BOARD MEETING

Date: Wednesday 18 December 2019

Time: 1:30pm

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

Members: **Shayne Walker (Chair)**
Hayley Anderson
Ana Apatu
Kevin Atkinson
David Davidson
Evan Davies
Peter Dunkerley
Joanne Edwards
Charlie Lambert
Anna Lorck
Heather Skipworth

Apologies: David Davidson

In Attendance: Craig Climo, Interim Chief Executive Officer
Ken Foote, Company Secretary
Executive Leadership Team members
Robin Whyman and Jules Arthur, Co-Chairs of Clinical Council
Rachel Ritchie, Chair HB Health Consumer Council
Members of the public and media

Minute Taker: Kathy Shanaghan, EA to CEO

Public Agenda

Item	Section 1: Routine	Time (pm)
1.	Welcome and Apologies - Mihi Whakatau	1:30
2.	Interests Register	
3.	Minutes of Previous Meeting 27 November 2019	
4.	Matters Arising - Review of Actions	
5.	Board Workplan	
6.	Chair's Report (verbal)	

7.	Chief Executive Officer's Report	
8.	Financial Performance Report – Carriann Hall, ED Financial Services	2.00
9.	Planning & Funding Report to Board - Chris Ash, ED Planning & Funding	2.10
10.	Provider Services Report to Board – Chris McKenna, Acting ED Provider Services	2.20
11.	Board Health & Safety Champion's Update (verbal) - Board Safety Champion	2.30
	Section 2: Governance / Committee Reports	
12.	Māori Relationship Board Report– Chair, Heather Skipworth	2:35
13.	Hawke's Bay Clinical Council Report– Co-Chairs, Julie Arthur & Dr Robin Whyman	2:40
14.	Hawke's Bay Health Consumer Council Report– Chair, Rachel Ritchie	2:45
15.	Pasifika Health Leadership Group report	2.50
	Section 3: For Decision	
16.	'New' Board Governance Issues – Ken Foote	2.55
17.	**Section 5: Recommendation to Exclude the Public** Under Clause 32, New Zealand Public Health & Disability Act 2000	

Public Excluded Agenda

Item	Section 6: Routine	Time (pm)
18.	Minutes of Previous Meeting 27 November 2019 (public excluded)	3.30
19.	Matters Arising (public excluded) – Review of Actions	-
20.	Board Approval of Actions exceeding limits delegated by CEO	-
21.	Chair's Update (verbal)	
22.	Chief Executive Officer's Report (public excluded)	3.35
23.	Hawke's Bay Clinical Council (public excluded) Co-Chairs, Julie Arthur & Dr Robin Whyman	3.40
24.	Chief Medical Officer Update (verbal) – Robin Whyman	3.45
25.	Planning & Funding Report to Board (public excluded) – Chris Ash	3.55
26.	CEO Recruitment	4.05
	Section 7: For Information/Decision	
27.	Finance Risk and Audit Committee – Interim Chair, Peter Dunkerely	4.20
	Meeting concludes **Followed by Board Christmas Function at** **St George's Restaurant, Havelock North 4.30 – 7pm**	**4.30**

The next HBDHB Board Meeting will be held on
Wednesday 5 February 2020

Our shared values and behaviours

HE KAUANUANU RESPECT
ĀKINA IMPROVEMENT
RARANGA TE TIRA PARTNERSHIP
TAUWHIRO CARE

HE KAUANUANU RESPECT

*Showing **respect** for each other, our staff, patients and consumers*

	✔	✘
Welcoming	Is polite, welcoming, friendly, smiles, introduce self Acknowledges people, makes eye contact, smiles	Is closed, cold, makes people feel a nuisance Ignore people, doesn't look up, rolls their eyes
Respectful	Values people as individuals; is culturally aware / safe Respects and protects privacy and dignity	Lacks respect or discriminates against people Lacks privacy, gossips, talks behind other people's backs
Kind	Shows kindness, empathy and compassion for others Enhances peoples mana	Is rude, aggressive, shouts, snaps, intimidates, bullies Is abrupt, belittling, or creates stress and anxiety
Helpful	Attentive to people's needs, will go the extra mile Reliable, keeps their promises; advocates for others	Unhelpful, begrudging, lazy, 'not my job' attitude Doesn't keep promises, unresponsive

ĀKINA IMPROVEMENT

*Continuous **improvement** in everything we do*

	✔	✘
Positive	Has a positive attitude, optimistic, happy Encourages and enables others; looks for solutions	Grumpy, moaning, moody, has a negative attitude Complains but doesn't act to change things
Learning	Always learning and developing themselves or others Seeks out training and development; 'growth mindset'	Not interested in learning or development; apathy "Fixed mindset, 'that's just how I am', OK with just OK
Innovating	Always looking for better ways to do things Is curious and courageous, embracing change	Resistant to change, new ideas; 'we've always done it this way'; looks for reasons why things can't be done
Appreciative	Shares and celebrates success and achievements Says 'thank you', recognises people's contributions	Nit picks, criticises, undermines or passes blame Makes people feel undervalued or inadequate

RARANGA TE TIRA PARTNERSHIP

*Working together in **partnership** across the community*

	✔	✘
Listens	Listens to people, hears and values their views Takes time to answer questions and to clarify	'Tells', dictates to others and dismisses their views Judgmental, assumes, ignores people's views
Communicates	Explains clearly in ways people can understand Shares information, is open, honest and transparent	Uses language / jargon people don't understand Leaves people in the dark
Involves	Involves colleagues, partners, patients and whanau Trusts people; helps people play an active part	Excludes people, withholds info, micromanages Makes people feel excluded or isolated
Connects	Pro-actively joins up services, teams, communities Builds understanding and teamwork	Promotes or maintains silo-working 'Us and them' attitude, shows favouritism

TAUWHIRO CARE

*Delivering high quality **care** to patients and consumers*

	✔	✘
Professional	Calm, patient, reassuring, makes people feel safe Has high standards, takes responsibility, is accountable	Rushes, 'too busy', looks / sounds unprofessional Unrealistic expectations, takes on too much
Safe	Consistently follows agreed safe practice Knows the safest care is supporting people to stay well	Inconsistent practice, slow to follow latest evidence Not thinking about health of our whole community
Efficient	Makes best use of resources and time Respects the value of other people's time, prompt	Not interested in effective user of resources Keeps people waiting unnecessarily, often late
Speaks up	Seeks out, welcomes and give feedback to others Speaks up whenever they have a concern	Rejects feedback from others, give a 'telling off' 'Walks past' safety concerns or poor behaviour

