, and take no further part in any decision or discussion on this matter.	The Chair	7.12.10
Jacoby Poulain	Active	Board Member of Eastern Institute of Technology (EIT)	Perceived conflict - HBDHB has a Memorandum of Understanding (MOU) with EIT relating to training and development in health related occupations.	Will not take part in any decisions or discussions in relation to the MOU between HBDHB and EIT	The Chair	14.1.14
	Active	Councillor Hastings District Council	Potential conflict as potential advocate for Hastings District population whereas HBDHB coveres whole of Hawke's Bay	Declare this interest prior to any discussion on the specific provision of services in Wairoa and Chair decides on appropriate mitigation action.	The Chair	14.1.14
Heather Skipworth	Active	Daughter of Tanira Te Au	Kaumatua - Kaupapa Maori HBDHB	All employment matters are the responsibility of the CEO	The Chair	04.02.14
	Active	Trustee of Te Timatanga Ararau Trust (aligned to Iron Maori Limited)	The Trust has contracts with HBDHB including the Green Prescription Contract; and the Mobility Action Plan (Muscular Skeletal)	Will not take part in any discussions or decisions relating to any actions or contracts with the Trust or aligned to Iron Maori Limited.	The Chair	04.02.14 25.03.15 29.03.17
	Active	Director of Kahungunu Asset Holding Company Ltd	The asset portfolio of the company in no way relates to health, therefore there is no perceived conflict of interest.	Unlikely to be any conflict of Interest. If in doubt will discuss with the HBDHB Chair.	The Chair	26.10.16
Peter Dunkerley	Active	Trustee of Hawke's Bay Helicopter Rescue Trust	Actual conflict of interest. The Trust provides helicopter patient transfer services to HBDHB	Will not take part in any decision or discussion in relation to any contract or financial arrangement between HBHRT and HBDHB	The Chair	15.05.14
Ana Apatu	Active	CEO of U-Turn Trust (U Turn is a member of Takitimu Ora Whanau Collective)	Relationship and and may be contractural from time to time	No conflict	The Chair	5.12.16
	Active	Chair of Directions	Relationship and contractual	Potential Conflict as this group has a DHB Contract	The Chair	5.12.16
	Active	Chair, Health Promotion Forum	Relationship	No conflict	The Chair	5.12.16
Hine Flood	Active	Member, Health Hawkes Bay Priority Population Committee	Pecuniary interest - Oversight and advise on service delivery to HBH priority populations.	Will not take part in any conflict of interest that may arise or in relation to any contract or financial arrangement with the PPC and HBDHB	The Chair	14.02.17
	Active	Councillor for the Wairoa District Council	Perceived Conflict - advocate for the Wairoa District population and HBDHB covers the whole of the Hawkes Bay region.	Declare this interest prior to any discussion on the specific provision of services in Wairoa and Chair decides on appropriate mitigation action.	The Chair	14.02.17

MINUTES OF THE BOARD MEETING
HELD ON WEDNESDAY 28 JUNE 2017, IN THE TE WAIORA ROOM,
DHB ADMINISTRATION BUILDING, MCLEOD STREET, HASTINGS
AT 1.05 PM

Present: Kevin Atkinson (Chair)
Ngahiwi Tomoana (Deputy Chair)
Dan Druzianic
Helen Francis
Peter Dunkerley
Diana Kirton
Barbara Arnott
Heather Skipworth
Jacoby Poulain
Ana Apatu
Hine Flood

In Attendance: Kevin Snee (Chief Executive Officer)
Members of the Executive Management Team
Chris McKenna and Dr Mark Peterson (as co-Chairs, HB Clinical Council)
Graeme Norton (Chair, HB Health Consumer Council)
Brenda Crene (Board Administrator)

No media or members of the public were present

KARAKIA

Ngahiwi Tomoana opened the meeting with a Karakia.

APOLOGY

No apologies were advised for June.

Barbara Arnott advised she will not be available to attend the July meeting.

The CEO, Dr Kevin Snee will be on leave for the July meeting, with Tracee TeHuia attending as Acting CEO.

3. INTEREST REGISTER

No changes to the interests register were advised

No board member advised of any interest in the items on the Agenda.

4. CONFIRMATION OF PREVIOUS MINUTES

The minutes of the Board meeting held on 31 May 2017, were confirmed as a correct record of the meeting.

Moved: Peter Dunkerley
Seconded: Heather Skipworth
Carried

5. MATTERS ARISING FROM PREVIOUS MINUTES

Item 1: **Chaplaincy Services –** letters were sent to the four local council Mayors seeking financial support towards Chaplaincy Services. Ongoing

Item 2: **Maori Workforce** – item for July agenda

Item 3: **Dementia Wing** – An update to be provided under item 18 in the days agenda. A further update will be provided in July. Ongoing

Item 4: **Request MoH to reconsider relief towards the $1m cost of the Campylobacter Crisis in Havelock North** – The CEO advised HBDHB will receive the 1 million sought. Actioned

Item 5: **Annual Plan** – Item 16 on the days agenda. Actioned

Item 6: Actioned

Item 7: **365 Presentation to the Board** – Item 11 on the days agenda. Actioned

Item 8: Actioned

Item 9: Actioned

Item 10: **Health Literacy / making health care easier to understand:** July agenda item.

Item 11: Actioned

Item 12: Human Resource KPIs for quarter 3: Higher percentage of new managers in the workforce noted. Response to the Board in June.

Kate Coley advised the spike of 25 additional positions related to an increase of only 10 positions, with the majority of the spike being recoding of positions. We still remain under the Admin cap.

6. BOARD WORK PLAN

The Board Work Plan was noted.

7. CHAIR'S REPORT

- The Chair advised the following retirements, with a letter being sent conveying the Board's best wishes and thanks for their extended years of devoted service.

Name	Role	Service	Years of Service	Retired / Retiring
Mary Norris	Registered Nurse	Surgical Directorate	28+	25-May-17
Jane Fitchett	Laboratory Scientist	Operations Directorate	20	9-Jun-17
Peter Trotter	Social Worker	Older Persons & Mental Health	38	23-Jun-17
Phyllis Patrick	Registered Nurse	Medical Directorate	42	23-Jun-17
Wendy Simcock	Registered Nurse	Surgical Directorate	14+	30-Jun-17
Margaret Osborne	Call Centre Operator	Corporate Services	25	2-Jul-17
Bernice Phillips	Receptionist	Operations Directorate	30	9-Jul-17
Dr Jennifer Corban	Paediatrician	Communities Women & Children	28	10-Jul-17

- On 26 May HBDHB received the new funding envelope for 2017/18. This was a little more than management had been expecting. Not too long after this a call was received from the MoH advising an error had been made ($39m being provided in error to some DHBs). For HBDHB this equated to $2.1m and the MoH advised we could possibly retain the additional funding.

- On 14 June the MoH advised that after consideration they could honour the earlier indicative notification and we would not receive $2.1m (provided over our allocation). This then required adjustments to be made to our budgets.
- The Chair advised the MoH had relayed 15 monitoring indicators for the year ahead.
- On 14 June the Supreme Court of NZ unanimously decided to uphold the Waitemata DHBs Smoke Free policy. This has taken 5 years. HBDHBs Policy is consistent with that upheld.

8. CHIEF EXECUTIVE OFFICER'S REPORT

The CEO provided an overview of his report with comments noted in addition to the report including:

Reflecting on an interesting year which have taken a toll on staff. The key indicators were now coming back on track. The Clinical Services Plan and People strategy would receive intense focus with reporting and recommendations coming together in February 2018.

Appended to CEO's Report was a letter entitled "Shorter Stays in emergency departments health target visit – 10 March 2017" which provided a fairly favourable view from the visit by Dr Angela Pitchford, the MoH target champion in this area. Several suggested recommendations were made for consideration. Dr Pitchford came knowing what the challenges were. Performance has really improved over the past year, now we need to bring everything to fruition.

The AAU and general medical physicians structure was receiving close attention and they were now working closely with urgent care. Urgent care matters have moved forward and there will likely be agreement reached in September.

9. FINANCIAL PERFORMANCE REPORT

Tim Evans (ED of Corporate Services) spoke to the Financial Report for May 2017, which showed a favourable variance of $314 thousand with a year to date adverse variance of $1.5m, remaining confident we will be on-track for a revised target "investment fund" of $3.5m.

Special financial measures remain but consideration to return to normal budgeting rules 1 July, needs to be clear.

Expenditure on the Endoscopy Unit build had been included with the financial report.

Figures for month 12 will be initial, followed by wash ups (including Inter District Flows).

An approach had been made to the Royston Trust seeking assistance with the $1m Gastro Crisis cost, however Royston advised there were a number of items for consideration and the Trust would prefer to ascertain their direction before responding.

10. HEALTH & SAFETY BOARD CHAMPION'S UPDATE

No report this month as the H&S Champion, Helen Francis, had been on leave

Kate Coley (ED People and Quality) advised there had been a subcontractor accident and Work Safe NZ personal had been on site. They advised they were comfortable with what had been done and our records were up to date.

11. SAFE 365 TOOL PRESENTATION

Kate Coley (ED of People and Quality) presented Safe 365 a health and safety legislation tool to assess our capability. This is not a tick box exercise, it is very much about building the culture and capability of our staff and not be reliant solely on the health and safety advisor.

In summary:

- Contains modules around Director, Manager, Staff and sub-contractor knowledge.
- The role of Health and Safety Champion will provide further insight.
- Overall our safety index sits at 50% - relative to ACC work management practices. We currently sit at the secondary level and will use the tools to find gaps which should see this index rise to around 75% in the near future.
- We need to utilise this tool with our Contractors and close potential gaps in this area.

We will have a new integrated risk management system implemented in the near future.

Other DHBs are considering using the Safe 365 tool. MoH has reviewed but has not yet made a decision. Hawke's Bay are one of the first DHBs to be using this.

A query was received from the Consumer Council Chair, who (from memory) believed the DHB had been running at 30 LTIs per month. At the time HBDHB were at a similar rate to other DHBs. **Action: Kate Coley will check statistics past and present, and respond.**

REPORT FROM COMMITTEE CHAIRS

12. HAWKE'S BAY CLINICAL COUNCIL

Co-Chair Dr Mark Peterson spoke to the report from the Council meeting held on 14 June 2017. He highlighted pathways work which was progressing with an expectation of an evaluation in 6 months time as to the way forward regarding NEXXT / Map of Medicine.

Interesting presentations had been received from Dr Andy Phillips (Health System Performance insights), Dr Russell Wills (Health Round Table data) and Dr Robin Whyman (on Oral Health).

13. HAWKE'S BAY HEALTH CONSUMER COUNCIL

Graeme Norton Chair of Council spoke to his report specifically about concerns from consumer members at their meeting on 15 June in response to items on the agenda. We are making headway on consumer issues that matter to the community - but we are not getting there very fast! A culture change is needed as "dumb stuff" keeps occurring.

Graeme provided two short patient journey stories. The first was what seemed to be a tortuous path to admission – with the system holding back on logical efficiencies! There was a very simple fix.

The 2nd story related to compassionate care that maximises what a family can bring to a patient.

It was felt the two stories summed up the feelings of Consumer Council generally.

Several Board members empathised, this is about humanising the systems to get better results.

Consumer members feel the pathways are for clinicians, with the pathways for consumers further back. Until there is a decent platform operating, consumers will continue feel like they will continue to feel like they are climbing a hill.

14. HAWKE'S BAY HEALTH CONSUMER COUNCIL APPOINTMENTS

Ken Foote (Company Secretary) advised the Chief Executives of HBDHB and General Manager of Health Hawke's Bay Ltd had been provided with the detail of the members for appointments which they had approved. In accordance with the Terms of Reference following this approval endorsement is also sought from the respective Boards (HBDHB and Health HB).

The following recommendation was then approved as follows:

RECOMMENDATION

That the Board endorse the CEO's approval to appoint:

- The following members of Consumer Council for a further term of two years:
  - Rachel Ritchie
  - Sarah Hansen
  - Jenny Peters
  - Olive Tanielu
- The following new members to vacant positions on Consumer Council for a term of two years:
  - Diane Mara
  - Deborah Grace

Moved **Barbara Arnott**
Seconded **Helen Francis**
Carried

15. MĀORI RELATIONSHIP BOARD

With the MRB meeting Chair not present, Ana Apatu spoke to the meeting held 14 June 2017.

Always a robust discussion around the MRB table. The Health Literacy paper was received and it was suggested the work being done by HBDHB and the PHO be merged. Steady progress was being made with oral health. Consumer feedback had been great. Presentation on Cultural competency framework – very supportive of the work the PHO was doing.

PASIFIKA HEALTH LEADERSHIP GROUP

Barbara Arnott (Chair of CPHAC) who oversees the PHLG, advised the Group had met on 25 May and then again on 21 June.

Two navigators were commencing soon which was encouraging as the members were feeling discouraged that their focus had not appeared to make much difference to the health of Pacific Island people in the HB community.

Discussions centred around how the DHB and PHO can best support Pasifika generally and PHLG specifically. Several community meetings will be held this calendar year. Governance training will be provided and PHLG will also be involved in the Clinical Services Plan development.

There is very real focus to move this back on track. It was very clear members' hearts were in the right place with many of them skilled professionals in the community.

FOR DECISION

16. 2017/18 ANNUAL PLAN & CENTRAL REGION RSP (final drafts)

Tracee TeHuia introduced Carina Burgess (Head of Planning)

Annual Plan:

The processes and timeline requirements imposed had been difficult to work with again this year. This was the second viewing by the full Board of the Draft document since it first provided back in March.

The Annual Plan in final form was due to the MoH in two days ie, Friday 30th June, therefore there is no ability to come back through a meeting.

With the constraints imposed Barbara Arnott expressed her congratulations for the work undertaken.

In summary comments include:

- Page 74 living within our means – more commentary required.
- Budget recommendations would be developed correctly and "surplus" not referred to in future.
- Sharon advised of change to Mental Health legislation in 2018. In August, there will be a presentation to the Board with a new whole of sector funding approach. Hine felt more work required working with NGOs around mental health.
- Part of the work being done is ensuring Ministry of Social Development are linked in and knowledge is shared.

Regional Services Plan:

- The RSP is good but far too long at 81 pages. Needs to be simpler.
  Action: CEO and Chair to pass this message on.
- HBDHBs five-year strategy development has helped us to construct a more easily developed annual plan.
- Page 50 - conveys what we would like to see in Mental Health.
- Page 104 - query about the headings? Need columns in the table.

RECOMMENDATION

That HBDHB Board:

1. Approve the Final Draft Regional Services Plan 2017/18 and give permission for Central TAS to use the CEO and Chair's signatures in the Final. Ensure comments conveyed regarding length and simplicity.
2. Approve the Final Draft Annual Plan and delegate two signatories to sign off the Final Plan once the financials are completed and appropriate adjustments made to the Final Plan.

Moved: **Barbara Arnott**
Seconded: **Ana Apatu**

Carried

FOR DISCUSSION / INFORMATION

17. YOUTH HEALTH STRATEGY UPDATE

Nicky Skerman spoke to her report and discussion/comments included:

- Biggest Challenge redesigning youth health. The frustration of youth has made us more aware. We are happy with progress – but this will take time.
- Youth Consumer Council members are highly connected within the Consumer Council and they work as a team. Having them both is very valuable. Amazing what they do with such energy.
- There will be a further update in 12 month's time.
  Action: Include Youth Health Strategy Update on workplan for June 2018 and ensure Youth Consumer Council member attends.

18. DEMENTIA WING GLENGARRY HOUSE

Tim Evans introduced Paul Malan (Strategic Services Manager) who provided a verbal update around the potential closure of the dementia wing.

Several meetings with residents of Wairoa and another with the locality governance group had been held in June. There had been wide discussion across the community. Considering the themes, strengths/weaknesses and the gaps. Our idea of the projected need is the same as the Wairoa community. People being kept at home was one of many issues.

Agreed on a goal and key elements to focus on and it is a locality matter. We will keep the facility operating in the interim and new redesigned solutions will be worked through and coordinated with stakeholders.