Board "Interest Register" - as at 9 December 2019

Board Member Name	Current Status	Conflict of Interest	Nature of Conflict	Mitigation / Resolution Actions	Mitigation / Resolution Actions Approved by	Date Conflict Declared
Kevin Atkinson	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 where specific legal or fiduciary conflict identified.	The Chair of FRAC	22.02.17
	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 of FRAC	26.10.17
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	Shareholder Need a Nerd	IT support for home or business	No conflict perceived	The Chair	13.12.17
	Active	Shareholder of NZ Technologies	Technology and innovative support for businesses to grow	No conflict perceived	The Chair	13.12.17
Ana Apatu	Active	CEO of Wharariki Trust (a member of Takitimu Ora Whanau Collective)	A relationship which may be contractural from time to time	Will advise of any perceived or real conflict prior to discussion	PCDP Chair	5.12.16
	Active	Whakaraki Trust "HB Tamariki Health Housing fund"	Formed a relationship and MoU with HBDHB Child Health Team Community Women and Children's Directorate. The	Will advise at the outset of any discussions on this topic, and will not take part in any decisions / or financial	The Chair	8.08.18
Anna Lorck	Active	Attn! Martketing & PR, owner & director	Owner & Director (Marketing & Comms, publishing)	Unlikely to be any conflict of Interest. If in doubt will discuss with the HBDHB Chair.	The Chair	09.12.19
Shayne Walker						
Hayley Anderson	Active	Cranford Hospice Trustee	Health Consultant - contracted with provider	Will advise of any perceived or real conflict prior to discussion	The Chair	09.12.19
David Davidson	Active	Weem Charitable Trust	Provides support services to Cancer sufferers eg Cranford & Cancer Society	Will advise of any perceived or real conflict prior to discussion	The Chair	09.12.19
Joanne Edwards						
Charlie Lambert						
Evan Davies						

MINUTES OF THE BOARD MEETING
HELD ON WEDNESDAY 27 NOVEMBER 2019, IN THE TE WAIORA ROOM,
DHB ADMINISTRATION BUILDING, MCLEOD STREET, HASTINGS
AT 1.44pm

PUBLIC

Present: Kevin Atkinson (Chair)
Ngahiwi Tomoana (Deputy Chair)
Dan Druzianic
Dr Helen Francis (via teleconference to 3.10pm)
Peter Dunkerley
Diana Kirton
Barbara Arnott
Heather Skipworth
Jacoby Poulain
Ana Apatu
Hine Flood

Apology

In Attendance: Craig Climo (Interim Chief Executive Officer)
Ken Foote (Company Secretary)
Board Members Elect: Anna Lorck, Hayley Anderson & David Davidson
Members of the Executive Management Team
Dr Robin Whyman and Jules Arthur (Co-Chairs, HB Clinical Council)
Rachel Ritchie (Chair, HB Health Consumer Council)
Jacqui Sanders-Jones (Board Administrator)
Members of the public and media

Absent Jacoby Poulain

2. INTEREST REGISTER

No changes to the interests register was advised

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

3. CONFIRMATION OF PREVIOUS MINUTES

The minutes of the Board meeting held on 30 October 2019, were confirmed as a correct record of the meeting.

Moved: Dan Druzianic
Seconded: Peter Dunkerley
Carried

4. MATTERS ARISING FROM PREVIOUS MINUTES

Item 1: **Person & Whanau Centred Care –** Workplan for December meeting

Item 2: **He Ngakau Aotea –** Workplan for March 2020. Complete

Item 3: **Board H & S Champion –** update on actions to date attached as appendix to Matters Arising November 2019. Complete

Item 4: **Health Fund –** Comms update that they are working with the HB Foundation. Press release expected end of Nov/ early Dec 2019. Detail is being finalised. Complete

Item 5: **TAW Adult Health – Smoke free –** Update in December meeting. Further concern raised re growth in school children rate of uptake in vaping. (Chair)

5. BOARD WORK PLAN

The Board Work Plan was noted

6. 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
Margaret Ching	Cleaner	Communities Women & Children	21	7-Oct-19
Joan Finlayson	Registered Nurse	Medical Directorate	17	11-Dec-19
Raewyn Tasker	Registered Nurse	Medical Directorate	33	20-Dec-19
Peter McIntosh	Clinical Pharmacist	Operations Directorate	37	4-Dec-19
Robert Pearce	Registered Nurse	Mental Health Directorate	12	31-Oct-19
Judy Simpson	Team Secretary	Operations Directorate	41	22-Nov-19

- Chair confirmed he had shared the correspondence from 18 November to Kirsten Wise, Mayor of Napier outlining HBDHB Board concerns regarding removal of chlorine from water supply.
- Chair shared success story of consumer Mr John Huggins (present at meeting) and his endeavours to enable $130k in bequeathed funds held in trust of Betty Murrel Taylor, to HB Diabetes. This charity had been disestablished, however Chair confirmed that the money had now been released to Diabetes NZ.
- Chair shared with members that four DHBs confirmed as negligent in achieving ED6 targets, and that Bowel Screening Programme criteria could be reduced to include Màori and Pasifika participants at age 50 (previously 60).

7. CHIEF EXECUTIVE OFFICER'S REPORT

The CEO provided an overview of his report with comments noted below:

- CEO summarised financials 'as far from satisfactory' with forecast for $3m unfavourable outturn. Further cost saving opportunities available and are the subject of ongoing discussions in pressure point areas of the hospital.
- Audits on patients moving on to residential care to be conducted
- Tightening controls as listed in report to be implemented and remain in place until further notice.
- $8m deficit for 20/21 still planned but may be diifcult to achieve..

Process for planning the 20/21 Annual Plan in consideration of the forecast deficit was discussed with Board members and reminded of Planning & Funding Annual Plan presentation from last month. A Workshop in early March will be set up to construct the draft Annual plan (as an Implementation Plan). CEO commented

that there will be little funding available to fund activity supporting Whanau Ora Hāpori Ora (5 - 10-year strategic plan)

Workplan and Dates were discussed as follows, with confirmation to be sent out from CEO office:

- Proposal from CEO to include monthly and quarterly reporting from senior management teams
- Advice from Ministers office that confirmation of four new appointed members will be known week commencing 2 December, which will impact on proposed local induction date
- Proposed powhiri and induction on 9 December therefore postponed
- Powhiri now on 18 Dec prior to FRAC and Board meetings
- Christmas Function on 18 December for new/past Board members in evening (4.30 – 7pm, St Georges restaurant, Havelock North)
- Proposal of 29 January for an extra Board meeting. Agreed by members and to be confirmed by CEO
- Planning Day on 4 March tbc as consideration needs to be given to Ministry of Health regional induction dates and activity in March.

RECOMMENDATION

That the HBDHB Board:

Note the contents of this report

Adopted

8. FINANCIAL PERFORMANCE REPORT

Chris Comber (Finance Manager) spoke to the Financial Report for October 2019, which showed the result for the month of October is $0.7m unfavourable to plan, taking the year-to-date (YTD) result to $1.6m unfavourable.
Issues discussed in detail in FRAC meeting held earlier in the day.

RECOMMENDATION

That the HBDHB Board:

Note the contents of this report

Adopted

9. PLANNING & FUNDING REPORT TO BOARD

Chris Ash, Executive Director of Planning & Funding (P&F) introduced the monthly report from P&F Directorate.

Member shared they had recently spoken with Mayor of Wairoa and received good feedback on P&F team interaction with community. The move towards GP run practice in Wairoa received feedback that this is a good move for patients of Wairoa in regard to continuity of service. Board reminded P&F team that more consideration of stakeholders opinions and input needs to be addressed from the beginning of these change processes.

RECOMMENDATION

That the HBDHB Board:

Note the contents of this report

Adopted

10. PROVIDER SERVICES REPORT TO BOARD

Chris McKenna, Acting Executive Director of Provider Services reiterated that October was coming out of a challenging time with high bed occupancy, but hospital is now in green through daily monitoring and controls. A lot of contingency planning ongoing due to industrial action, which especially affects CT waiting times.
Significant issues with SMO recruitment are ongoing.

RECOMMENDATION
That the HBDHB Board:
Note the contents of this report
Adopted

11. BOARD HEALTH & SAFETY CHAMPION UPDATE
Outcomes of recent H&S items provided within Matters Arising.

REPORT FROM COMMITTEE CHAIRS

12. MĀORI RELATIONSHIP BOARD (MRB)

Heather Skipworth as Chair of MRB spoke to the Workshop held 13 November 2019.

- Diana and Mark Kopua presented Mahi a Atua initiative which addresses a Maori 'spiritual and ancestral' approach to Mental Health for Maori. This approach is fully understanding of Tikanga.
- Considered by all to be a positive session which reflected back on Maori heritage and world view.
- **October MRB report to Board contained recommendation from Te Ara Whakawaiora, which was not addressed. This endorsement of next steps to be brought back through to Board in December. ACTION**

13. HAWKE'S BAY CLINICAL COUNCIL

Co-Chair Jules Arthur spoke to the report from the Council's meeting held on 13 November 2019:

Discussions included:

- Collaborative Pathways – HBDHB are the only DHB without a clinical pathway tool. This is an electronic tool which clinicians can use as a standard approach of care provision. It's an end to end tool which supports seamless access to services. HBDHB needs to replace Map of Medicine (which was a 3-DHB collaboration).
- Canterbury recently visited to showcase 'Choosing Wisely', whereby clinical prompts are given to clinicians to really test the care and service being considered and then offered to the patient.

RECOMMENDATION
That the HBDHB Board:
Note the contents of this report
Adopted

14. HAWKE'S BAY HEALTH CONSUMER COUNCIL

Rachel Ritchie, Chair of Consumer Council advised the outcomes of their meeting held on 14 November 2019:

- Person & Whanau Centred Care remains an ongoing piece of work between organisations and committees, but is progressing.

Consumer Council were commended for their work at raising community awareness of prescription subsidies available. Discussion followed on the responsibility of pharmacists to promote this service to their customers. **Executive Director of Planning & Funding will take this back to the Community Pharmacists for feedback on promotion of this communication to patients. ACTION.**

RECOMMENDATION

That the HBDHB Board:
Note the contents of this report

Adopted

FOR DECISION

15. CODE OF PROFESSIONAL CONDUCT FOR CROWN ENTITY BOARD MEMBERS

Ken Foote, Company Secretary had sought feedback on the draft document 'Code of Professional Conduct for Crown Entity Board Members', which was circulated via email to Board members on 12 October 2019.

It was noted that breaches were covered in this document at a national level, with no advice on local level approach.

Noted areas as follows in need of address within this policy:

- Employment Relationship – As the employer of the CEO and indirectly of all staff within the DHB, how do Board members exercise this employment responsibility professionally and responsibly
- Community Representation – For the seven elected Board Members, how do they balance their responsibilities to their 'constituents/consumers' who elected them, with their responsibilities to the Board, to HBDHB and to the Minister.
- Media & Public Comment – How do elected Board members balance their above responsibilities in this environment, and also what 'freedom of speech' and 'human rights' exist for such Board Members.

General agreement from members as to the comments raised.

A letter will be drafted with feedback to the Minister as contained within the report.

RECOMMENDATION

That the HBDHB Board:

1. Note the contents of the report
2. **Requests** the Chair to respond to the State Services Commissioner with HBDHB comments on the Draft 'Code of Professional Conduct for Crown Entity Board Members' in accordance with issues agreed today.
3. **Requests** that the HBDHB Governance Manual and 'Board Code of Conduct & Ethics' be reviewed once the State Services Code is confirmed.
4. **Requests** that the HBDHB Media Relations and Social Media Policy reviews be completed and the Board advised.

Adopted

FOR DISCUSSION / INFORMATION

16. HBDHB PERFORMANCE FRAMEWORK EXCEPTIONS REPORT Q1

Chris Ash, Executive Director of Planning & Funding explained the new look report showing 141 performance indicators which have been grouped into areas aligning with HBDHB Strategy Whanau Ora, Hāpori Ora.

These performance indicators ensure equity provision throughout.

Comments from Board included:

- Valuable commentary made within reports, which is useful and relevant.
- Useful to have A3 colour hard copies tabled
- Acronyms legend suggestion

RECOMMENDATION

That the HBDHB Board:

1. **Note** the new format for monitoring HB health sector corporate performance and its contents and provide feedback
2. **Approve** the use of the Corporate Performance Report for monitoring and managing corporate Performance

Adopted

GENERAL BUSINESS

Chair explained his original intention to retire at this meeting, however with circumstances faced with CEO resignation (K Snee) and hospital management situation, he decided to continue by standing in October elections. Chair confirmed his conversation on 14 August with the Minister of Health as to his potential reappointment as Chair of HBDHB following results of election campaign.
Chair has had no further conversation with Minister, has had no official notice of appointed members, and no official knowledge of who the Chair/Deputy Chair of HBDHB will be. Chair expressed his disappointment that after 20 years' service (19 years as Chair) that he personally faces this situation, however it is understood that the Minister of Health will announce new Chair of HBDHB a few days prior to 9 December.

Chair recognised the long serving board members and those departing from HBDHB Board.

A number of departing member gave a farewell speech. These included:

- Barbara Arnott
- Ngahiwi Tomoana
- Dan Druzianic
- Diana Kirton
- Helen Francis had left the teleconference by this time
- Jacoby Poulain was absent
- Although still hoping to be reappointed, Hine Flood made a few parting comments in case she wasn't.