There were more Maori utilising the services than first thought. Bupa (the facility and service provider) have a great manager who is very keen to work with the community to achieve a good result. Social health and localities work being undertaken has established a community partnership forum.

Feedback / discussion:

- Hine advised that Paul did a brilliant job and the families knew they had to have this relationship. This was a vulnerable time for many who were coping with their family members.
- Would be great if the CEO and Chair visited Wairoa.

A further update will be provided at the July Meeting.

Action: This is a "good news story". Ken Foote will brief Communications.

FOR MONITORING

19. CONSUMER EXPERIENCE FEEDBACK Q3 – Presentation for Jan-Mar 2017

Kate Coley (ED of People and Quality) provided a presentation on the challenges gaining adequate survey data from the community who have had a stay in hospital. The data provided in this instance is of limited value given the small number of responses! This is a national problem and is a requirement by the MoH to be undertaken on a quarterly basis.

We have received four complaints since "Go Well" (the travel initiative) was introduced, two from residents regarding street parking and two around access to disability parks due temporarily to building work being undertaken.

Feedback / discussion:

- Consumer Council believes we stop surveys and focus on what needs to be done, as they same matters being raised in surveys continue.
- Multiple avenues required locally. A Patient Experiences Project will be undertaken to find a way to better engage, listen and do something about the feedback.
- NUKA system review - a team of five people from HB have been sent to the South Central Foundation in Alaska.

20. TE ARA WHAKAWAIORA / ORAL HEALTH

Dr Robin Whyman (Clinical Director for Oral Health) as Champion of Oral Health advised the team have done some fantastic work and have had a lot of cooperation. The focus is on two indicators

a) Preschool (focus because if children enrolled early – preventative) pleased with progress but have a data set /denominator problem which is being worked through. Based off census. Good but work to do; and

b) Pre-schoolers caries free at 5 years old. Have seen an 8% increase in Maori children which has been pleasing and closing the equity gap.

The bigger challenge is Pacific caries free has been trending flat. Need an interdisciplinary broader approach. Concern also remains for Central HB.

Fluoridation in Hastings and Havelock has been stopped as since the gastro outbreak, the Fluoride infrastructure has been used to chlorinate the water.

Fluoridation decisions being handled by DHBs in future is scheduled to be put through Parliament (7th August) to get through this sitting. Fluoridation may survive through the Election but it is further down the list than we would like!

Feedback:

- Maori/Pacific providers appear to be concerned with focus on data rather than engagement! Time and focus is needed.
- Jacoby Poulain suggested that relationships and role definition could be enhanced with the Well Child Tamariki Providers. A comparison between providers would appear prudent!
- Advised that Maori were prioritised.

21. ANNUAL PACIFIC HEALTH PLAN Q3 (Jan-Mar 2017)

Tracee TeHuia (ED of Strategy and Health Improvement) and Talalelei Taufale (Pacific Health Development Manager), as advised earlier work is being done to move the Pasifika Health Leadership Group forward. The dashboard provided is part of this review.

- It is important to monitor, initially 6 monthly, however this will now be reported quarterly, in line with MRB.

Action: Include Pasifika quarterly reporting on the workplan.

- It is planned to align access to the Board and through the PHO ie, do it once and share in both forums, as there are contributory measures across primary care also.
- Ngahiwi Tomoana felt this was the most comprehensive set of data he had seen to date.
- We do have a Whanau Ora provider to shape something for families – they need to say what they need in partnership with the community and community groups.
- Navigators start on Monday. Shifting responsibility of these indicators to mainstream so responsibility is across the system. In future Talalelei will be monitoring as the system monitors for all ethnicities.
- Do have a navigator in Totara Health who is working well.

The Board look forward to the next quarter's results.

GENERAL BUSINESS

There being no further discussion, the Chair accepted a motion to move into Public Excluded.

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION

That the Board

Exclude the public from the following items:

23. Confirmation of Minutes of Board Meeting
24. Matters Arising from the Minutes of Board Meeting
25. Board Approval of Actions exceeding limits delegated by CEO
26. Chair's Update
27. People Strategy Presentation
28. Cranford Hospice Autonomy Project Update
29. HB Health Alliance
30. Hawke's Bay Clinical Council
31. Finance Risk and Audit Committee Report
    - Final Budget 2017-18

Moved: **Dan Druzianic**
Seconded: **Hine Flood**
Carried

The public section of the Board Meeting closed 3.40pm

Signed: _____

Chair

Date: _____

BOARD MEETING - MATTERS ARISING
(Public)

Action No	Date Issue first Entered	Action to be Taken	By Whom	Month	Status
1	29 Mar 17 28 June 17	**Chaplaincy Service Costs:** Letters were sent (at end of June) to the four local Council Mayors seeking support with Chaplaincy costs. Update on responses received.	Ken Foote	 July	
2	26 Apr 17	**Māori Workforce:** Management agreed to consider: a) MRB's recommendation regarding Māori employed (currently at 13.75% of the total workforce) be lifted to 25% over next 5 years *ie., the 25% being based on the percentage of Māori within the HB population.* b) This discussion to include a review of comments from EXIT interviews of Māori Staff. c) Confirm timing for inclusion on the MRB agenda to discuss what is achievable.	Kate Coley	~~June~~ July	Presentation in July, entitled "Building a Diverse Workforce and Engaging Effectively with Māori"
3	31 May 17 28 June 17 28 June 17	**Dementia Wing – Glengarry House, Wairoa:** The Board supported the consultation process around the Dementia Wing at Glengarry House and requested the following: a) A progress update at the June Board meeting. b) Considering consultation may take longer, a full update including recommendations will be provided to the July Board Meeting. Good news story for Communications	 Paul Malan Tim Evans Ken Foote	 June July 	 Actioned Verbal Update Actioned

Action No	Date Issue first Entered	Action to be Taken	By Whom	Month	Status
4	31 May 17	**Health Literacy / Making Health Care easier to understand:** Interim: ✓ Identify what needs to be fixed and focus on getting six things moving forward ✓ Set up some processes to ensure consistency across the organisation ✓ Be active in co-design and do in parallel. Board Update in July: A progress/update with clear actions and timetable to be provided.	Kate Coley	July	Presentation – on the July agenda
5	28 June 17	**Health and Safety** (under item 11 Safe 365 Tool). Check statistic quoted of 30 LTIs experienced per month.	Kate Coley	July	Refer below for response
6	28 June 17	**Consumer members appointment letters** & forms to be issued	Admin	July	Actioned
7	28 June 17	**Youth Health Strategy Update:** Include on Board agenda in June 2018 Ensure a Youth Consumer Council member attends. Note on workplan.	Admin Admin	June	Actioned Actioned
8	28 June 17	**Pasifika Health Plan Qtly Updates:** to be included on the workplan.	Admin	June	Actioned

Response to Item 5 (from Board Meeting 28 June): A concern was raised with regards to a view that the DHB had 30 lost time injuries per quarter or month. Having reviewed the last two years data the above graph shows the workplace injuries that resulted in time having to be taken off work. On average this normally equates to 10 injuries per quarter. A further breakdown and analysis of the types of injuries and the length of time taken off work will be provided on a bi-monthly basis in the Occupational Health & Safety FRAC report.

HAWKE'S BAY DISTRICT HEALTH BOARD – WORKPLAN

Mtg Date	Papers and Topics	Lead(s)
30 Aug	Quality Accounts draft	Kate Coley
	Consumer Engagement Strategy	Kate Coley
	Recognising Consumer Participation	Kate Coley
	Histology Laboratory and completion of the Education Centre (final approval of tender)	Andy Phillips
	Social Inclusion (TBC)	Tracee TeHuia
	Ngātahi Vulnerable Children Project (Board action Feb 17)	Tracee TeHuia / Russell
	Transform & Sustain Strategic Dashboard	Tracee TeHuia
	Travel Plan Report	Sharon Mason
	Monitoring	
	Annual Maori Health Plan Q4 – Dashboard	Tracee TeHuia
	HBDHB Non-Financial Exceptions Report Q4 Apr-Jun 17 + MoH	Tim Evans
	HR KPIs quarterly	Kate Coley
	Te Ara Whakawaiora / Culturally Competent Workforce (local ind)	Kate Coley
	Te Ara Whakawaiora / Mental Health and AOD (national / local)	Sharon Mason
6 Sept	**HB Health Sector Leadership Forum – East Pier, Napier**	
27 Sept	Orthopaedic Review – phase 3 draft	Andy Phillips
	Quality Accounts final	Kate Coley
	Consumer Experience Results Q4	Kate Coley
	Waioha Primary Birthing Unit – Benefits Realisation	Chris McKenna
	Annual Report (Interim)	Tim Evans
	Position on Reducing Alcohol Related Harm	Tracee TeHuia
	Monitoring	
	Te Ara Whakawaiora – Healthy Weight Strategy (national Indicator)	Tracee TeHuia
25 Oct	Establishing Health and Social Care Localities Update	Tracee TeHuia
	Annual Report 2017 (Board and FRAC)	Tim Evans
29 Nov	Travel Plan Update Report	Sharon Mason
	Surgical Expansion Projet	Sharon Mason/Janet Heinz
	People Strategy Update	Kate Coley
	Best Start Healthy Eading & Activity Plan update (6 mthly)	Tracee TeHuia
	Monitoring	
	HR KPIs Q1 July-Sept 17	Kate Coley
	Te Ara Whakawaiora – smoking (national Indicator)	Tracee TeHuia
	Maori Annual Plan Q1 Dashboard	Tracee TeHuia
	Pasifika Health Plan Q1 Dashboard	Tracee TeHuia
	HBDHB Non-Financial Exceptions Report Q1 Jul-Sept 17 + MoH dashboard Q4	Tracee TeHuia

Mtg Date	Papers and Topics	Lead(s)
13 Dec	Audit NZ Final Management Report on the audit of HBDHB for y/e June 2017 Consumer Experience Qtly feedback and Annual Review since inception Transform and Sustian Report (TBC as timelines very tight)	Tim Evans Kate Coley Tracee TeHuia
Jan 2018	**No meeting**	
28 Feb 18	Quality Annual Plan – 2017-18 6 month progress report People Strategy Clinical Services Plan ***Monitoring*** HR KPIs Q2 Oct-Dec 17 Maori Annual Plan Q2 Dashboard Pasifika Health Plan Q2 Dashboard HBDHB Non-Financial Exceptions Report Q2 Oct-Dec 17 + MoH dashboard Q1	Kate Coley Kate Coley Tracee TeHuia Kate Coley Tracee TeHuia Tracee TeHuia Tim Evans

CHAIR'S REPORT

Verbal

HAWKE'S BAY District Health Board Whakawāteatia	**Chief Executive Officer's Report** 75
	For the attention of: **HBDHB Board**
Document Owner:	Tracee Te Huia, Acting Chief Executive Officer
Reviewed by:	Not applicable
Month as at	20 July 2017
Consideration:	For Information

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Recommendations

That the Board

1. **Note** the contents of this report.

INTRODUCTION

This month is a fairly light agenda albeit there is lots happening in the sector. I am very proud of our staff, having finished this year well financially and are showing improvement across a number of priority areas including the Ministers targets. Even with the challenging final quarter the organisation was well galvanised to ensure we met our financial commitment. We have just refreshed the Transform and Sustain programme and have a tight alignment from effort through to reporting. The Matariki Hawke's Bay Regional Economic Strategy (HBREDS) is currently under review having now been implemented for a year. The Social Inclusion Strategy is expected to be with the Board for sign off at your August meeting. The DHB is the Sponsor for this strategy and if it is well implemented alongside Matariki HBREDS, it will make an important contribution to the health and wellbeing of our community.

I have included a good overview on where we are with targets at year end. Our performance against the Ministerial targets is to be applauded and I have asked our Executives to thank the organisation for their performance albeit we are heavy laden with staff sickness and increased numbers through ED at present. I am advised that the same pressure is in Primary Care also. We need to keep a tight watch on this and ensure responses meet need.

PERFORMANCE

Measure / Indicator	Target	Month of June	Qtr to end June	Trend For Qtr
Shorter stays in ED	≥95%	94.4%	94.7%	▲
Improved access to Elective Surgery (2016/17YTD)	100%	-	100.9%	▲

Waiting list	*Less than 3 months*	*3-4 months*	*4+ months*
First Specialist Assessments (ESPI-2)	2,465	390	80
Patients given commitment to treat, but not yet treated (ESPI-5)	1,107	108	11

Faster cancer treatment*	≥85%	76.5% (May 2016)	72.8% (6m to May 2016)	▲

Measure / Indicator	Target	Month of June	Qtr to end June	Trend For Qtr
Increased immunisation at 8 months (3 months to end of April)	≥95%	---	95.0%	▲
Better help for smokers to quit – Primary Care	≥90%	91.0%	---	▲
Better help for smokers to quit – Maternity	≥90%	---	92.8% (Quarter 3, 2016/17)	▲
Raising healthy kids (New)	≥95% (by Dec 2017)	---	96% (6m to June)	▲
Financial – month (in thousands of dollars)	2,972	3,088	---	---
Financial – year to date (in thousands of dollars)	5,000	3,567	---	---

**Based on the expected annual cancer registrations for the DHB supplied by the Ministry, the DHB is expected to identify at least 228 people a year (19 a month) as patients with a high suspicion of cancer.*

Faster Cancer Treatment Expected Volumes v Actual	*Target*	*Month Actual / Expected*	*Rolling 6m Actual / Expected*
	100%	*17/19 = 89%*	*103/114 = 90.4%*

Ministerial Targets

Shorter Stays in Emergency Departments
Performance this month shows an improvement in our Shorter Stays in Emergency Departments (ED6). ED has achieved 94.6 percent for the month of June (rounded up to 95 percent) and an average of 94 percent across the 2016/17 year.

Improved Access to Elective Surgery
Elective activity has achieved plan; 100.9 percent against the health target, 102.09 percent against Additional Orthopaedic Joints and 102.59 percent against the General Surgery additional plan.

Faster Cancer Treatment
For Faster Cancer Treatment, further improvements have been made to reduce waiting times for diagnostic intervention, both internally and with external providers. Similarly, there have been marked reductions in waiting times for surgical treatment internally despite strong pressure on HBDHB Surgical Services. Partnership with Improvement Advisors has identified a number of opportunities for improvement across pathways with many having already been actioned. Following meetings between the CEO and Clinical Leads of tumour streams, the Faster Cancer Treatment Action Plan has been refreshed. This includes an emphasis on one-stop shops for diagnosis and treatment, reduced waiting times for diagnostic tests, improved triaging from clinical teams, design of electronic systems to replace paper processes and agreement of waiting times with external providers.

Increased Immunisation
Hawke's Bay is ranked second nationally for the eight month Immunisation target which has been met this quarter at 95 percent. This is a pleasing result when the national coverage has dropped slightly from 93.2 percent to 91.9 percent.

Raising Healthy Kids
From 1 July 2016 the Ministry of Health implemented a new target focused on childhood healthy weight. The Raising Healthy Kids target monitors children engaged in the Before School Check programme, reporting on children in the 98th weight percentile and their referral to general practice and family-based support. The collaborative work delivered by Population Health, Child Health, Health Hawke's Bay and general practices to support the target included training, the development of a healthy conversation tool and individual practitioner follow-up. This work has resulted in the target being met six months before the Ministry of Health deadline. In June 2017, 95 percent of children identified at a Before School Check as being in the 98th weight percentile, received a referral and support.

Financial Performance
The variance from budget for the month of June is $116 thousand favourable, resulting in a $3.6 million surplus in comparison to the $3.5 million forecast.

SYSTEM LEVEL MEASURES
The 2016/17 System Level measures have been achieved. These measures are set by the Ministry of Health as indicators of the whole system working well. In 2016/17 the measures were acute hospital bed days, ambulatory sensitive hospitalisations for 0-4 years, amenable mortality and person centred care – roll-out of the primary care patient experience survey. Milestones and activity were set in collaboration with Health Hawke's Bay and Primary Care colleagues. The results will be included in the August non-financial performance report. The 2017/18 System Level Measures plan has been submitted to the Ministry of Health and aims to build on this performance with more challenging milestones to be met.