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

17. RECOMMENDATION TO EXCLUDE THE PUBLIC

RECOMMENDATION

That the Board

Exclude the public from the following items:

18. Confirmation of previous minutes 25 September - Public Excluded
19. Matters Arising (public excluded)
20. Board Approval of Actions exceeding limits delegated by CEO
21. Chair's Update
22. CEO report to Board (Public excluded)
23. HB Clinical Council report to Board (public excluded)
24. Chief Medical Officer verbal report
25. HB Health Consumer Council report (public excluded)
26. Planning & Funding report (public excluded)
27. Overnight Nursing Service (Napier)
28. Under 18's Free Primary Care
29. Finance Risk and Audit Committee

Moved: **Peter Dunkerley**
Seconded: **Diana Kirton**

Carried

The public section of the Board Meeting closed 3.32pm

Signed: _____

Chair

Date: _____

BOARD MEETING - MATTERS ARISING
(Public)

Action	Date Entered	Action to be Taken	By Whom	Month	Status
1	26/06/19	**Person & Whanau Centred Care** • Review the report and proposed new 2 x FTE roles as to how they can be developed to more widely link with He Ngakau Aotea. • Report on progress	Kate Coley	December 2019	Moved to April 2020 Workplan
2	30/10/19	**TAW Adult Health (SmokeFree)** Monitor and explore correlation of children taking up vaping in households where this smoking cessation tool is used.	Bernard Te Paa	Update December 2019	
3	27/11/19	**MRB Recommendation** October MRB report to Board contained recommendation from Te Ara Whakawaiora, which was not addressed. This endorsement of next steps to be brought back through to Board in December	MRB Chair	December 2019	
4	27/11/19	**Community Pharmacists (raised by Chair Consumer Council)** Responsibility of pharmacists to promote Subsidy Scheme to their customers. Executive Director of Planning & Funding will take this back to the Community Pharmacists for feedback on promotion of this communication to patients	Chris Ash	December 2019	

GOVERNANCE WORKPLAN PAPERS

19-Nov-19

BOARD MEETING 18 DECEMBER 2019	Emailed	EMT Member	Lead/Author	MRB Meeting Date	Clinical Council Meeting Date	Consumer Council Meeting Date	F R A C Meeting date	BOARD Meeting date
Provider Services monthly report		John Burns		11-Dec-19				18-Dec-19
Finance Report (Nov)		Carriann Hall						18-Dec-19
Planning & Funding Directorate Monthly Report		Chris Ash						18-Dec-19
Board Committees		Ken Foote						18-Dec-19
BOARD MEETING 26 FEBRUARY 2019	Emailed	EMT Member	Lead/Author	MRB Meeting Date	Clinical Council Meeting Date	Consumer Council Meeting Date	F R A C Meeting date	BOARD Meeting date
VIP/Family Harm report		Bernard Te Paa	Patrick le Geyt	11-Dec-19				26-Feb-20
Alcohol Harm Reduction Strategy (6 monthly update) **Feb -** Aug		Bernard TePaa	Rachel Eyre	12-Feb-20	12-Feb-20	13-Feb-20		26-Feb-20
Ngatahi Vulnerable Children's Workforce Development - annual progress **Feb 20** (annual update)		John Burns	Russell / Bernice Gabriel	8-Apr-20	8-Apr-20	9-Apr-20		26-Feb-20
Finance Report (Dec)		Carriann Hall	Chris				26-Feb-20	26-Feb-20
Corporate Dashboard	E	Carriann Hall	Peter MacKenzie					26-Feb-20
Provider Services monthly report	E	John Burns						26-Feb-20
Quarterly Report to the Minister of Health (Oct 19-Dec 19) Feb 20 Board		Carriann Hall						26-Feb-20
Planning & Funding Directorate Monthly Report		Chris Ash						26-Feb-20
HIE & Pop Health Quarterly report to board		Bernard T Paa						26-Feb-20
PHO Quarterly report to Board		Wayne Woolrich						26-Feb-20
People & Quality Quarterly report to Board		Kate Coley						26-Feb-20

CHAIR'S REPORT

Verbal

HAWKE'S BAY District Health Board Whakawāteatia	**Chief Executive Officer's Report - Public**
	For the attention of: **HBDHB Board**
Document Owner:	Craig Climo, Interim Chief Executive Officer
Month as at	11 December 2019
Consideration:	For Information

RECOMMENDATION

That the Board

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

WELCOME TO THE NEW BOARD

Welcome to the new Board and in particular the new Board members.

The approach in my report is to introduce and overlay key items on the agenda, and advise on other ad-hoc matters.

Routine reporting, i.e. updates, have largely been removed from this agenda to free-up a good amount time for Board only time including Chief Executive Officer recruitment.

I suggest that members, in the first instance, go to the public excluded version of my report where additional information is given and additional items.

FINANCIALS

The operating result for November was $2.27M U. We had been forecasting a $3M U variance for the whole year.

The year-to-date result was $3.86M U.

The main components of the November variance were:

1. Inter District Flows (IDFs) $516k U variance for November – these are payments between DHBs for treating each other's populations. A Inflows were down and outflows up. Monthly IDF variances can be significant and hopefully is a timing issue. The Executive Director of Financial Services' report includes a graph showing this.
2. Pharmac $926k U for the month. The community and hospital pharmaceutical budget is set nationally and administered by Pharmac.

Whereas an unfavourable result in the provider-arm is an impact on the sector.

3. Provider-arm $998k U for the month. This was mostly payroll, roughly equally between medical staff including locums, and nursing.

The rate of expenditure was the same as in October, but the budget was significantly less. This is a function of budget phasing to recognise what should be a period of lower acute demand than in the winter and spring.

As would be expected, the unfavourable variances are spread differently across all services, but it is notable that if 14 beds had been closed as planned in the month that nursing would have been on budget and therefore half of the unfavourable variance avoided.

The other half of the variance is in doctor payroll, with the variance in locums.

Further tightening has occurred with all approvals to overspend, and all recruitment, now being signed off by the Executive Director of Provider Services – a large task with typically about 100 jobs in recruitment at any time.

Within the November result, two significant cost pressures that had existed in the previous four months did not appear, being aged residential care and the blood product intragam, however the latter may be a timing issue only.

KEY HEALTH TARGETS

The chair requested the key health targets.

Attached is this DHB's one page summary against the array of metrics in our current annual plan (appendix one). This summary and metrics were in the November Board agenda and can be accessed via Diligent - Current Books - Board meeting 27 November 2019. The agenda item is number 16 "HBDHB Performance Framework Exceptions Quarter 1".

Sometimes it is best to fix the barriers to performance rather than act directly on the metrics themselves, for example the "bed availability" project should improve the ED six hour target but is not itself an objective of the project.

Another example which is receiving a lot of management attention at present is elective services performance (ESPIs). Electives are services provided more than 24 hours after the decision to treat. The elective services (otherwise known as planned care) system has requirements for timeliness of access to services, the key ones being four months to be seen in outpatients (when the referral has been accepted), and four months for treatment when treatment has been offered. Other outcomes from the system are that it is intended to give transparency, certainty, and consistency, whereas the waiting lists of old had none of these characteristics.

The Ministry website has good information on planned care at https://www.health.govt.nz/our-work/hospitals-and-specialist-care/planned-care-services. You will also find an explanation on each of the performance indicators under the side bar menu 'How DHBs are performing'.

Touching briefly on surgical volumes, before returning to elective services performance:

HBDHB has the lowest overall surgical intervention rate in New Zealand.

In the last five years HBDHB's acute hospital throughput has increased about 30 percent and has constrained electives to <2 percent. Few other DHBs are close to that acute growth.

Beside some DHB revenue being at risk, the greater concern was patients missing out, so we have increased out-sourcing and in-house activity to achieve plan or get close to it. This could cost up to $4M of which about $2.6M was in the forecast.

A longer term need is patient prioritisation tools that allow greater differentiation of patients who have quite similar clinical conditions and needs, to enable differentiation of those who can be offered treatment and those who cannot for capacity reasons.

Which leads to electives advice to the public. We do not know who is not being referred to the hospital, and clearly many patients who would benefit from treatment are not being referred because GPs know that they won't be offered treatment for capacity reasons. We do know, or reliably will when the data clean-up is

completed, who is being referred and not seen or treated, and we will look in the first instance to make this information available quarterly to general practice, for the first time in February 2020, and sometime beyond that to the public. We are starting with orthopaedics – major joints – as it's an area of significant demand. Tentatively we are looking to publish the volume of First Specialist Assessments, patients assessed, referred for surgery, treated, and declined.

OTHER PROVIDER-ARM MATTERS

Mahia and Wairoa

Last month I advised that, subject to the Board being comfortable, I would approach my Tairawhiti DHB (Gisborne based) Chief Executive counterpart to ascertain his view re:

- The people of Mahia (pop'n ~ 800) having the option at any time for their convenience to access services in either Tairawhiti DHB or HBDHB. This would be an IDF outflow for HBDHB.
- Patients currently on the surgical list from Wairoa having the option of earlier treatment in Gisborne. This would be a one-off (time limited) option. This would be at pricing to be agreed.

Funder-arm

Primary Mental Health RFP

The MoH has advised that HBDHB's bid for Budget 2019 funding has been successful. It is for the treatment and care in the community of people with mild to moderate mental illness. Implementation will be in the second wave from 1 July 2020.

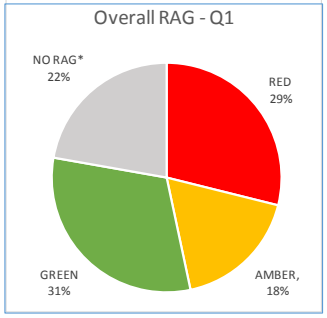
MEETINGS, TIMINGS ETC

Ken Foote's paper deals with meeting dates and committee membership amongst other things.

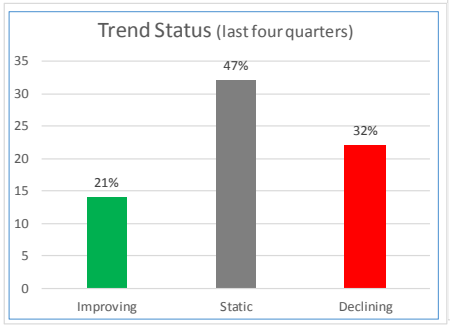
APPENDIX 1

HBDHB ANNUAL PLAN PERFORMANCE MEASURES – Quarter 1 2019/2020

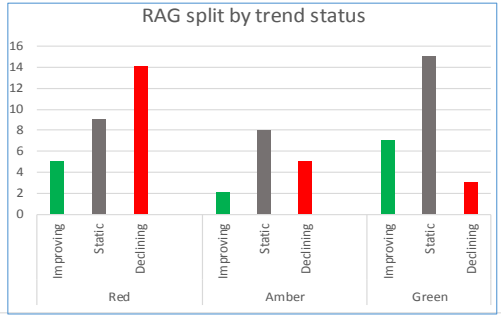
OVERALL PERFORMANCE



* No target set to determine RAG



Note: Includes RED, AMBER & GREEN status only

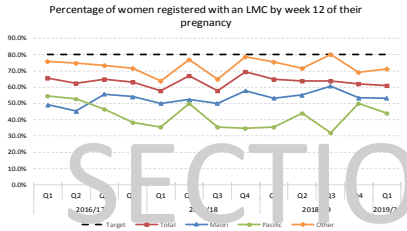


Equity Gap - Top 5	Difference*
Amber RAG	
Total acute hospital bed days per capita	-58%
Green RAG	
Reduce ASH 45-64 - ASH rate per 100,000 45-64	-108%
Number of Māori babies who live in a smoke-free household at 6 weeks post-natal	-51%
Better access to acute care for older people (non-urgent and semi urgent attendances at the Regional Hospital ED) - 75-79 years	-44%
% of children caries free at 5 years of age	-31%

* difference between Māori and Total as a %

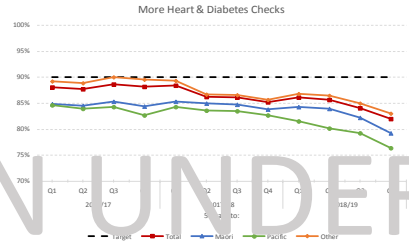
EXCEPTION REPORTING

PRIMARY CARE ENROLMENTS - % of pregnant women booked with a Lead Maternity Carer by week



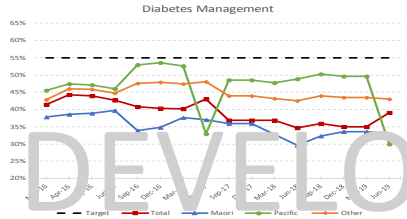
- He Korowai Manaaki is undertaking a RCT in primary care practices in Hawke's Bay
- Focuses on providing women who are pregnant early access to necessary screening, health checks, and engagement with LMC
- Investigation required to understand further the barriers which are preventing sustained improvement In this

LONG-TERM CONDITIONS - % of eligible population will have had a CVD risk assessment in the last 5



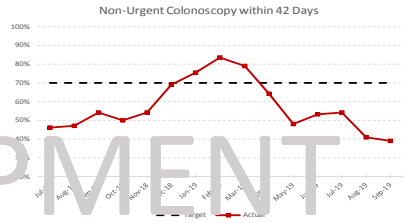
- Revised remuneration structure for practices
- Practices encouraged to ID assessments via file review - where limited resource IP to complete
- HHB discussing collaboration with Heinz Watties and National Heart Foundation regarding a CVD screening pilot they are running – analysis of assessments done outside of GP to ID definite unmet need and plan to reach into those areas

LONG-TERM CONDITIONS - Proportion of people with diabetes who have had a good or acceptable glycaemic control (HbA1C indicator)



- Health HB currently reviewing data to establish why the annual screening rates are low and consider practical steps to improve uptake
- HHB working collectively with the Diabetes Specialist Team, hospital services, primary care to review the collective diabetes services for opportunities for improvement

QUICKER ACCESS TO DIAGNOSTICS - % of people accepted for non-urgent diagnostic colonoscopy will receive their procedure within 6 weeks



- Industrial action and reduced access to specialist resource impacted on production schedule
- NBSP in place for 12 months - significant increase in demand over the predicted MoH model
- Weekly clinical forum reviews referral numbers, sessions booked and back fill opportunities.
- Clinical lead is piloting an increase in points per session to facilitate an increase in throughput

POSITIVE PERFORMANCE

CHILD HEALTH - ≥95% of obese children identified in the Before School Check (B4SC) will be offered a referral to a health professional for clinical assessment and family based nutrition, activity and lifestyle interventions

ACHIEVED: 100% Total
100% Māori
100% Pasifika

This has been achieved through improving referral pathways into Active Families by informing B4SC nurses of the programme. And collective action and link to broader approach to reducing childhood obesity across government agencies, NGOs, communities, schools, families and whānau.