HAND HYGIENE RESULTS
The most recent report (April to June 2017) from Health Quality & Safety Commission (HQSC) identified that once again HBDHB has maintained its position at number one nationally in regards to hand hygiene compliance – a position that it has held for the last two quarters. The Hand Hygiene NZ (HHNZ) programme is one of two programmes that are part of the Commission's infection prevention and control programme. These targeted improvement initiatives aim to reduce the harm and cost of healthcare associated infections within New Zealand's health and disability sector. The HHNZ programme uses the World Health Organisation's (WHO) '5 moments for hand hygiene' framework to drive culture change and establish best hand hygiene practice for every patient, every time. This is a great achievement by the Infection Prevention Advisors and all of the auditors who are involved in observing the practice of our clinical teams. It has a significant positive impact on our patients' safety.

CONSUMER STORY
We are often described by Consumers as being "very busy". This month's story touches on one consumer's experience of how our busyness negatively impacted on his experience of care. This included feeling rushed, the procedure not being explained adequately and overall poor communication. Through sharing his experience, the service has implemented learnings and developed improvements to enhance communication and care for others.

BUILDING A DIVERSE WORKFORCE
This month the Board will receive a presentation which summarises the journey the DHB has been on in the last five years in regards to increasing Maori representation in our workforce. This presentation will provide the Board with an update around progress, and the initial ideas for taking this piece of work to the next level and broadening it to include all ethnic groups across Hawke's Bay, so that we truly have a workforce that is reflective of our community. The presentation will also highlight the progress for our Engaging Effectively with Maori programme and the next steps to fully embedding this programme as a core component of the work around our culture.

HEALTH LITERACY PROGRESS
A presentation will be given by the health literacy teams from the PHO and DHB in relation to the work that has been undertaken already and the work planned for the next 6-12 months. It is envisaged that regular progress updates will be provided to the Board every six months.

PROFESSIONAL DEVELOPMENT POLICY FOR the BOARD
Included on today's agenda is a draft policy (and supporting paper) with the Purpose of:

'…outlining how HBDHB supports Board member education, training and professional development, to enable them to maximise their contribution to the governance functions in respect to HBDHB. This policy also defines the process for identifying and approving relevant training, while ensuring the prudent use of public funds.'

This paper and draft policy was specifically requested by the Board, from the May meeting.

CONCLUSION
Year end demonstrates the organisation's resilience and capability to drive results and provide quality services to our community. With the new Transform and Sustain programme in place, and the development of the Clinical Services Plan and our People Strategy underway, I expect to see more improvements over the next 12 months. As we go into the new year I would like to thank the Board for its leadership, support to the Executive team and staff of the DHB. Ma te huruhuru ka rere te manu.

HAWKE'S BAY District Health Board Whakawāteatia	**Financial Performance Report, June 2017** 76
	For the attention of: **HBDHB Board & Finance Risk and Audit Committee**
Document Owner: Document Author(s):	Tim Evans, Executive Director Corporate Services Phil Lomax, Financial Accountant
Reviewed by:	Executive Management Team
Month:	July 2017
Consideration:	For Information

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RECOMMENDATION

That the Board & Finance Risk and Audit Committee
Note the contents of this report

1. Executive Director Corporate Services' comments

Financial performance

The variance from budget for the month of June is $116 thousand favourable, resulting in a $3.6 million surplus in comparison to the $3.5 million forecast. The result is however $1.4 million less than plan, reflecting the impact of the Havelock North gastroenteritis outbreak (MOH has determined the DHB should fund the cost through a reduced deficit), and IDF pressures earlier in the year. A fuller explanation of the result is in section 3.

Annual financial statements

The result for the year is not expected to change. However adjustments may be required to management estimates of wash-ups, actuarial valuations, and stocktakes etc. as more information becomes available. If the adjustments are material they will impact the result. A number of items are uncertain as to recognition or amount, and are listed below.

- Impairment of the National Oracle Solution (NOS). NZ Health Partnerships (NZHPL) commissioned Price Waterhouse Coopers to determine whether the NOS asset should be impaired from both the NZHPL and DHB's perspective. PWC's opinion is that no impairment is necessary, subject to DHB's on-going support including additional investment in the system. The current value of the NOS investment is $2.5 million.
- Holidays Act Compliance. This issue is still in the investigation stage, consequently it is not possible to measure the possible liability for the DHB. It is likely this issue will be treated as a contingent liability in the annual report.
- In-between Travel income assumes a 100% wash-up for the difference between the funding provided by MOH and the expenditure incurred by the DHB. MOH is yet to determine the methodology of the wash-up, and indicated DHBs' will not be disadvantaged. However, if the mechanism is similar to last year, the DHBs' will have an adverse exposure of up to $0.5 million.

- Electives initiative funding of $0.3 million has not been recognised due to lower than target delivery of orthopaedic additional volumes. MOH could decide to fully fund the initiative, based on overall performance, as has happened in the past.
- Pharmaceutical expenditure is based on PHARMAC estimates that are higher than the trend in claims paid through sector services. There is a possibility actual costs could come in up to $0.5 million lower than PHARMAC's estimates.

Elective Health Target

Elective discharges are 0.9% above target (adjusted) for the year. The small on-site shortfall of 40 discharges (-0.7%) was more than offset by 34 outsourced discharges (4.3% over plan) and 71 IDF discharges (7.6%).

Health Services are to be congratulated on meeting this challenging target.

2. Resource Overview

	June				2016/17				Refer Section
	Actual	Budget	Variance		Actual	Budget	Variance		
	$'000	$'000	$'000	%	$'000	$'000	$'000	%	
Net Result - surplus/(deficit)	3,088	2,972	116	3.9%	3,567	5,000	(1,433)	-28.7%	3
Contingency utilised	200	250	50	20.0%	3,000	3,000	-	0.0%	8
Quality and financial improvement	973	850	123	14.5%	10,264	13,000	(2,736)	-21.0%	11
Capital spend	2,570	1,760	810	46.0%	13,541	22,042	(8,501)	-38.6%	16
	FTE	FTE	FTE	%	FTE	FTE	FTE	%	
Employees	2,277	2,284	6	0.3%	2,226	2,214	(12)	-0.6%	5 & 7
	CWD	CWD	CWD	%	CWD	CWD	CWD	%	
Case weighted discharges	2,616	2,281	335	14.7%	30,445	27,609	2,836	10.3%	5

The remaining contingency was released in June. The contingency released year-to-date is explained in reserves (see section 8).

The Quality and Financial Improvement (QFI) programme achieved 79% of planned savings for the year.

Expenditure on the renal centralised development and the stand alone endoscopy unit continued to push the capital programme closer to plan, with the shortfall finishing the year at $8.7 million, including:

- replacement projects for the MRI and fluoroscopy for $3.6 million delayed into future years;
- $2.5 million of clinical equipment procured through NZ Health Partnerships on order or in the late stages of negotiation, that will be delivered early in the next financial year;
- $2.5 million for information technology, including the Regional Health Informatics Programme (RHIP), will not be used this year.

The FTE variance year-to-date reflects offsetting factors including high patient volume in some areas, efficiencies not yet achieved, and unbudgeted leave cover which is partly offset by vacancies.

Case weighted discharges were ahead of plan in June, and ended the year 10.3% above the target. The main specialties driving the result are general internal medicine, gastroenterology, general surgery, vascular surgery and paediatrics.

3. Financial Performance Summary

$'000	June				2016/17				Refer Section
	Actual	*Budget*	*Variance*		*Actual*	*Budget*	*Variance*		
Income	54,304	53,475	829	1.6%	535,289	532,716	2,573	-0.5%	4
Less:									
Providing Health Services	21,284	21,276	(9)	0.0%	255,863	247,852	(8,011)	-3.2%	5
Funding Other Providers	20,581	18,938	**(1,642)**	**-8.7%**	229,220	227,178	(2,042)	-0.9%	6
Corporate Services	5,951	6,517	**566**	**8.7%**	46,465	48,045	1,580	3.3%	7
Reserves	3,400	3,772	**371**	**9.8%**	175	4,641	**4,467**	**96.2%**	8
	3,088	**2,972**	116	3.9%	**3,567**	**5,000**	**(1,433)**	**-28.7%**	

June
Higher income from IDF inflows, was more than offset by higher outflows. The release of provisions for additional employment related costs covered efficiencies not achieved, resolution of electrical supply issues (reconfiguration of obsolete automatic electrical switches), and increased radiology reporting. Release of the remaining contingency and provisions for Maori and public health and RHIP operational costs helped offset the IDF impact.

Income (full year)
Additional MOH income for first contact services, In-between Travel and high cost treatment, partly offset by the cost neutral debt to equity swap (offset by lower capital servicing costs – see the Corporate Services section). Higher revenue from IDF inflows was more than offset by higher IDF expenditure – see the Funding Other Providers section

Providing Health Services (full year)
The gastroenteritis outbreak in Havelock North, outsourced elective surgery costs to meet MoH targets, leave and vacancy cover for medical personnel, and additional nursing costs from pressure in ED and the wards contributed to the unfavourable variance. Vacancies in allied health mitigated some of the cost.

The efficiencies programme did not provide all the anticipated savings during the year. The underlying unachieved savings programme was identified as $8.7m, however the majority of this was mitigated during the 2016/17 financial year.

Funding Other Providers (full year)
Higher IDF outflows were partially offset by programmes not proceeding in Maori and public health, and lower costs in services to older people.

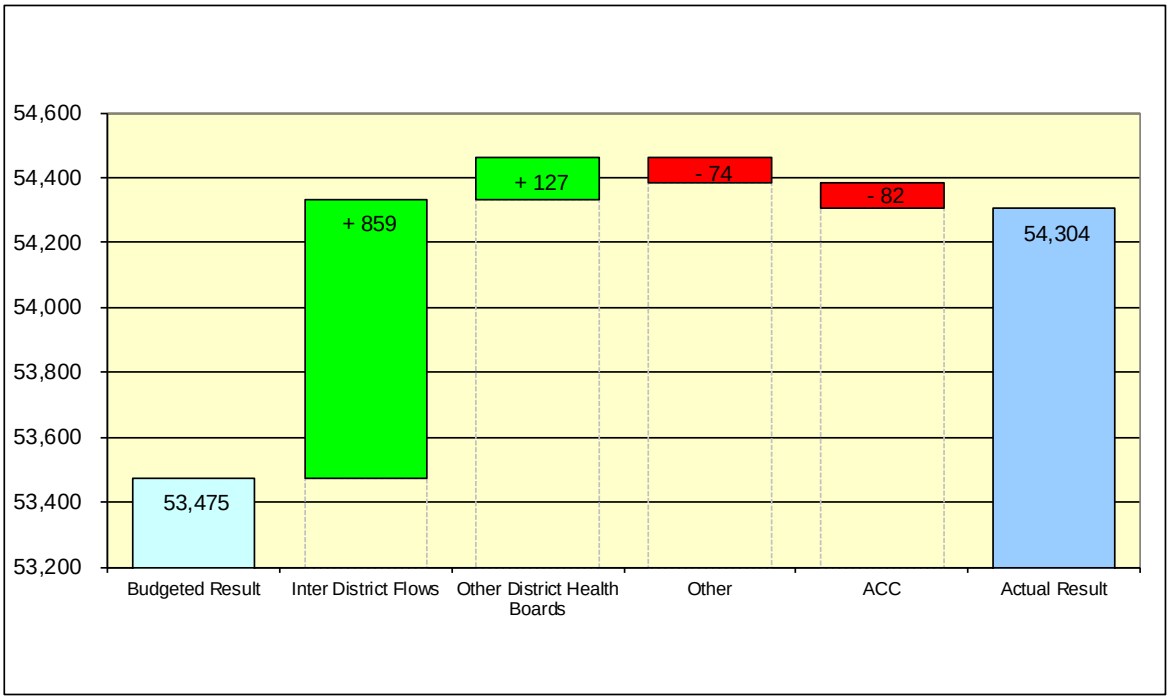
Corporate Services (full year)
Lower capital charge and interest costs as the result of the debt to equity swap – cost neutral and offset in the Income section. The costs of the RMO strike and reduction in RHIP expenditure, although unrelated, offset.

Reserves (full year)
Release of contingency and some new investment not proceeding.

4. Income

$'000	June Actual	June Budget	June Variance		2016/17 Actual	2016/17 Budget	2016/17 Variance	
Ministry of Health	51,344	51,393	(49)	-0.1%	509,842	508,062	1,780	0.4%
Inter District Flows	1,487	629	**859**	**136.6%**	8,588	7,545	**1,043**	**13.8%**
Other District Health Boards	462	335	**127**	**37.8%**	4,004	4,004	0	0.0%
Financing	74	73	1	1.5%	912	885	28	3.1%
ACC	461	543	**(82)**	**-15.1%**	5,592	6,123	**(531)**	**-8.7%**
Other Government	14	25	(11)	-45.0%	388	444	**(56)**	**-12.7%**
Patient and Consumer Sourced	80	121	(42)	-34.2%	1,205	1,447	**(242)**	**-16.7%**
Other Income	373	356	17	4.8%	4,748	4,140	**608**	**14.7%**
Abnormals	10	0	10	5244.9%	11	67	**(56)**	**-83.7%**
	54,304	**53,475**	**829**	**1.6%**	**535,289**	**532,716**	**2,573**	**0.5%**

June Income



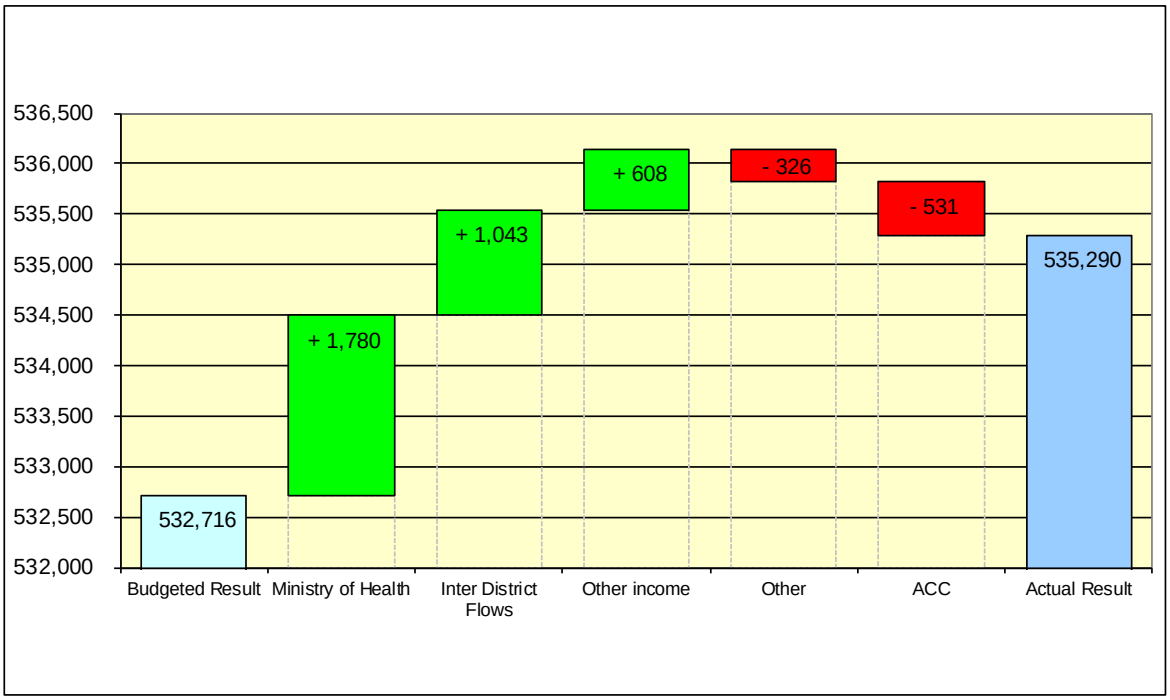
Note the scale does not begin at zero

Inter District Flows (favourable)
Wash-up information up to April provided by MOH and adjustments to case-weight values and volumes for May and June have increased IDF income.

Other District Health Boards (favourable)
Higher neurosurgery clinic recoveries from Capital & Coast Health.

ACC (unfavourable)
Lower elective surgery partly offset by higher community nursing.

Year to Date Income



Ministry Of Health (favourable)
Additional funding for first contact services, In Between Travel, and high cost treatment, partly offset by funding adjustments relating to capital charges that are cost neutral and offset in Corporate costs.

Inter District Flows (favourable)
Wash-up information up to April provided by MOH and adjustments to case-weight values and volumes for May and June have increased IDF income.

Other income (favourable)
Unbudgeted donations and clinical trial income, and a wide variety of sundry income.

ACC (unfavourable)
Lower ACC elective volumes due to capacity constraints. Lower ACC rehabilitation income due to lower demand.

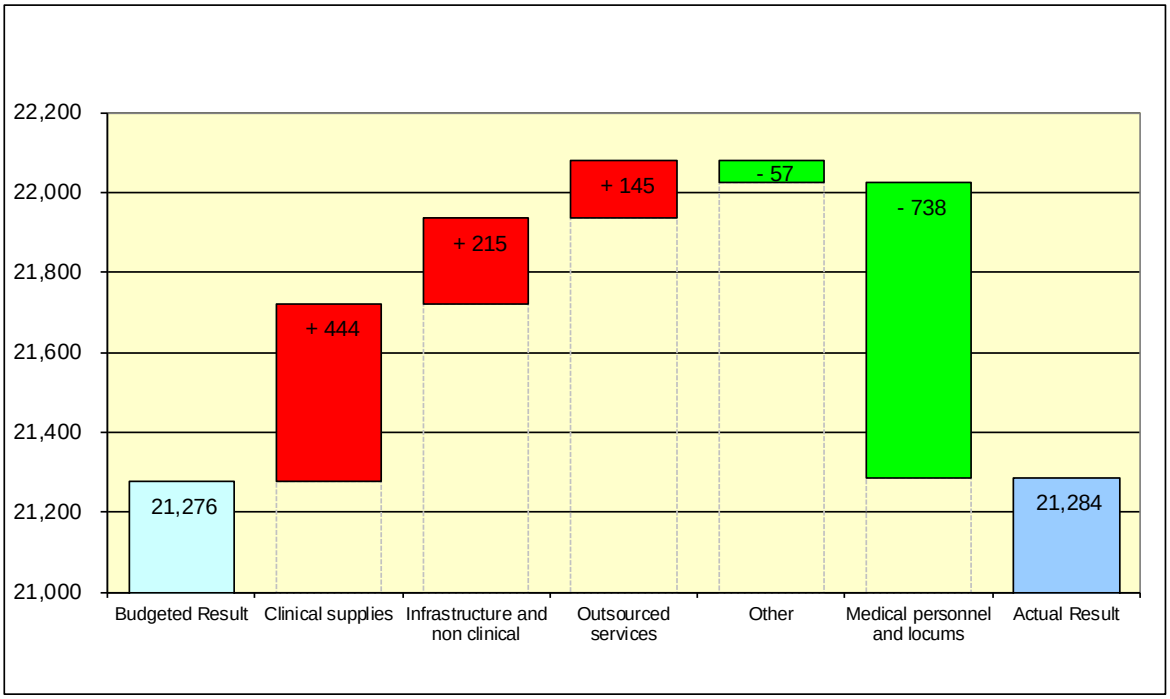
5. Providing Health Services

	June				2016/17			
	Actual	Budget	Variance		Actual	Budget	Variance	
Expenditure by type $'000								
Medical personnel and locums	4,055	4,793	738	15.4%	59,456	58,694	(763)	-1.3%
Nursing personnel	6,332	6,311	(21)	-0.3%	73,788	72,964	(824)	-1.1%
Allied health personnel	2,735	2,930	195	6.7%	32,113	33,689	1,576	4.7%
Other personnel	1,980	1,864	(116)	-6.2%	22,298	21,504	(794)	-3.7%
Outsourced services	901	756	(145)	-19.2%	9,924	8,503	(1,421)	-16.7%
Clinical supplies	3,467	3,023	(444)	-14.7%	38,161	33,113	(5,048)	-15.2%
Infrastructure and non clinical	1,814	1,599	(215)	-13.5%	20,123	19,386	(737)	-3.8%
	21,284	**21,276**	**(9)**	**0.0%**	**255,863**	**247,852**	**(8,011)**	**-3.2%**
Expenditure by directorate $'000								
Medical	5,746	5,486	(260)	-4.7%	68,437	65,270	(3,167)	-4.9%
Surgical	4,648	4,655	7	0.1%	57,975	54,333	(3,642)	-6.7%
Community, Women and Children	3,555	3,593	38	1.0%	43,183	42,190	(992)	-2.4%
Older Persons, Options HB, Menta	2,798	2,953	155	5.2%	33,785	34,119	334	1.0%
Operations	3,182	3,125	(57)	-1.8%	36,762	36,540	(222)	-0.6%
Other	1,355	1,464	109	7.5%	15,720	15,399	(321)	-2.1%
	21,284	**21,276**	**(9)**	**0.0%**	**255,863**	**247,852**	**(8,011)**	**-3.2%**
Full Time Equivalents								
Medical personnel	305.4	321.3	16	5.0%	318	316	(2)	-0.7%
Nursing personnel	947.8	927.4	(20)	-2.2%	914	893	(21)	-2.4%
Allied health personnel	459.4	469.6	10	2.2%	438	456	18	3.9%
Support personnel	136.3	131.3	(5)	-3.8%	134	128	(6)	-4.7%
Management and administration	262.2	261.2	(1)	-0.4%	259	252	(7)	-2.8%
	2,111.0	**2,110.8**	**(0)**	**0.0%**	**2,063**	**2,044**	**(19)**	**-0.9%**
Case Weighted Discharges								
Acute	1,859	1,629	230	14.1%	20,782	18,713	2,069	11.1%
Elective	549	451	98	21.7%	6,640	6,451	188	2.9%
Maternity	141	161	(19)	-12.1%	2,098	2,000	98	4.9%
IDF Inflows	67	40	27	66.5%	926	445	481	108.2%
	2,616	**2,281**	**335**	**14.7%**	**30,445**	**27,609**	**2,836**	**10.3%**

Directorates

- Surgical includes efficiencies not achieved, locum vacancy and leave cover, and fee for service payments for additional surgery sessions. The Surgical Directorate has been positively impacted by reduced outsourcing costs and favourable adjustments to employment related costs for the month.
- Medical includes vacancy and leave cover for medical staff, efficiencies not achieved yet, gastrointestinal pharmaceuticals and biologics, and radiology reports.
- Community, Women and Children is mostly efficiencies not achieved

June Expenditure



Note the scale does not begin at zero

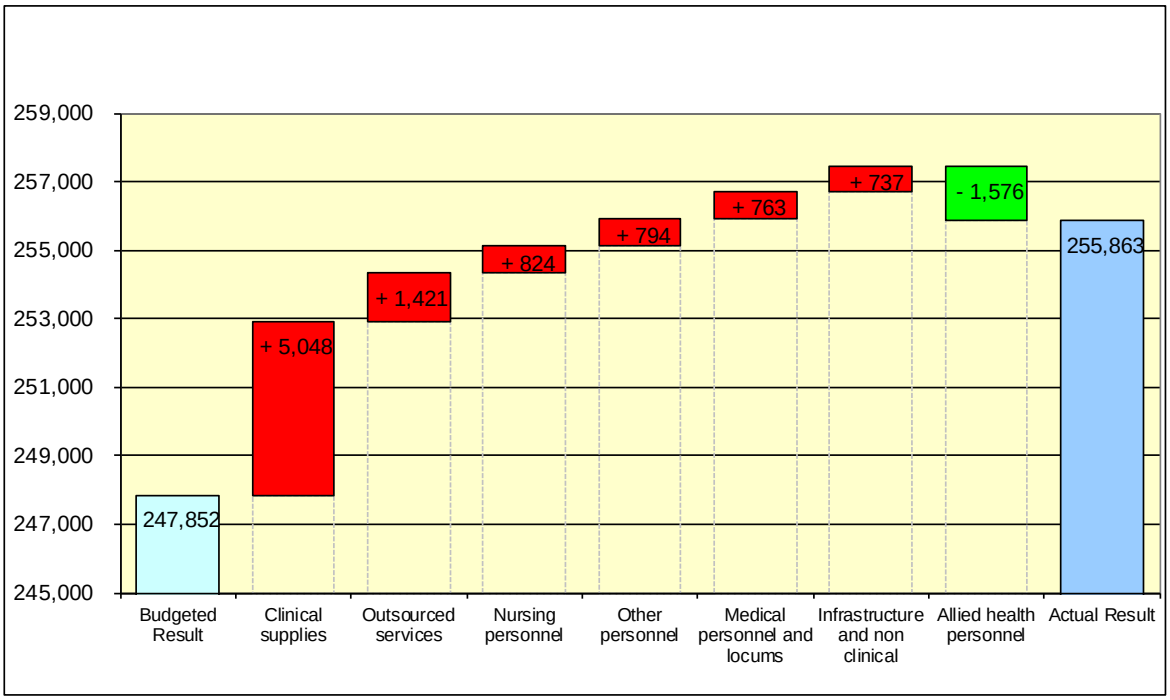
Clinical supplies (unfavourable)
Predominantly efficiencies not achieved or achieved elsewhere, and patient transport costs.

Infrastructure and non-clinical (unfavourable)
Maintenance and facility costs

Outsourced services (unfavourable)
Radiology reports and procedures.

Medical personnel and locums (unfavourable)
Release of provisions for additional employment related costs.

Year to Date Expenditure



Clinical supplies (unfavourable)
Mostly efficiencies not yet achieved or achieved elsewhere. Also includes patient transport costs.

Outsourced services (unfavourable)
Outsourced elective surgery to meet discharge targets, the acute flow management refresh, and CT teleradiology reads.

Nursing personnel (unfavourable)
Additional time worked including some additional staffing, greater use of part-timers and overtime. This is mainly in the Emergency Department and wards.

Other personnel (unfavourable)
Maori Health vacancies, management restructuring costs, and additional administration staffing to provide cover.

Medical personnel and locums (unfavourable)
Locums for vacancy and leave cover, leave not taken, additional sessions to meet targets, adjustment to CME entitlements, additional radiology SMO costs and some additional RMO positions. Also includes the release of provisions in June for additional employment related costs.

Infrastructure and non-clinical (unfavourable)
Efficiencies not yet achieved, higher maintenance and facility costs, and legal costs relating to the gastroenterology outbreak.

Allied Health personnel (favourable)
Mainly mental health vacancies including psychologists, therapies and community support staff. Also includes vacancies in health promotion officers, laboratory technicians, and pharmacists.

Full time equivalents (FTE)

FTEs are 19 unfavourable year to date including:

Nursing personnel (21 FTE / 2.4% unfavourable)

- Higher than budgeted staffing in ED, the medical wards, and maternity. Some planned efficiencies have not been achieved or have been achieved elsewhere.

Management and administration personnel (7 FTE 2.8% unfavourable)

- Minimal leave cover not coping with high workloads and long term sick leave. Hours related retirement payments earlier in the year.

Support personnel (6 FTE / 4.7% unfavourable)

- Cover for leave, long term sick leave, and training, mainly impacting on orderlies and kitchen assistants.

Medical personnel (2 FTE / 0.7% unfavourable)

- Usually medical FTEs will be favourable because vacancy and leave cover is often provided by locums who do not generate an FTE. However year-to-date reductions caused by vacancies and staff on leave have been offset by leave not taken and new positions.

partly offset by:

Allied Health Personnel (18 FTE / 3.9% favourable)

- Vacancies mainly in health promotion, laboratory technicians, social workers, community support workers, and occupational therapists.

MONTHLY ELECTIVE HEALTH TARGET REPORT
YTD To June 2017

Plan for 2016/17	On-Site	Outsourced	IDF Outflow	TOTAL
Non Surgical - Arranged	70		0	**70**
Non Surgical - Elective	187		0	**187**
Surgical - Arranged	390		307	**697**
Surgical - Elective	5,003	788	629	**6,420**
TOTAL	**5,650**	**788**	**936**	**7,374**

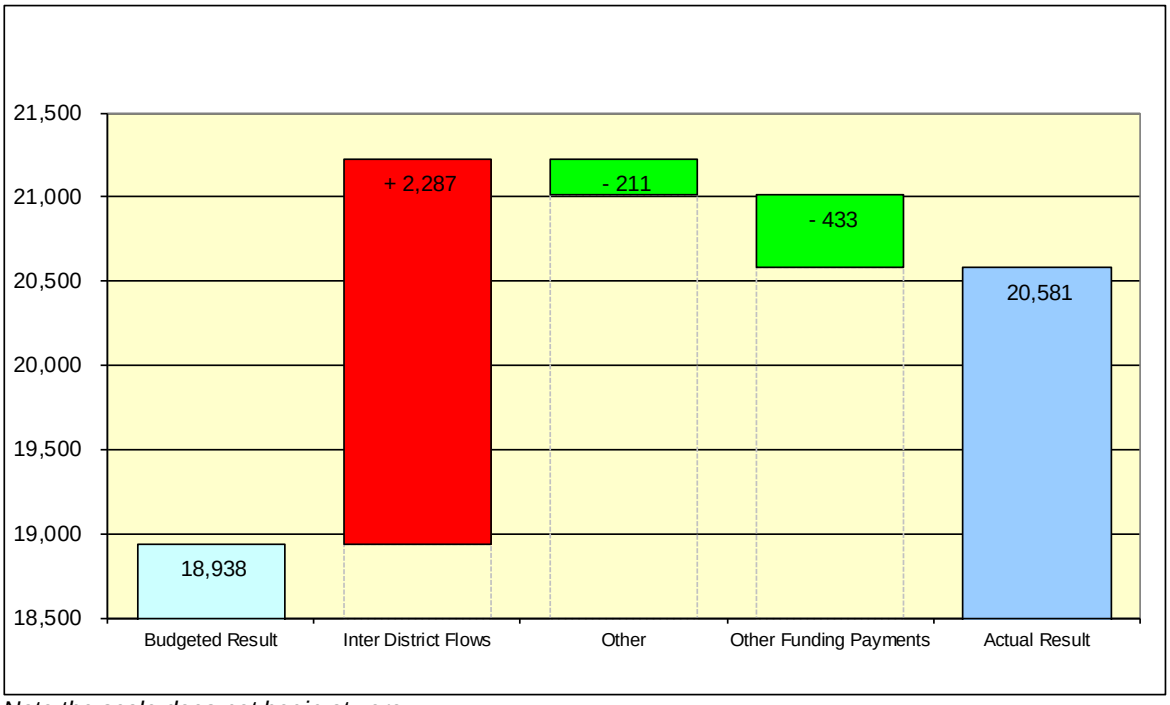
		YTD to June 2017			
		Actual	Plan	Var	%Var.
On-Site	Avastins	192	195	-3	-1.50%
	ENT	507	556	-49	-8.80%
	General Surgery	865	872	-7	-0.80%
	Gynaecology	554	490	64	13.10%
	Maxillo-Facial	167	178	-11	-6.20%
	Ophthalmology	1,000	1,068	-68	-6.40%
	Orthopaedics	837	919	-82	-8.90%
	Skin Lesions	174	170	4	2.40%
	Urology	481	420	61	14.50%
	Vascular	176	135	41	30.40%
	Surgical - Arranged	547	390	157	40.30%
	Non Surgical - Elective	80	187	-107	-57.20%
	Non Surgical - Arranged	30	70	-40	-57.10%
On-Site	**Total**	**5,610**	**5,650**	**-40**	**-0.70%**
Outsourced	Cardiothoracic	0	44	-44	-100.00%
	ENT	143	146	-3	-2.10%
	General Surgery	340	271	69	25.50%
	Gynaecology	11	39	-28	-71.80%
	Maxillo-Facial	42	73	-31	-42.50%
	Neurosurgery	0	17	-17	-100.00%
	Ophthalmology	123	18	105	583.30%
	Orthopaedics	89	51	38	74.50%
	Paediatric Surgery	0	2	-2	-100.00%
	Skin Lesions	3	0	3	0.00%
	Urology	67	84	-17	-20.20%
	Vascular	4	43	-39	-90.70%
Outsourced	**Total**	**822**	**788**	**34**	**4.30%**
IDF Outflow	Avastins	2	0	2	0.00%
	Cardiothoracic	66	78	-12	-15.40%
	ENT	42	48	-6	-12.50%
	General Surgery	58	49	9	18.40%
	Gynaecology	37	25	12	48.00%
	Maxillo-Facial	152	188	-36	-19.10%
	Neurosurgery	68	42	26	61.90%
	Ophthalmology	34	33	1	3.00%
	Orthopaedics	38	20	18	90.00%
	Paediatric Surgery	79	47	32	68.10%
	Skin Lesions	78	76	2	2.60%
	Urology	19	7	12	171.40%
	Vascular	15	16	-1	-6.30%
	Surgical - Arranged	145	307	-162	-52.80%
	Non Surgical - Elective	120	0	120	0.00%
	Non Surgical - Arranged	54	0	54	0.00%
IDF Outflow	**Total**	**1007**	**936**	**71**	**7.60%**
GRAND TOTAL		**7,439**	**7,374**	**65**	**0.90%**

Please note: This report was run on 7th July 2017 and the data is subject to change.