PLANNED CARE - % of patients waiting over 120 days for treatment ESPI 5

ACHIEVED: 35% reduction (since peak in Q2 18/19)

The number of patients breaching ESPi 5 has gone from a high of 539 in February to 298 at end of October by ongoing review from referral out to intervention. A further reduction in the coming quarter is not expected however, due to reduced capacity over the Christmas holiday period.

APPENDIX 1

HAWKE'S BAY District Health Board Whakawāteatia	**Financial Performance Report November 2019** For the attention of: **HBDHB Board**
Document Owner	Carriann Hall, Executive Director Financial Services
Document Author	Phil Lomax, Financial and Systems Accountant
Reviewed by	Carriann Hall, Executive Director Financial Services
Month/Year	December, 2019
Purpose	For Information

RECOMMENDATION:

That the HBDHB Board:

Note the contents of this report

EXECUTIVE DIRECTOR FINANCIAL SERVICES COMMENTS

Financial Performance

The result for the month of November is $2.3m unfavourable to plan, taking the year-to-date (YTD) result to $3.9m unfavourable. There are three main drivers of the adverse result for the month:

1. $960k crystallisation of the pharmaceutical risk highlighted over the last few months. This expenditure covers July to November and relates to higher than planned pharmaceutical spend, particularly in Pharmaceutical Cancer Treatments (PCTs). This will impact on the forecast.
2. $515k Inter District Flow (IDF) overspend in month, due to HBDHB patients being treated in other DHBs having a particularly high caseweight complexity and recent notification of a long stay patient. We see this as a timing issue and does not impact the forecast.
3. $825k net adverse variance on normal business, against a forecast of $290k adverse, driven by personnel costs in Provider Services. Decisive management action is required to ensure this does not worsen further

As a result, we have increased our full year forecast to $20.1m deficit ($7.2m adverse to plan) from $15.9m deficit forecast last month. Further detail is provided in the forecast section below.

	November				*Year to Date*				*Year End*	
$'000	*Actual*	*Budget*	*Variance*		*Actual*	*Budget*	*Variance*		*Forecast*	Refer Appendix
Income	50,730	51,336	(606)	-1.2%	255,499	255,435	65	0.0%	613,587	1
Less:										
Providing Health Services	25,195	24,200	(996)	-4.1%	126,906	124,313	(2,594)	-2.1%	305,294	2
Funding Other Providers	23,192	22,445	(747)	-3.3%	111,482	109,741	(1,741)	-1.6%	267,511	3
Corporate Services	5,154	4,938	(216)	-4.4%	24,996	25,084	88	0.3%	59,883	4
Reserves	(156)	139	294	212.3%	309	629	319	50.8%	1,001	5
	(2,655)	**(385)**	(2,270)	-590.3%	**(8,194)**	**(4,332)**	(3,863)	-89.2%	**(20,102)**	

Key Drivers (YTD)

The detail of the variances are covered in the appendices to the report. The main areas driving adverse variances year to date are:

- Income (Appendix 1)

  Lower income for In-Between-Travel (offset in cost) and IDF inflows (Other DHB patients treated in HBDHB) which is expected to be a timing issue due to seasonal factors

- Providing Health Services (Appendix 2)

  Net cost of medical personnel and locums, security and patient watches, blood products and patient transport. Having been on plan, nursing costs overspent materially for the first time in November

- Funding Other Providers (Appendix 3)

  Pharmaceuticals to reflect the latest PHARMAC forecast and Aged Residential Care costs, which have been overplan every month.

Other Performance Measures

	November				Year to Date				Year End	Refer
	Actual	Budget	Variance		Actual	Budget	Variance		Forecast	Appendix
	$'000	$'000	$'000	%	$'000	$'000	$'000	%	$'000	
Capital spend	2,048	2,219	(170)	-7.7%	5,151	9,294	(4,143)	-44.6%	21,695	12
	FTE	FTE	FTE	%	FTE	FTE	FTE	%	FTE	
Employees	2,565	2,525	(39)	-1.6%	2,477	2,499	22	0.9%	2,526	2 & 4
	CWD	CWD	CWD	%	CWD	CWD	CWD	%	CWD	
Case weighted discharges	2,796	2,533	264	10.4%	12,785	12,903	(118)	-0.9%	29,239	2

- Capital spend (Appendix 12)

  Strategic projects are progressing slower than planned reflecting both the delays for large projects that are not uncommon, and the need for MoH confirmation of equity funding for the Radiology Refurbishment Project and agreement to the self-funded increase in Surgical Services Expansion Project costs. We do have mitigation strategies to ensure capital is spent, but further material delays, will cause issues.

- Cash (Appendices 11 & 13)

  The cash low point in November was $18.8m overdrawn at the end of the month, against a forecast of $11.1m overdrawn. The difference is attributed to pre-Christmas invoice processing and the result for the month. Our statutory limit is currently $29m overdrawn.

- Employees (Appendices 2 & 4)

  Employee numbers are favourable reflecting vacancies in medical and allied staff partly offset by higher than budgeted use of nursing and support personnel, partly driven by situations where one-one 'patient watches' or security support are required.

- Activity (Appendix 2)

  Acute medical inpatients are 483 case weights higher than plan (10%) YTD, whereas elective surgery is 522 case weights (18%) lower than plan to the end of November. This continues the trend of a shortage of beds for elective surgery due to high bed occupancy by medical acute patients, increasing the difficulty of meeting the MOH's planned care targets. Lower than planned maternity volumes contribute the remaining case weight shortfall.

December Financial Reporting

To encourage leave over the Christmas period, reporting deadlines for December's results have been moved out to later in January, with the financial reports to the Board and FRAC likely to be available in the last week of January.

Forecast

The forecast has deteriorated by $4.2m for the full year, broken down as follows:

$m	Detail
15.9	**Forecast based on October result**
2.7	Full year forecast impact of pharmaceutical spend
0.5	Additional planned care outsourcing
0.2	2018/19 MECA funding revenue anticipated but will now not be received
0.8	November unforecast overspend and anticipated flow on impact into December
20.1	**Forecast based on November result**

The forecast aims to take a balanced, rather than an overly pessimistic view of the position and incorporates the impact of management actions. However, there are a number of risks in year. These include:

Pay Settlements – We have set the budget on assumptions agreed with MoH. For some settlements, MoH advised they would fund additional costs over 2.43% Average Ongoing Cost of Settlement. However we are finding that there is a material shortfall (around $590k) on recent payment advice from MoH and we are working with them to resolve. A further $150k revenue was anticipated to cover 2018/19 related costs, however we have now been advised by MoH that this will not be received, which has increased our forecast deficit. Furthermore, unplanned changes relating to MECA mandated step increases and medical run-reviews are having an impact on the position.

PHARMAC – In prior forecasts, we had been assuming that the Combined Pharmaceutical Budget (CPB) would come in on plan, which was based on the PHARMAC Feb 2019 forecast. Subsequent forecasts from PHARMAC have shown that there have been a number of material changes since budget setting and confirm the significant increases we have been seeing in high cost and cancer drugs. PHARMAC have also advised they expect to invoice us for our PBF share of the expected underspend of the overall national CPB. These changes have worsened our forecast by $2.7m. We have arranged for senior PHARMAC officials to visit next month so that we can have a better understanding of their forecasts and actions we can take to reduce the forecast overspend.