6. Funding Other Providers

$'000	June Actual	June Budget	June Variance		2016/17 Actual	2016/17 Budget	2016/17 Variance	
Payments to Other Providers								
Pharmaceuticals	3,520	3,629	109	3.0%	43,207	43,351	144	0.3%
Primary Health Organisations	2,806	2,876	70	2.4%	34,724	35,401	676	1.9%
Inter District Flows	6,063	3,776	**(2,287)**	**-60.6%**	51,312	45,317	**(5,995)**	**-13.2%**
Other Personal Health	1,835	1,886	52	2.7%	21,756	22,148	391	1.8%
Mental Health	1,136	1,152	16	1.4%	13,568	13,761	193	1.4%
Health of Older People	5,218	5,182	(36)	-0.7%	60,921	61,928	1,008	1.6%
Other Funding Payments	2	436	**433**	**99.5%**	3,732	5,273	**1,540**	**29.2%**
	20,581	18,938	**(1,642)**	**-8.7%**	**229,220**	**227,178**	(2,042)	-0.9%
Payments by Portfolio								
Strategic Services								
Secondary Care	6,341	3,900	**(2,441)**	**-62.6%**	53,075	46,778	**(6,297)**	**-13.5%**
Primary Care	7,562	7,806	245	3.1%	94,084	94,746	662	0.7%
Chronic Disease Management	-	-	-	0.0%	-	-	-	0.0%
Mental Health	1,136	1,152	16	1.4%	13,703	13,761	58	0.4%
Health of Older People	5,319	5,221	(98)	-1.9%	61,561	62,395	833	1.3%
Other Health Funding	(166)	56	**221**	**396.6%**	(167)	706	**874**	**123.7%**
Maori Health	270	512	**243**	**47.4%**	5,068	6,023	**955**	**15.9%**
Population Health								
Women, Child and Youth	212	202	(9)	-4.6%	1,459	1,593	**134**	**8.4%**
Population Health	(93)	88	180	205.4%	437	1,177	739	62.8%
	20,581	18,938	**(1,642)**	**-8.7%**	**229,220**	**227,178**	(2,042)	-0.9%

June Expenditure



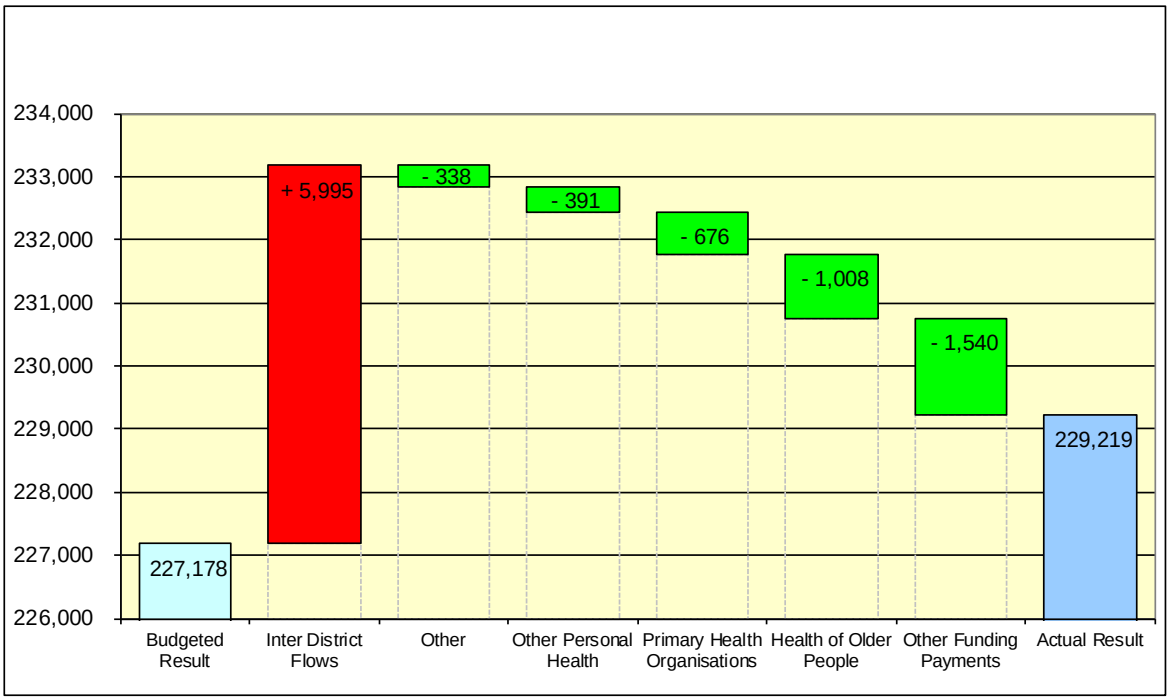
Note the scale does not begin at zero

Inter District Flows (unfavourable)

Wash-up information up to April provided by MOH and adjustments to case-weight values and volumes for May and June have increased IDF expenditure. This is probably driven by the catch-up of coding by DHBs in the approach to year end, but the underlying cause is referral of Hawke's Bay patients to other DHBs. The high expenditure figure also includes a provision of $0.4m for long term patients yet to be discharged.

Other Funding Payments (favourable)
Whanau Ora and public health services programmes costs not incurred.

Year to Date Expenditure



Inter district flows (unfavourable)
Overspend largely in acute activity related to general medicine, cardiology, haematology, and neurosurgery.

Other Personal Health (favourable)
Lower General Medical Subsidy (GMS) and school dental payments, partly offset by increased palliative care and pharmacy service costs.

Primary Health Organisations (favourable)
Enrolment volumes are lower than budgetary expectations.

Health of Older People (favourable)
Lower residential care costs partly offset by higher home support. Slower than budgeted aging in place costs.

Other Funding Payments (favourable)
Release of Maori primary health accruals from 2015/16. Planned Whanau Ora and public health services programmes costs not incurred in 2016/17.

7. Corporate Services

$'000	June Actual	June Budget	June Variance		2016/17 Actual	2016/17 Budget	2016/17 Variance	
Operating Expenditure								
Personnel	1,301	1,324	23	1.8%	16,005	15,403	(602)	-3.9%
Outsourced services	50	92	42	45.4%	1,233	1,138	**(95)**	**-8.3%**
Clinical supplies	5	9	4	42.9%	136	114	(23)	-20.0%
Infrastructure and non clinical	455	575	**120**	**20.9%**	8,524	9,176	**651**	**7.1%**
	1,811	2,000	**189**	**9.4%**	25,899	25,830	(69)	-0.3%
Capital servicing								
Depreciation and amortisation	1,417	1,205	**(212)**	**-17.6%**	13,883	13,887	5	0.0%
Financing	-	174	**174**	**100.0%**	777	2,052	**1,274**	**62.1%**
Capital charge	2,722	3,138	**416**	**13.2%**	5,906	6,276	**370**	**5.9%**
	4,140	4,517	**377**	**8.4%**	20,566	22,215	**1,649**	**7.4%**
	5,951	**6,517**	**566**	**8.7%**	**46,465**	**48,045**	**1,580**	**3.3%**
Full Time Equivalents								
Medical personnel	0.6	0.3	(0)	-115.5%	0	0	(0)	-41.1%
Nursing personnel	14.2	14.8	1	4.1%	13	15	2	12.1%
Allied health personnel	1.0	0.4	(1)	-143.1%	1	0	(0)	-56.4%
Support personnel	10.5	9.6	(1)	-9.3%	10	9	(0)	-1.5%
Management and administration	140.1	147.8	**8**	**5.2%**	141	146	5	3.6%
	166.5	**172.9**	6	3.7%	**164**	**171**	7	3.9%

Personnel costs relate to the RMO strike.

Infrastructure and non-clinical costs are mainly lower RHIP costs, partly offset by higher software maintenance charges, insurance, corporate training, community consultation and NZ Health Partnerships.

Depreciation includes capitalisation of the PACS archive, resulting from RHIP. This is the first asset capitalised.

Financing and capital charges reflect the debt to equity swap. The swap is cost neutral with the variance from budget offset in income (see section 4).

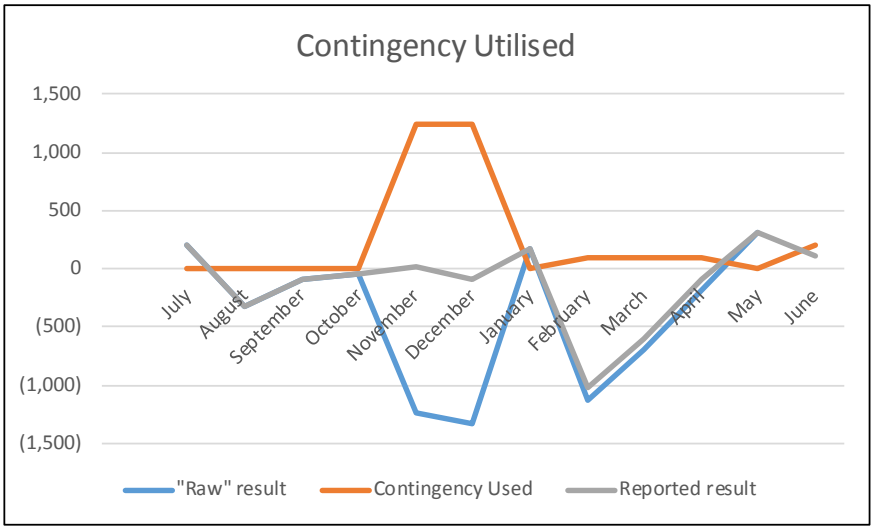
8. Reserves

$'000	June Actual	June Budget	June Variance		2016/17 Actual	2016/17 Budget	2016/17 Variance	
Expenditure								
Contingency	3,456	3,725	**269**	**7.2%**	171	3,802	**3,631**	**95.5%**
Transform and Sustain resource	27	8	(19)	-232.8%	82	215	**134**	**62.0%**
Other	(82)	38	**121**	**314.4%**	(78)	624	**702**	**112.5%**
	3,400	**3,772**	**371**	**9.8%**	**175**	**4,641**	**4,467**	**96.2%**

Contingency usage year-to-date includes:

- $1.4 million to offset IDF provisioning
- $1.0 million for costs relating to the gastroenteritis outbreak
- $0.3 million for costs relating to the RMO strike.
- $0.3 million to release a pro rata portion of the remaining contingency

The impact of contingency utilisation on the reported result over the financial year is graphed below.



Contingency budgets transferred to operational costs reconcile as follows:

	$'000
Original contingency budget	3,000
Plus:	
Revenue banking	4,200
Less:	
Additional surplus agreed with MOH	-500
Feasibility studies	-600
Elective surgery delivery costs	-1,942
Melanoma and oncology treatments	-295
Additional resource for payroll and health records	-61
Remaining contingency budget ($3.0 million of general contingency, and $0.8 million T&S)	3,802

All of the contingency has been released for the year.

The remaining favourable variance relates to new investments that will not proceed this year.

9. Financial Performance by MOH Classification

$'000	June Actual	June Annual Plan	June Variance	2016/17 Actual	2016/17 Annual Plan	2016/17 Variance
Funding						
Income	52,321	51,754	568 F	513,516	511,288	2,228 F
Less:						
Payments to Internal Providers	26,914	26,914	-	280,733	279,687	(1,046) U
Payments to Other Providers	20,581	18,938	(1,642) U	229,220	227,178	(2,042) U
Contribution	**4,827**	**5,902**	**(1,075) U**	**3,563**	**4,423**	**(860) U**
Governance and Funding Admin.						
Funding	268	268	-	3,197	3,197	-
Other Income	3	3	0 F	30	30	(0) U
Less:						
Expenditure	209	302	92 F	3,085	3,573	488 F
Contribution	**61**	**(31)**	**93 F**	**142**	**(346)**	**488 F**
Health Provision						
Funding	26,647	26,647	-	277,536	276,490	1,046 F
Other Income	1,980	1,719	261 F	21,744	21,398	345 F
Less:						
Expenditure	30,427	31,263	837 F	299,418	296,965	(2,453) U
Contribution	**(1,800)**	**(2,898)**	**1,098 F**	**(138)**	**923**	**(1,061) U**
Net Result	**3,088**	**2,972**	**116** F	**3,567**	**5,000**	**(1,433)** U

The table above reports the result in the classifications used by the Ministry of Health, and against the projections in the Annual Plan. Those projections differ from the budgets used elsewhere in this report as outlined in the table below.

10. Management Budget Movements

Changes are made to Annual Plan projections so that managers are accountable for budgets that are relevant and up-to-date. The Management budget is used for internal reporting and the annual plan is used for MOH and statutory reporting. The net result is the same in both budgets.

The major changes between revenue and expense lines are usually due to health provision savings programmes. As these numbers have firmed up, some savings programmes are around growing revenue rather than reducing costs. In 2016/17 changes to the operation of the price volume schedule (payments by the funder to the provider arm) also create movements between the annual plan and the management budget.

$'000	June Mgmt Budget	June Annual Plan	June Movement	2016/17 Mgmt Budget	2016/17 Annual Plan	2016/17 Movement
Funding						
Income	51,754	51,962	(208) U	511,288	511,803	(515) U
Less:						
Payments to Internal Providers	26,914	26,573	(341) U	279,687	275,461	(4,226) U
Payments to Other Providers	18,938	19,301	363 F	227,178	231,341	4,163 F
Contribution	**5,902**	**6,087**	**(186) U**	**4,423**	**5,000**	**(577) U**
Governance and Funding Admin.						
Funding	268	270	(2) U	3,197	3,220	(23) U
Other Income	3	3	-	30	30	-
Less:						
Expenditure	302	272	(30) U	3,573	3,250	(323) U
Contribution	**(31)**	**-**	**(31) U**	**(346)**	**-**	**(346) U**
Health Provision						
Funding	26,647	26,304	343 F	276,490	272,241	4,249 F
Other Income	1,719	1,560	159 F	21,398	20,366	1,032 F
Less:						
Expenditure	31,263	30,979	(284) U	296,965	292,608	(4,358) U
Contribution	**(2,898)**	**(3,115)**	**217 F**	**923**	**(0)**	**923 F**
Net Result	**2,972**	**2,972**	**(0)** U	**5,000**	**5,000**	**0** F

11. Quality and Financial Improvement Programme

The purpose of this report is to give Finance, Risk and Audit Committee (FRAC) a monthly update on the identified quality and financial improvement savings (QFI) and progress year-to-date.

79% of the savings target has been achieved in 2016/17.

Row Labels	Sum of Planned Savings	Sum of YTD actual Savings	%age Savings Achieved
Corporate	1,526,792	1,486,890	97%
Health Services	8,292,287	6,524,294	79%
Population Health	26,166	26,166	100%
Maori	148,195	148,195	100%
Health Funding	3,006,808	2,078,000	69%
Grand Total	**13,000,248**	**10,263,545**	**79%**

The table below is by directorate and totals the projects for each directorate that meets the criteria that determines a red (no savings achieved or likely to be achieved) or amber (savings achieved but unlikely to be completely successful) standard.

Row Labels	Sum of Planned Savings	Sum of YTD actual Savings
AMBER	**5,802,439**	**3,611,151**
Acute Medical	2,407,523	1,929,722
Business Intelligence	23,880	3,577
FAC	87,352	45,045
OPE	227,380	62,449
Strategic Services	1,153,808	225,000
Surgical	1,521,859	1,066,652
WCY	380,638	278,707
RED	**510,832**	-
Business Intelligence	9,012	-
DON	10,587	-
OPE	53,693	-
Surgical	437,540	-
Grand Total	**6,313,272**	**3,611,151**

12. Financial Position

30 June		*June*				*Annual*
2016	$'000	*Actual*	*Budget*	*Variance from budget*	*Movement from 30 June 2016*	*Budget*
	Equity					
102,608	Crown equity and reserves	149,751	105,376	(44,375)	47,143	105,376
(10,973)	Accumulated deficit	(7,406)	(11,268)	(3,862)	3,567	(11,268)
91,635		142,345	94,108	(48,237)	50,710	94,108
	Represented by:					
	Current Assets					
15,552	Bank	16,541	8,523	(8,018)	989	8,523
1,724	Bank deposits > 90 days	1,690	1,741	52	(34)	1,741
22,433	Prepayments and receivables	25,961	18,618	(7,342)	3,528	18,618
4,293	Inventory	4,444	4,044	(400)	151	4,044
1,220	Non current assets held for sale	625	-	(625)	(595)	-
45,222		49,260	32,927	(16,333)	4,038	32,927
	Non Current Assets					
151,944	Property, plant and equipment	152,501	166,159	13,658	557	166,159
2,037	Intangible assets	1,820	665	(1,155)	(217)	665
9,777	Investments	10,580	9,476	(1,105)	803	9,476
163,758		164,901	176,299	11,398	1,143	176,299
208,980	**Total Assets**	**214,161**	**209,226**	**(4,935)**	**5,181**	**209,226**
	Liabilities					
	Current Liabilities					
38,137	Payables	34,672	30,697	(3,975)	(3,466)	30,697
34,070	Employee entitlements	34,507	34,484	(23)	437	34,484
-	Current portion of borrowings	-	6,000	6,000	-	6,000
72,208		69,179	71,180	2,002	(3,029)	71,180
	Non Current Liabilities					
2,638	Employee entitlements	2,638	2,438	(199)	-	2,438
42,500	Term borrowing	-	41,500	41,500	(42,500)	41,500
45,138		2,638	43,938	41,301	(42,500)	43,938
117,345	**Total Liabilities**	**71,816**	**115,118**	**43,302**	**(45,529)**	**115,118**
91,635	**Net Assets**	**142,345**	**94,108**	**(48,237)**	**50,710**	**94,108**

The variance from budget for:

- Equity reflects the amount the budgeted opening balance differs from the 2015/16 result, the 2016/17 variance from budget, the swap of the DHB's debt into equity on 15 February, and the $5 million equity injection for the mental health build;
- Bank and property, plant and equipment mainly reflect the lower capital spend;
- Prepayments and receivables include payments under the care and support worker's pay equity deal treated as prepayments, DSS contract funding from the MOH held up in negotiations, the In-between Travel wash-up, and higher than budgeted wash-up amounts for elective surgery, and the PHARMAC rebate.
- Non-current assets held for sale was adjusted for the reclassification of 307 Omahu Road to property, plant and equipment in November;
- Payables includes the IDF wash-up, and funding for the care and support worker's pay equity deal treated as income in advance.
- Borrowing, both term and current, reflect the debt to equity swap.
- Employee entitlements – see below

13. Employee Entitlements

30 June		*2016/17*			
2016	$'000	*Actual*	*Budget*	*Variance from budget*	*Movement from 30 June 2016*
7,466	Salaries & wages accrued	7,681	6,559	(1,122)	215
482	ACC levy provisions	567	851	284	84
5,348	Continuing medical education	4,942	5,131	190	(407)
19,149	Accrued leave	19,816	20,249	433	667
4,263	Long service leave & retirement grat.	4,140	4,131	(8)	(123)
36,708	**Total Employee Entitlements**	37,144	36,922	(223)	437

14. Treasury

Liquidity management

The surplus cash of all DHBs is managed by NZ Health Partnerships Limited under a sweep arrangement facilitated by Westpac. The DHB provides forecast cash flow information to NZHPL, to allow them to invest the funds at the most advantageous rates, and uses the same information to ensure the DHB has the funds to meet its obligations as they fall due.

Debt management

The $42.5 million term debt facility with MOH was swapped into equity on 15 February 2017. The $5 million equity injection for the mental health build, was received in March. The DHB now has no interest rate exposure relating to debt.

Foreign exchange risk management

No material transactions occurred during the month. No transactions met the criteria that would trigger the requirement to arrange foreign exchange rate cover.

15. Capital Expenditure

See next page.

2017 Annual Plan		*Actual $'000*	*Year to Date Budget $'000*	*Variance $'000*
	Source of Funds			
	Operating Sources			
14,440	Depreciation	13,883	13,887	5
5,000	Surplus/(Deficit)	3,567	5,000	1,433
(2,479)	Working Capital	39,312	(1,926)	56,202
16,961		56,761	16,961	57,640
	Other Sources			
-	Special funds and clinical trials	171	-	(171)
1,220	Sale of assets	-	1,220	(1,220)
5,000	Borrowings	(42,500)	5,000	(47,500)
6,220		(42,329)	6,220	(48,891)
23,181	**Total funds sourced**	**14,432**	**23,181**	**8,749**
	Application of Funds:			
	Block Allocations			
3,183	Facilities	3,798	3,360	(438)
3,125	Information Services	830	3,049	2,219
5,464	Clinical Plant & Equipment	2,950	5,413	2,463
11,772		7,578	11,822	4,244
	Local Strategic			
2,460	MRI	-	2,460	2,460
500	Renal Centralised Development	1,435	500	(935)
3,000	New Stand-alone Endoscopy Unit	2,114	3,000	886
710	New Mental Health Inpatient Unit Development	422	710	288
100	Maternity Services	135	50	(85)
400	Upgrade old MHIU	1,325	719	(606)
400	Travel Plan	197	400	203
400	Histology and Education Centre Upgrade	123	281	158
1,100	Fluoroscopy Unit	-	1,100	1,100
200	Education Centre Upgrade	-	-	-
9,270		5,752	9,220	3,468
	Other			
-	Special funds and clinical trials	171	-	(171)
1,000	New Technologies/Investments	-	1,000	1,000
-	Other	41	-	(41)
1,000		211	1,000	789
22,042	***Capital Spend***	***13,541***	***22,042***	***8,501***
	Regional Strategic			
1,139	RHIP (formerly CRISP)	891	1,139	248
1,139		891	1,139	248
23,181	**Total funds applied**	**14,432**	**23,181**	**8,749**

Monthly Project Board Report
Jun 2017

HAWKE'S BAY District Health Board

Improving Endoscopy Services. Phase 3
Service transition and Facilities Development.

Overall Project Progress	Quality & Safety Risk Status	Time Status	Financial Status
19%	G	Y	G

Project Manager Facilities Development: **Trent Fairey**

Phase 3: Service transition & Facility Development

Formal approval of the Business Case was received in December 2016 from the Hawke's Bay District Health Board for the construction of a stand -alone Gastroenterology Service building (improving Endoscopy services).
Phase 1 Service & Facility Planning, and Phase 2 Design & Tendering of service facility have been completed on time and within budget.
Phase 3 Service Transition and Facility construction is now underway. This phase concentrates on the construction of the facility to enable the service transition in late 2018.
A fourth and final phase of the project will complete the Improving Endoscopy Services programme, focusing on the development of the service and delivery of the bowel screening programme.

9

Project Budget Status

Total Approved for Capital Budget	**$ 11,670,000**	Total 16/17 Forecast Spend	**$ 2,240,000**
Total Project Spend to Date	$ 2,241,472	Total 16/17 Spend to Date	$ 1,798,472
Percentage of Total Spend vs Budget	19%	Percentage 16/17 Spend vs Forecast	80%

Project initiation was completed on the 27th February 2017 on approval of the site specific safety plan. Project total spend is behind projections due to delay with weather and screwpile installation. Contingency funds will be required to support the extensive screw pile failures and the significant changes to the foundation design. At present these changes are contained within the approved funding for the project, the contingency allowed for such issues in the original plan is adequate to cover the projected costs.

Deliverable Dates

Geotechnical design and Testing	Complete	Internal construction - Building Services	Apr-18
Site specific safety plan review and approval	Complete	Furniture , Fittings and Equipment installation	Jun-18
Earthworks and Excavation	Complete	Building services commissioning	Jul-18
Foundation construction	May-17	Facility Sign off & Certificate of Public Use	Aug-18
Structural Steelwork installation	Oct-17	Service Training and Transition to Staged start up	Sep-18
Concrete floor structures	Nov-17	Full operational capacity available and Service Go Live	Oct-18
Exterior and Roof Cladding	Dec-17	Post Implementation Review & Post Occupancy Evaluations	Feb-19

Key Achievements this period

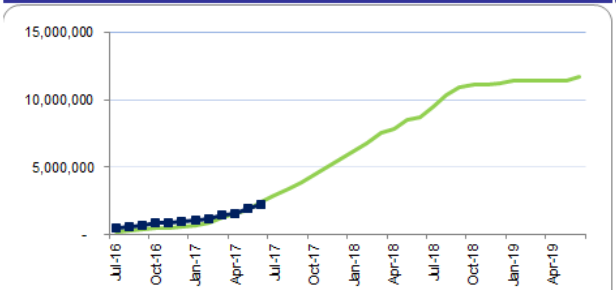
Completion of foundation raft, geotextile grid and screw pile installation and testing.
Progress on sturctural shop drawings and initiation of structural steel program. Approval of BRB brace design.
No accidents recorded on site to date, 1st Quarter H&S Audit pass mark of 97%. Introduction of independent H&S auditing for the HBDHB.

Planned Activities next period

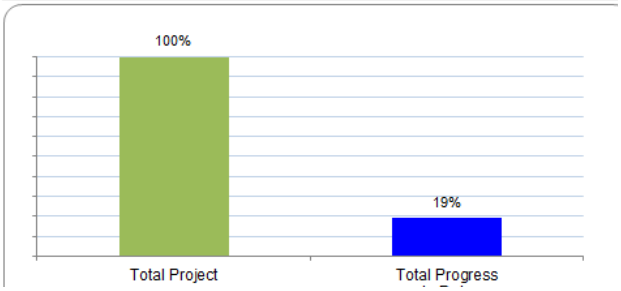
Completion of foundation beams to southern section, manufacture of structural steel frame and BRB braces
Construction of service tunnel between theatre block and Endoscopy building.
2nd Quarter Health and Safety audit of construction.

Risks & Issues of Note	Mitigation & Resolutions
Redesign of the Endoscopy Units Level 1 to support the theatre expansion project.	Prompt decision making and design approvals allowing variations to the current contract in a timely manner.
Continued wet weather further delaying the completion of the foundation raft.	Project timeline flex on the HBDHB programme will allow for possible wet weather extensions. Project contract allows for standard wet weather delays, however events like cyclones and unusual weather patterns are genuine extensions of time.
Installation of screw piles to last southern section of site.	Installation of screw piles is now completed, southern section of construction zone required a structural redesign to accept a further 6 screw piles.
Re-calibration of construction programme to recover for lost construction time. Late start up due to unresolved geotechnical conditions , cyclone weather issues and screw pile installation failures.	Ongoing management with GEMCO construction. Review of the original programme has indicate a delay of **21 working days.** until the foundation stage of the project is complete we will not know the full extent that these weather events and screw pile failures have affected the programme, risk around these dates remain. It should be noted that the project programme allows for construction delays, construction completion in late August 2018 is still viable. Staged start up and go live of th facility is planned for spring 2018.

Actual Spend



Total Project Progress



16. Rolling Cash Flow

	Actual	June Forecast	Variance	Jul Budget	Aug Budget	Sep Budget	Oct Budget	Nov Budget	Dec Budget	Jan Budget	Feb Budget	Mar Budget	Apr Budget	May Budget	Jun Budget
Cash flows from operating activities															
Cash receipts from Crown agencies	48,280	52,759	(4,479)	44,117	43,397	43,641	52,729	47,139	43,756	43,795	46,778	43,854	43,779	46,713	47,282
Cash receipts from revenue banking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash receipts from donations, bequests and clinical trials	22	-	22	-	-	-	-	-	-	-	-	-	-	-	-
Cash receipts from other sources	1,049	441	608	434	439	434	499	440	439	446	453	446	446	453	446
Cash paid to suppliers	(33,474)	(30,193)	(3,281)	(27,155)	(25,732)	(26,640)	(26,011)	(26,282)	(25,873)	(25,894)	(23,195)	(26,206)	(26,123)	(24,910)	(25,995)
Cash paid to employees	(14,998)	(15,743)	745	(15,688)	(20,847)	(15,794)	(15,986)	(18,964)	(15,414)	(23,595)	(16,315)	(16,184)	(16,473)	(19,228)	(16,216)
Cash generated from operations	**879**	**7,264**	**(6,385)**	**1,709**	**(2,743)**	**1,641**	**11,231**	**2,333**	**2,909**	**(5,246)**	**7,720**	**1,910**	**1,630**	**3,027**	**5,518**
Interest received	74	73	1	74	74	74	74	74	74	74	74	74	74	74	74
Interest paid	-	0	(0)	-	-	-	-	-	-	-	-	-	-	-	-
Capital charge paid	(2,722)	(5,906)	3,184	(0)	(0)	(0)	(0)	(0)	(4,271)	(0)	(0)	(0)	(0)	(0)	(4,276)
Net cash inflow/(outflow) from operating activities	**(1,770)**	**1,431**	**(3,200)**	**1,782**	**(2,670)**	**1,714**	**11,304**	**2,406**	**(1,289)**	**(5,173)**	**7,793**	**1,983**	**1,703**	**3,100**	**1,315**
Cash flows from investing activities															
Proceeds from sale of property, plant and equipment	13	0	13	-	-	-	-	-	625	-	-	-	-	-	(0)
Acquisition of property, plant and equipment	(2,688)	(2,588)	(100)	(1,655)	(1,655)	(1,655)	(1,655)	(1,655)	(1,655)	(1,655)	(1,655)	(1,655)	(1,655)	(1,655)	(1,655)
Acquisition of intangible assets	(22)	(135)	113	(338)	(338)	(338)	(338)	(338)	(338)	(338)	(338)	(338)	(338)	(338)	(338)
Acquisition of investments	299	(245)	544	-	-	(249)	-	-	(249)	-	-	(249)	-	-	(249)
Net cash inflow/(outflow) from investing activities	**(2,399)**	**(2,968)**	**569**	**(1,993)**	**(1,993)**	**(2,242)**	**(1,993)**	**(1,993)**	**(1,617)**	**(1,993)**	**(1,993)**	**(2,242)**	**(1,993)**	**(1,993)**	**(2,242)**
Cash flows from financing activities															
Proceeds from equity injection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of finance leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity repayment to the Crown	(357)	(357)	-	-	-	-	-	-	-	-	-	-	-	-	(357)
Net cash inflow/(outflow) from financing activities	**(357)**	**(357)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(357)**
Net increase/(decrease) in cash or cash equivalents	(4,526)	(1,895)	(2,631)	(212)	(4,663)	(528)	9,311	413	(2,906)	(7,166)	5,800	(259)	(290)	1,107	(1,284)
Add:Opening cash	22,756	22,756	-	18,230	18,019	13,356	12,828	22,139	22,551	19,645	12,479	18,279	18,020	17,730	18,837
Cash and cash equivalents at end of year	**18,230**	**20,862**	**(2,631)**	**18,019**	**13,356**	**12,828**	**22,139**	**22,551**	**19,645**	**12,479**	**18,279**	**18,020**	**17,730**	**18,837**	**17,552**
Cash and cash equivalents															
Cash	4	4	-	4	4	4	4	4	4	4	4	4	4	4	4
Short term investments (excl. special funds/clinical trials)	15,254	17,835	(2,581)	14,988	10,325	9,797	19,108	19,521	16,615	9,448	15,248	14,989	14,699	15,806	14,521
Short term investments (special funds/clinical trials)	2,971	3,015	(44)	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,026
Bank overdraft	1	8	(7)	-	-	-	-	-	-	-	-	-	-	-	-
	18,230	**20,862**	**(2,631)**	**18,019**	**13,356**	**12,828**	**22,139**	**22,552**	**19,646**	**12,479**	**18,279**	**18,020**	**17,730**	**18,837**	**17,552**

The operating forecasts for 2017/18 year are based on the draft budget completed in June 2017 that incorporates the capital plan presented to the Board in June 2017.