Planned Care revenue – Our forecast assumes we will receive the full planned care revenue from MoH. However this is predicated on achievement of planned case weighted discharges and we currently have a material shortfall on these. Section 11 provides further detail on the shortfall. The reasons for this and actions underway, including review of data capture to ensure that all compliant activity is captured, is covered in the Provider Services report in detail.

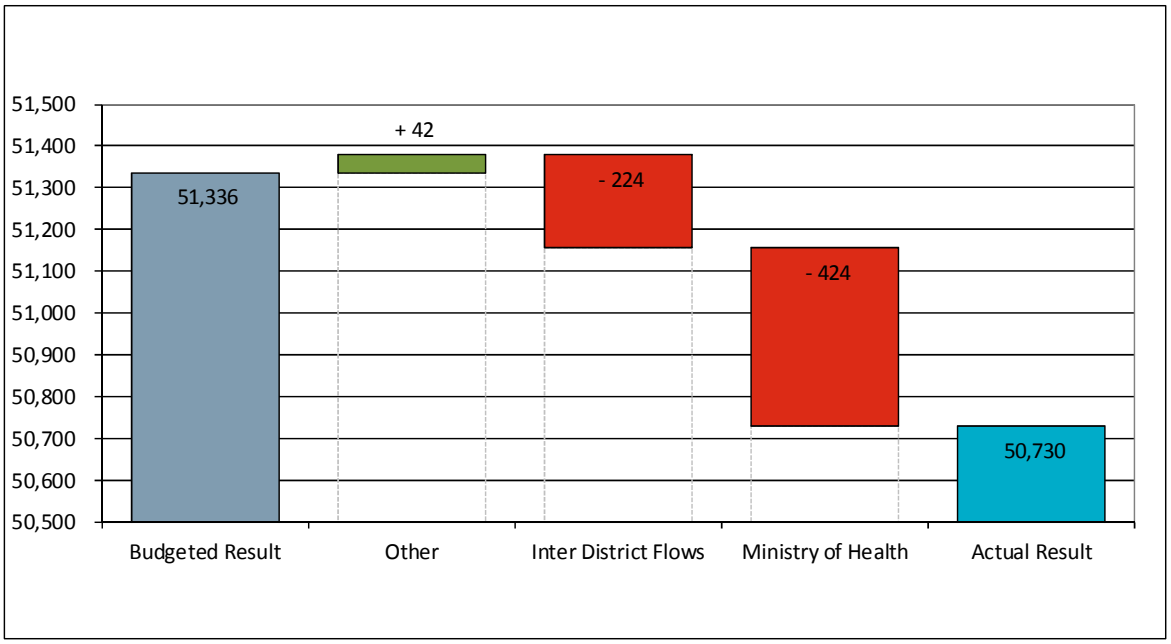
Achieving savings – Details were provided to FRAC last month of activities underway. However following the overspend in November, management is taking action to mitigate further deterioration.

APPENDICES

1. INCOME

$'000	November Actual	November Budget	November Variance		Year to Date Actual	Year to Date Budget	Year to Date Variance		Year End Forecast
Ministry of Health	48,832	49,256	(424)	-0.9%	245,153	244,903	250	0.1%	587,550
Inter District Flows	483	707	(224)	-31.7%	3,194	3,537	(343)	-9.7%	8,147
Other District Health Boards	316	436	(120)	-27.5%	1,887	1,831	56	3.1%	4,653
Financing	74	7	67	956.5%	95	35	60	170.4%	95
ACC	358	371	(13)	-3.5%	2,200	2,001	199	9.9%	6,040
Other Government	31	(21)	52	246.0%	217	229	(11)	-4.9%	459
Patient and Consumer Sourced	111	104	7	6.6%	573	519	55	10.5%	1,320
Other Income	528	476	51	10.7%	2,763	2,381	382	16.0%	6,057
Abnormals	(2)	-	(2)	0.0%	(583)	-	(583)	0.0%	(733)
	50,730	**51,336**	(606)	**-1.2%**	**255,499**	**255,435**	65	**0.0%**	**613,587**

November

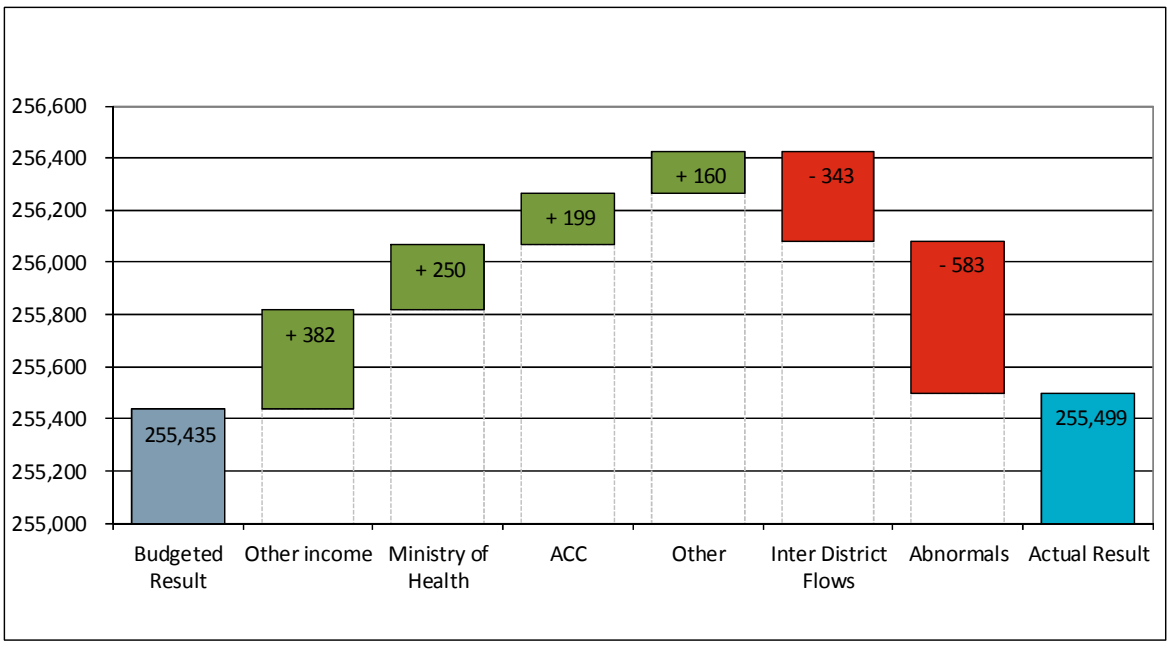


Note the scale does not begin at zero

Inter District Flows (unfavourable)
Analysis of IDF data indicates patient inflows are trending below budget, and most of the reduction has been recognised in November.

Ministry of Health (unfavourable)
In-Between-Travel and primary care capitation.

Year-to-date



Note the scale does not begin at zero

Other income (favourable)
Donations and clinical trial revenue, food sales, accommodation and GP Health Care income, accommodation, and Pharmacy revenue.