BOARD HEALTH & SAFETY CHAMPION'S UPDATE

Verbal

HAWKE'S BAY
District Health Board
Whakawāteatia

CONSUMER STORY

11

Verbal

OURHEALTH HAWKE'S BAY Whakawateatia	**HB Clinical Council and HB Health Consumer Council Joint Meeting** 77
	For the attention of: **HBDHB Board**
Document Owner:	Graeme Norton, Chair – Consumer Council Chris McKenna and Dr Mark Peterson as Co-Chairs of Clinical Council
Reviewed by:	Not applicable
Month:	July, 2017
Consideration:	For Information

12

RECOMMENDATION

That the Board

Review the contents of this report; and

Note that Clinical Council and Consumer Council:

- **Provided feedback and high level guidance** on the Clinical Services Plan
- **Noted** the progress to date with the Surgical Expansion Project
- **Noted** the update on the Pharmacy Services Agreement

The Councils met on 12 July 2017 for a combined workshop and meeting, an overview of issues discussed and/or agreed at the meeting are provided below.

Joint Workshop / Discussion:

A briefing document (see Appendix 1) had been provided to participants ahead of the workshop. Following discussion and contribution the workshop participants agreed to the principles set out in the document.

The councils are asking for a very different plan, that wasn't about doing more of the same but instead focussing on people who don't currently access the system, earlier, preventatively rather than waiting for them to access hospital services at an advanced state of disease or acutely unwell. This recognises that we need to focus on reducing Adverse Childhood Experiences and have more focus on primary and community care

It is going to be very difficult to do the above within resources currently allocated as we will always have a compelling case to spend more on hospital services eg elective operations and any money saved from 'efficiencies' will just go into doing more of the same. We need a separate source of ring-fenced funding that must be spent on new service models

Sapere Group were in attendance and have been provided with detail from the discussions to incorporate in their work.

Presentations were received from the following:

- **Surgical Expansion Project** – update from the Surgical Services Director and project team on progress to date. Phase 1: Indicative business case approved by the Board in March. Phase 2: workstreams for production planning capacity planning; delivery planning; capital works and detailed business case. Steering Group and Clinical Advisory Group established as well as stakeholder and user groups used for co-design, process reviews, model of care changes and floor space layout

- **2017/18 Budget** – update from the Acting Finance Manager on the budget pre and post receipt of the funding envelope and the option approved by the Board at the June meeting.

Others reports provided for information and discussion included:

- **Pharmacy Services Agreement** – an update was provided on the community pharmacy services agreement contract which has been extended for 12 months to give certainty to the sector as a new contract is developed in readiness for 1 July 2018. The new contract will align with the other two national contracts for Aged Related Residential Care and Primary Health Organisation and will be consistent in delivering the key objectives of the New Zealand Health Strategy and the Pharmacy Action Plan. The contract extension includes additional funding for smoking cessation; workforce development and long term conditions for mental health. It was acknowledged that the contract negotiations had been challenging but that they are trying to make the national contract be flexible regionally to reduce barriers and free up access for consumers. It is our opportunity to have a say on how this additional funding is spent in Hawke's Bay.

Appendix 1

HAWKE'S BAY CLINICAL & CONSUMER COUNCILS
COMBINED CLINICAL SERVICES PLAN WORKSHOP

OUR HEALTH SYSTEM – CHANGING FOR THE BETTER
3.00 – 4.30pm, Wednesday 12TH July 2017

This paper provides a warm-up for workshop participants. The aim of the workshop is to develop a combined clinical and consumer leadership "partnership for success" in formulating the Clinical Services Plan currently being developed with the aid of Sapere Group.

The Hawke's Bay health system has done a lot of work in recent years to agree the challenges facing the population in Hawke's Bay and how these might be addressed by the health system in partnership with people and whānau. There is a clearly articulated strategic plan "Transform & Sustain" which has recently been refreshed.

At governance level we acknowledge that 80+% of healthcare spend is on chronic or long term conditions (including chronic mental health conditions) and their consequences, and for which the drivers are social, economic and behavioural. Many of these drivers are inter-generational and related to adverse childhood events. So this is a complex problem to solve that requires more than just the health sector alone and also needs to go beyond a biomedical approach in isolation.

We are committed to enabling equity of outcomes across our population and acknowledge that we have a long way to go to achieving that. In particular we need to co-design our services with and for people who currently don't or can't access them.

At a regional level we have assisted in the development of Matariki or REDS (Regional Economic Development Strategy) and Social Inclusion Strategy. We need to turn these strategies into improved health and wellbeing for the people of Hawkes Bay as active participants in interagency and multiagency working.

In developing a clinical services plan we can influence how clinicians, the people they serve and their whānau work together and how that plays out in and across the health sector.

As Clinical and Consumer Councils our own annual plans say that we will

"Work in partnership …….to ensure that Hawke's Bay health services are organised around the needs of people.

- Develop and promote a "Person and Whānau Centred Care" approach to health care delivery.
- Facilitate service integrations across / within the sector.
- Ensure systems support the effective transition of consumers between/within services.
- Promote and facilitate effective consumer engagement and patient feedback at all levels.
- Ensure consumers are readily able to access and navigate through the health system."

Partnering with consumers means valuing the skills and experience that they and their whanau/families/carers/significant supporters can bring; empowering and allowing consumers to participate in their own wellness – a strength based relationship.

The Clinical Services Plan represents a golden opportunity to demonstrate leadership that will actively drive towards a health service which will use all of the strengths and meet the needs of our Hawkes Bay community.
To some extent we know what success will look like - the achievement of those things we have articulated in our Clinical and Consumer Council annual plans! Facilitating a discussion about how this might manifest in each silo could perhaps stifle our creative, whole-of-system thinking?!

The big ticket items for integration are:

- Joint planning
- Shared clinical priorities - founded on triple aim
- Shared measurement and continuous quality improvement
- Supportive financial environment including incentivisation
- Integrated IT
- Change management
- Workforce development - to support integrated teamwork of a fit for purpose workforce, align culture
- Patient, Family and Community co-creation and co-design
- Innovation

We would feel that Sapere Group were meeting our requirements if they articulated a plan that gave us a view of where we are now and a road map to meet each of these fundamental supports for integration moving forward. Obviously without patients and whānau meaningfully embedded in each and every one of these fundamental supports we will fail to achieve the necessary paradigm shift; ditto for achieving equity.

And so to the workshop on the 12th

Rather than provide a prescriptive approach to the time we have together we suggest that we spend a maximum of 10 minutes checking in that there is broad consensus on the contents of this paper. Then we will, together, decide on how best to use the balance of time to support the development of the Clinical Services Plan.

Graeme Norton, Tae Richardson, Andy Phillips
5th July 2017

Attached: Notes from HB Health Governance Leadership Forum 15th March (Appendix 2)

Appendix 2

Hawke's Bay Sector Leadership Forum

15 March 2017

Workshop Outcome Notes

These notes contain a summary of the issues identified by the six discussion groups in response to four key questions:

1. What outcomes are most important for the health sector in HB to achieve?
2. How would you characterise the current culture of the HB health system
3. What would you like the culture to be in 5 years-time
4. How will the following approaches contribute to priority outcomes:
   - Improving culture
   - Integration
   - Social inclusion
   - Multiagency work

1. What outcomes are most important for the health sector in HB to achieve?

- **Strong vibrant communities**
  - Focus on wellness and healthy outcomes
  - Strong leadership
  - Empowered
  - Stable
  - Utilising the skills and experience of older people
  - Connected
  - Resilient
  - Good relationships
  - Violence free

- **Health literate sector / community**
  - Consumers engaged
  - Whole system easy to access / navigate
  - Honest conversations about outcomes and treatment options
  - See the person, not the condition

- **Social Determinants Connected**
  - Healthy homes
  - Links to Ministry of Social Development
  - Intersectoral collaboration / action

- **Healthy / happy children**
  - Reduced child illness
  - Good oral Healthcare Hawke's Bay Solid beginnings – viz Maori and Pacific
  - Focus on under 5s – Best start in life
  - Children are valued

- **Strong and well supported youth**
  - Effective services for youth – viz Māori and Pacific
  - Recognised pathways
  - Good transitions to adult life

- **Reduce / eliminate addictions**
  - Focus on P
  - Whanau Ora approach
  - Smoking and drinking reductions

- **Well-connected health system**
  - Whole of system integration
  - Good communications
  - Innovative delivery models
  - Sustainable – focus on lifestyles
  - Whanau Ora approach
  - Links to NGOs and other agencies
  - Values based
  - DHB leading by example
  - Empowered communities / consumers
  - Consumers self-managing long term conditions

- **Equity**
  - Improvements for Māori and Pacific
  - Target deprivation

2. **How would you characterise the current culture of the HB health system?**

Culture now:

- **Fragmented**
  - Not one culture
  - Some areas good, some not

- **Negative environment**
  - Suspicious
  - Bullied
  - Toxic
  - Bad behaviour not challenged
  - Poor performance not well managed
  - Don't feel valued
  - Feel abandoned

- **Stressed Staff**
  - Overwhelmed / overworked
  - Prolonged period of pressure
  - Tired – limited time / space for a 'break'
  - Constant change
  - Too much on, fatigued
  - Patients feeling negative effects

- **Bureaucratic**
  - Insufficient communication / transparency
  - Reactive
  - Limited tolerance of 'failure'
  - Risk averse – limited innovation
  - Hierarchical, command and control
  - Slow decision making / action
  - Lack of flexibility / agility

- **'System centred'**
  - Not yet customer focussed / centred
  - Patients required to 'fit the system'
  - Patients kept waiting

- **Improving**
  - Recognise need for change
  - Better than ten years ago
  - Whanau / family more involved
  - More welcoming
  - Better listening
  - Starting to collaborate
  - More engagement with consumers

3. **What would you like the culture to be in 5 years-time**

- **Positive environment**
  - People enjoying work
  - Pride
  - Empathy and awareness
  - Integrity
  - Values being lived
  - Trust and respect

- **Empowered / motivated staff**
  - Staff feel valued – equity for all
  - Effective leadership
  - Support for staff wellbeing
  - Innovation encouraged
  - Celebrate successes
  - Focus on professional development
  - Effective teamwork
  - Leaders have licence to lead
  - Safe to have difficult conversations
  - Resilient

- **Less / no bureaucracy**
  - Decision making flexible / agile

- **Person / consumer centred**
  - Whanau focussed
  - System meets consumers' needs – consumer first
  - Consumers 'heard'
  - Integrated services – strong relationships
  - Equity of access

5. **How will the following approaches contribute to priority outcomes:**
   - Improving culture
   - Integration
   - Social inclusion
   - Multiagency work

- **Health Care Models**
  - Whanau owned model of Healthcare Hawke's Bay Working wholly with families
  - Focus on high needs
  - Holistic primary care model (Nuka)
  - DHB / GP relationship based on mutual trust and respect
  - Turn data/information into 'change'

- **Intersectoral working**
  - Deal with the real issues / causes rather than symptoms
  - Health Communities approach
  - Develop champions – role models
  - Regional vitality and social care
  - Resourced governance structures

- **Leadership**
  - Quality leadership – role models
  - Behaviours aligned to values
  - Champions/successors developed
  - Pressure on staff reduced
  - Create time to lead
  - Allowed time to work 'on' the business rather than just 'in'

- **Empowered Staff**
  - Innovation encouraged / supported
  - Trusted to do the right thing
  - Freedom to change their workplace
  - Opportunities for 'growth' created

OURHEALTH HAWKE'S BAY Whakawateatia	**Hawke's Bay Clinical Council** 78
	For the attention of: **HBDHB Board**
Document Owner:	Chris McKenna and Dr Mark Peterson as Co-Chairs
Reviewed by:	Not applicable
Month:	July, 2017
Consideration:	For Information

13

RECOMMENDATION

That the Board

Review the contents of this report; and

Note that Clinical Council:

- **Approved** the Laboratory Guidelines in principle
- **Noted** the report from the Laboratory Services Committee

Council met on 12 July 2017, an overview of issues discussed and/or agreed at the meeting are provided below.

The following papers were considered:

- ***Laboratory Guidelines***

It was noted that the guidelines for appropriate use of laboratory investigations had been worked on by the Laboratory Committee and small groups of clinicians for some time and that they were now seeking endorsement and approval from the Clinical Council. This work was endorsed and the guidelines were approved in principle. It was noted that an electronic 'order entry' system would be desirable for the guidelines to be fully effective in practice.

Others reports provided for information and discussion included:

- **HB Radiology Services Committee (verbal)** – the last meeting held was brief to approve the Radiology Services Business Case. It was noted that the Radiology Service is under considerable pressure with reduced local resources until new staff are in place; the first Radiologists arriving in August.

- **HB Laboratory Services Committee** – Dr Ross Boswell was commended for his work as Clinical Director for the Laboratory Department and the Committee. Other items discussed were incorporation of laboratory results in discharge summaries sent to GPs; "mark as read" policy review and responsibility for laboratory results; automated identification and susceptibility testing system for microbiology specimens and a technology solution for labelling.

- **PHO Clinical Advisory & Governance Group Report (verbal)** – it was noted that there had not been a meeting for two months. An extra-ordinary meeting had been held to endorse the PHO Annual Plan.

HAWKE'S BAY District Health Board Whakawāteatia	**Māori Relationship Board (MRB)**
	For the attention of: **HBDHB Board**
Document Owner:	Na Raihania (Proxy Chair)
Reviewed by:	Not applicable
Month:	July 2017
Consideration:	For Information

RECOMMENDATION

That the HBDHB Board

Note the contents of this report**.**

MRB met on 12 July 2017, an overview of issues discussed and recommendations at the meeting are provided below.

The following reports and papers were discussed and considered:

NUKA TRAINING

MRB discussed at length the NUKA training and composition of the group of clinicians and management who travelled to Alaska to attend the NUKA training with the South Central Foundation in Anchorage. MRB support this model and acknowledge the learnings from this training will support principals for a co-design process and help drive new models of care. MRB **recommend** a presentation to MRB by the HB group, post their presentation at the Leadership Forum on 9th September.

MRB believe this was a missed opportunity to send someone on the ground, someone connected with the community. However MRB were pleased to hear Dr Fiona Cram is schedule to go over in September 2017.

MRB **endorse** a *Special Meeting* be held on 10th August 9am-12pm. **ACTION GM Māori Health** to present a brief summary paper of the NUKA model and identify any benefits for the region of Hawke's Bay.

BUDGET 2017/18

MRB **noted** the contents of the presentation.

BUILDING A DIVERSE WORKFORCE

MRB **noted** the contents of Kate Coley (Executive Director of People and Quality) presentation and were supportive of the recruitment and retention strategy however reiterated the strategy needs to reflect who it is for.

MRB provided the following feedback:

- MRB **recommend** job descriptions and selection criteria emphasise what Māori consumers value, i.e. relationships, caring, cultural competency etc.

- MRB **recommend** interview mechanisms are flexible enough to give candidates opportunity to demonstrate their values.
- MRB **recommend** the Social Inclusion plan not only support rangatahi / young people with their career pathways and guide them into the paid workforce as employees but also foster social enterprise in order that they become business owners.
- The NetP programme's equity approach has successfully increased Māori workforce.
- MRB requested an additional column in the graph Māori Staff Representation at HBDHB to include statistics of the users of the services.

It was confirmed it is the responsibility of the hiring managers to ensure there is Māori representation on all interview panels and all panellist have completed Engaging Effectively with Maori training. MRB **recommend** it be a requirement for hiring managers to assign Māori representation on interview panels.

MRB were concerned with feedback from student nurses (of all ethnicities) that ward nurses are unwelcoming to students. It is vital this cultural and level of support to students changes. MRB **recommend** this feedback be evaluated by EMT/Chris McKenna.

ENGAGING EFFECTIVELY WITH MĀORI
MRB **noted** the presentation provided and was very supportive of the work being undertaken.

MRB were supportive that cultural competency training is mandatory for all new staff and pleased with the participation from EMT members however stressed the importance of ensuring longstanding staff are trained, refreshed and working within the current HBDHB values and cultural competency expectations.

HE WAKA KAKARAURI - ADVANCE CARE PLANNING
MRB noted the contents of the booklet circulated by Paul Malan and Teracia Smith and were very supportive of the work being undertaken.

MRB **endorsed** He Waka Kakaraui tool for use in the Kahungunu rohe.

BUILDING A DIVERSE WORKFORCE AND ENGAGING EFFECTIVELY WITH MĀORI

Presentation

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HEALTH LITERACY PROGRESS

Presentation

HAWKE'S BAY District Health Board Whakawāteatia	**Board Member Professional Development – a Proposed Policy** 80
	For the attention of: **HBDHB Board**
Document Owner & Author:	Ken Foote, Company Secretary
Reviewed by:	Not applicable
Month:	July 2017
Consideration:	For Discussion and Decision

RECOMMENDATION

It is recommended that the Board:

1. Discuss the issues raised in this report
2. Approve the proposed policy and / or provide guidance on amendments or the redevelopment of an alternative policy.

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1. PURPOSE

This report and proposed policy is presented in response a a specific request from the Board noted during the May 2017 Board meeting.

2. BACKGROUND

HBDHB has a legislative requirements to provide some training to Board Members. Section 5 of Schedule 3 of the NZPHD Act 2000 requires:

> *"5 **Training relating to members' obligations and duties***
>
> *(1) A board that has elected or appointed to it a member or members not already familiar with the obligations and duties of a member of a board, Maori health issues, Treaty of Waitangi issues, or Maori groups or organisations in the district of the DHB concerned must fund and, to the extent practicable, ensure the member or members undertaken and compete, training approved by the Minister relating to whichever of the matters the member or members are not familiar with.*
>
> *(2) Any such board must keep an up-to-date record of the following matters……"*

Specific compliance with these requirements has generally been achieved through the provision of induction training, both nationally and locally. The regional combined boards symposiums have sometimes added to this, as has Board Member access to HBDHB staff courses, such as Treaty of Waitangi training (on-line) and Engaging Effectively with Maori.

HBDHB has, in addition for some time maintained a practice of providing in-house collective governance training and development courses for the Board, albeit on an ad-hoc basis. In recent years, seminars/Workshops have been provided on:

- Governance
- Strategic Planning
- Risk
- Health and Safety

In order to gain maximum benefit, other health sector governance groups have also been included in these sessions.

Until now however, individual Board Member governance professional development has been deemed to be more of a 'private or personal' responsibility, so subsidies or reimbursements for individual attendance of courses/seminars etc, have not been offered.

The discussion and resulting request from the May Board meeting, suggests that it is now appropriate to review this positon.

3. INSTITUTE OF DIRECTORS

The first reference point in conducting research for this report, was the Institute of Directors. A summary of the response received includes.

> *"Continuing professional development of directors is good governance practice. Ongoing learning is a critical part of being an effective director. This is recognised in the 2017/NZX Corporate Governance Code which recommends (at recommendation 2.6) that directors should undertake appropriate training to remain current on how best to perform their duties as directors.*
>
> *The IoDs Code of Practice for Directors required directors to be familiar with the nature of their business and environment and calls for directors to be aware of all statutory and regulatory requirements affecting the company. In relation to continuing development, the IoDs Code provides that boards should engage in continual professional development in order to continue to meet the needs of the company.*
>
> *From a company perspective, a commitment to professional development can improve directors' contributions around the board table and add value for the company and its shareholders. Companies are encouraged to see it as in their interests to support their directors, including allowing time and allocating specific funds for the purpose. Continuing professional development can be seen as part of taking the time to work on the board, not in the board.*
>
> *Obviously directors will have different professional needs depending on their background and governance experience."*

4. PRECEDENT

A number of enquiries were made from other DHBs and other 'public' health organisations to see if there were any examples of relevant policy documents and/or practices of how organisations approach the issue of 'funding' such professional development and training. A summary of feedback from such enquiries reveals a wide range of approaches, with few specific policy documents. Most appear to support Board collective development and some individual Director/Board Member development.

Two approaches to individual development include:

- General 'policy' statement about meeting each individuals requirements.
- An across the board entitlement of between $1,000 to $5000 per year for each director/member.

The IoD was not able to provide a template nor 'recommendation' for a board professional development policy, noting also that there is a wide range of approaches being applied.

5. PRINCIPLES / FACTORS

Given the variety of approaches taken, it has not been possible to adapt an existing template or precedent to establish a HBDHB policy. A principle based approach, together with consideration of a range of factors has therefore been used. These include:

5.1 Equality v Equity

- Given the processes used to elect and appoint Board Members, it is very likely that there will be a wide range of governance skills and experience held by each of the eleven members.
- The individual needs for professional development are therefore likely to be very different
- Is it therefore appropriate to have an 'equal' opportunity to access funding for professional development, or an 'equitable' one based on 'need'
- It is proposed that an equitable approach be taken, with an annual professional development plan being developed based on need and availability, which is approved and budgeted by the Board as a whole.

5.2 Collective v Individual

- In addition to the 'professional development' learning outcomes from 'whole of Board' collective training, there are a number of other indirect benefits:
  - More efficient (cost per attendee)
  - Opportunity to invite others (HHB Board, MRB etc)
  - Team building
  - Opportunity to workshop local issues.
- Because of this, it is deemed appropriate to maximise and formalise such training, holding one to two such trainings per year as part of the annual professional development plan.
- It would appear appropriate to develop a prioritised three year plan to cover the term of the Board, soon after each election (and updated following each Board Appraisal process) to build in some continuity and enhanced developments.

5.3 Benefit v Funding

- Whilst there is little doubt that HBDHB will benefit from Board Members undertaking professional development as 'governors', some benefit will also flow to other organisations in which the Board member is involved, as well as the individual Member themselves, in terms of enhancing their CV for potential 'recruitment' by other organisations.
- As a general principle, funding such activities should ideally be aligned with the benefits
- For collective training, it is clear that HBDHB should fund such activities.
- For individual training, it is not so clear. It is suggested that this alignment balance is taken into account in the development and approval of individual requirements within the annual professional development plan, and associated budget. Some cost sharing arrangements may be appropriate.
- Given that some professional development training may lead to the potential qualifications for (or maintenance of) membership of a professional body such as the IoD, funding of such membership is often raised in the same context as the training
- Although the HBDHB may wish to encourage such membership, given the potential range and skills of members, the equity issue addressed above in that not all will be (or wish to be) members of such bodies, the balance of benefits of the membership learning more towards the personal end, and such memberships will not be required, it is proposed that HBDHB does not fund the fees for such memberships.

5.4 Responsibilities

- The Board Chair (with support from the Company Secretary) should have the responsibility for coordinating the development of an annual professional development plan, along with a three year projection to cover the term of the Board.

- Individual Board Members should have the responsibility to advise the Chair if they consider that they personally, or the Board as a whole would benefit from specific governance level education and training.
- Individual Members also have the responsibility to advise the Chair of the other organisations they are involved in which may also benefit from any particular individual training.
- The Boards as a whole should have the responsibility of approving the annual professional development plan and associated budget.
- The Company Secretary should have the responsibility for ensuring the Board Members Training Register is maintained and that appropriate costs are recorded and monitored against budget.

5.5 Accountabilities

- The Board as a whole are accountable to the Minister of Health and the Hawke's Bay community for the allocation of public funding to Board Member professional development, so need to be able to justify any plan and budget.
- Individual Members and the Board as a whole are accountable for the achievement of the annual professional development plan, and "living within the budget" for such activities (being mindful of ensuring good "value for money').

5.6 Budget

- A review of appropriate training opportunities indicates the following estimated costs:
  - Company Directors Course **$6,000 - $8,000**
  - One/two day training course **$850 - $1,000**
  - On line courses **$150**
  - Provision of in house 1 day collective training **$4,000 - $6,000**
  - Required travel and accommodation cost associated with individual training could range from **$0** (if local) to approx. **$800** for one to two day event.
  - There could be significant efficiencies in extending the scope and scale of in-house training to accommodate more health sector 'governors', therefore potentially adding more costs.
  - Given the potential adoption of this new policy, continuation of legislative requirements, the preparation of the initial governance professional development plan and the potential requirement for "front loading" and or "catch up a 2017/18 budget of $25,000 has been allocated for Board Member training.
  - Any plan for 2017/18 will need to fit within this budget.

6. DRAFT POLICY

Based on all the above, a draft Policy has been developed for discussion, comment and potential approval (with or without any amendments). This Draft is attached.

HAWKE'S BAY DISTRICT HEALTH BOARD	**Manual:**	Insert Manual Name
	Doc No:	Insert Policy Number
Board Member Professional Development Policy	**Date Issued:**	Date policy first issued
	Date Reviewed:	Date policy reviewed
	Approved:	Title of person
	Signature:	
	Page:	1 of [insert total pages]

POLICY STATEMENT
HBDHB values ongoing professional development for Board Members and acknowledges legislative requirements to provide Members with training relating to their obligations and duties.

PURPOSE
This policy outlines how HBDHB supports Board Member education, training and professional development, to enable them to maximise their contribution to the governance functions in respect to HBDHB. This policy also defines the process for identifying and approving relevant training, while ensuring the prudent use of public funds.

SCOPE
This policy applies to all Board members of HBDHB

PRINCIPLES
The foundation principles of this policy are:

- Equity: Board Members will have different levels of education, training, skills and experience relating to their governance function within HBDHB. Priority will be given to those with the greatest professional development needs.
- Compliance: HBDHB will ensure it complies with its statutory requirements to provide Board Member Training, as set out in Schedule 3 of the New Zealand Public Health and Disability Act 2000.
- Transparency: Given its accountability to the public, and individual Board Member accountability to each other, any professional development and training plans will be discussed, approved, monitored and managed by the Board as a whole during meetings that are open to the public.
- Best Value: All training and professional development undertaken shall seek to maximise efficiency and effectiveness. For collective in-house training, value shall be maximised by inviting an appropriate level of attendance from other health sector governance groups.
- Alignment of Costs and Benefits: Training and professional development of Board Members benefits not only the HBDHB, but also Board Members themselves and other organisations with which they are similarly involved. These benefits need to be balanced and aligned when considering HBDHB funding of such activities.
- Mutual Support: The HBDHB Board operates as a whole. It is expected that the more skilled and experienced Members will support, guide, advise and mentor (as appropriate) those who are less experienced in HBDHB governance matters.

- Accountability: The HBDHB Board will meet all its accountability requirements to the Minister of Health and the public of Hawke's Bay.

- Health Sector Leadership: The HBDHB Board will lead the Hawke's Bay health sector by example in issues relating to this policy, reflecting the value of professional development, balanced with the prudent use of public funds, and the effective achievement of an agreed plan within an approved budget.

ROLES AND RESPONSIBILITIES

Board Chair

- Ensure an annual review of Board and Board Members' Training and Professional Development requirements is undertaken and an appropriate annual plan prepared and approved to best meet the individual and collective needs of the Board.
- Discuss and assess with each Board Member their individual training needs in the context of their skills, experience aspirations and contributions to other governance bodies.
- Seek Ministerial approval (as necessary) for Board Member Training and Professional Development.

HBDHB Board

- Discuss and approve the annual Board Member Training and Professional Development Plan and the associated budget.
- Monitor and manage achievement of the Plan and relevant budget.

Individual Board Members

- Identify own training needs and agree these with the Chair.
- Assist with the development of the annual Training and Professional Development plans to best meet individual and collective needs of the Board.
- Ensure appropriate registration and attendance at all relevant training opportunities included in the annual plan.

Company Secretary

- Assist the Board Chair with the coordination, development and approval of the annual Training and Professional Development Plan.
- Facilitate the identification, development, delivery or registrations for approved training as appropriate.
- Submit regular reports to the Board on training plan and budget performance.
- Maintain an appropriate register of all Board Member Training and Professional Development undertaken.

ANNUAL TRAINING & PROFESSIONAL DEVELOPMENT PLAN

- By March of each calendar year, a draft Board Member training and professional development plan for the following financial year (commencing 1 July) will be prepared, based on:
  - Chairs discussions with each Board Member to identify individual training needs
  - Collective training needs (phased as necessary), identified from:
    - ✓ Previous year's discussions
    - ✓ Board election and appraisal processes
    - ✓ Legislative requirements and/or changes
    - ✓ Individual Member and collective Board suggestions.
  - Budget considerations/resource constraints, including allowance for any cost share arrangements agreed with individual Board Members.

- The Plan and associated budget will be submitted to the Board for discussion/approval.
- Once approved, the Chair will seek Ministerial approval of the Plan, as necessary.

HBDHB FUNDING

- Unless otherwise agreed through any cost sharing arrangements, all activities included in the annual Board Member Training and Professional Development Plan will be funded by HBDHB, with adjustments as necessary to stay within budget.
- Specific costs to be funded include:
  - In-house collective activities:
    - ✓ Contracted provider fees and expenses
    - ✓ Venue hire, workshop materials and catering
- External collective or individual courses:
  - ✓ Registration fees and direct course related costs
  - ✓ Individuals' travel and accommodation costs, paid or reimbursed in accordance with HBDHB's Sensitive Expenditure Policy HBDHB/OPM/015
- HBDHB will not pay any additional meeting or attendance fees for Board Members time in attending any training or professional development activities.
- Although HBDHB values and encourages professional development for Board Members, and notes the potential value of membership of appropriate professional bodies, such membership is not required, and therefore membership fees or subscriptions to such bodies will not be covered or reimbursed by HBDHB.

REFERENCES

- New Zealand Public Health and Disability Act 2000
  - Schedule 2 – Provisions applying to DHBs and their Boards
  - Section 5 – Training relating to members' obligations and duties.
- Sensitive Expenditure Policy HBDHB/OPM/015.

KEYWORDS

For further information please contact [Company Secretary]

HAWKE'S BAY
District Health Board
Whakawāteatia

Recommendation to Exclude the Public

Clause 32, New Zealand Public Health and Disability Act 2000

That the public now be excluded from the following parts of the meeting, namely:

19. Confirmation of Minutes of Board Meeting
    - Public Excluded

20. Matters Arising from the Minutes of Board Meeting
    - Public Excluded

21. Board Approval of Actions exceeding limits delegated by CEO

22. Chair's Update

23. Cranford Hospice draft Business Case

24. Finance Risk and Audit Committee Report

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter and the specific grounds under Clause 32(a) of the New Zealand Public Health and Disability Act 2000 for the passing of this resolution are as follows:

- Official Information Act 1982 9(2)(ba) to protect information which is subject to an obligation of confidence.

- Official Information Act 1982 9(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions between the organisation, board and officers of the Minister of the Crown.

- NZPHD Act 2000, schedule 3, clause 32(a), that the public conduct of the whole or 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).