Ministry of Health (favourable)
Pharmaceutical services.

ACC (favourable)
Elective surgery and rehabilitation.

Inter District Flows (favourable)
Lower income than budgeted reflecting the seasonal nature of visitors into Hawke's Bay. Expected to pick up over the summer.

Abnormals (unfavourable)
The pay equity wash-up for 2018/19 recognised in October was significantly less than provided for.

2. PROVIDING HEALTH SERVICES

	November				Year to Date				Year End Forecast
	Actual	Budget	Variance		Actual	Budget	Variance		
Expenditure by type $'000									
Medical personnel and locums	6,093	5,634	(459)	-8.2%	30,214	28,953	(1,261)	-4.4%	74,350
Nursing personnel	7,922	7,492	(429)	-5.7%	39,176	38,796	(380)	-1.0%	94,353
Allied health personnel	3,174	3,317	143	4.3%	15,842	16,780	938	5.6%	38,486
Other personnel	2,164	2,158	(6)	-0.3%	10,911	10,804	(107)	-1.0%	26,054
Outsourced services	803	783	(20)	-2.5%	4,211	4,416	205	4.6%	10,416
Clinical supplies	3,548	3,353	(195)	-5.8%	18,523	17,258	(1,266)	-7.3%	42,944
Infrastructure and non clinical	1,491	1,462	(29)	-2.0%	8,030	7,306	(723)	-9.9%	18,691
	25,195	**24,200**	**(996)**	**-4.1%**	**126,906**	**124,313**	**(2,594)**	**-2.1%**	**305,294**
Expenditure by directorate $'000									
Medical	7,195	6,779	(417)	-6.1%	35,381	34,532	(849)	-2.5%	86,392
Surgical	5,747	5,622	(126)	-2.2%	28,663	28,623	(39)	-0.1%	70,767
Community, Women and Children	4,170	4,104	(66)	-1.6%	20,752	20,772	20	0.1%	50,406
Mental Health and Addiction	1,899	1,776	(124)	-7.0%	9,475	8,951	(524)	-5.9%	22,950
Older Persons, NASC HB, and Allied H	1,443	1,209	(234)	-19.3%	7,079	7,418	339	4.6%	17,484
Operations	3,801	3,837	36	0.9%	19,975	18,774	(1,200)	-6.4%	47,951
Other	940	874	(66)	-7.6%	5,582	5,242	(340)	-6.5%	9,345
	25,195	**24,200**	**(996)**	**-4.1%**	**126,906**	**124,313**	**(2,594)**	**-2.1%**	**305,294**
Full Time Equivalents									
Medical personnel	375.1	380.1	5	1.3%	347	369	22	5.9%	378.4
Nursing personnel	1,092.1	1,007.5	(85)	-8.4%	1,045	1,020	(25)	-2.4%	1,031.7
Allied health personnel	474.8	503.4	29	5.7%	473	496	22	4.5%	495.9
Support personnel	133.1	118.9	(14)	-11.9%	125	115	(11)	-9.2%	115.8
Management and administration	277.7	291.1	13	4.6%	276	279	3	1.2%	283.1
	2,352.7	**2,300.9**	**(52)**	**-2.2%**	**2,267**	**2,278**	**12**	**0.5%**	**2,304.8**
Case Weighted Discharges									
Acute	2,051	1,696	355	21.0%	9,383	8,904	479	5.4%	19,957
Elective	545	621	(76)	-12.2%	2,470	2,961	(492)	-16.6%	6,850
Maternity	172	180	(8)	-4.5%	759	851	(93)	-10.9%	2,000
IDF Inflows	28	36	(8)	-22.0%	174	187	(13)	-7.1%	432
	2,796	**2,533**	**264**	**10.4%**	**12,785**	**12,903**	**(118)**	**-0.9%**	**29,239**

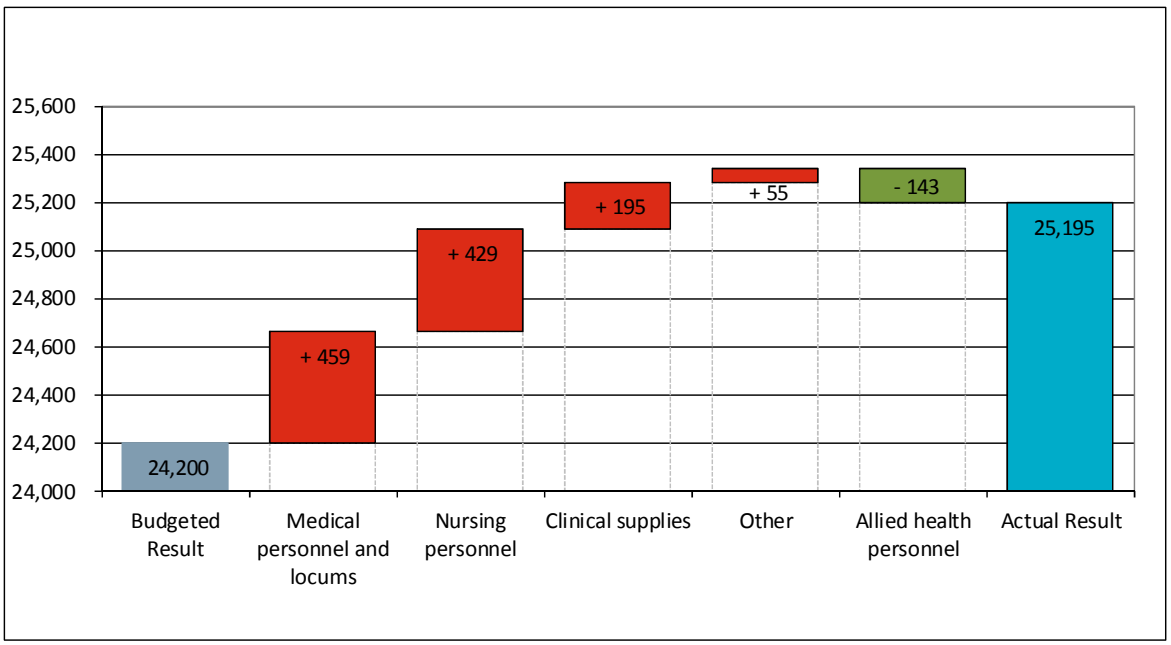
Directorates YTD

- Operations – patient transport and blood products.
- Medical – Outsourced radiology reads and medical staff vacancy and leave cover
- Mental Health and Addiction – locum psychiatrist costs for vacancy and sick leave cover
- Other – Unachieved savings, partly offset by lower than projected sabbatical leave
- Older Persons et al – vacancies across medical, management and allied health staff

Case Weighted Discharges

Case weighted discharges (CWD) are behind plan in elective surgery and medicine, maternity, and surgical acutes, and are partly offset by medical acutes. Note that whilst the Elective CWD is an indicator of performance on the Planned Care target, timing and impact of elective IDF outflows means this is not the definitive result and actual data from MoH is provided in section 11.

November



Note the scale does not begin at zero

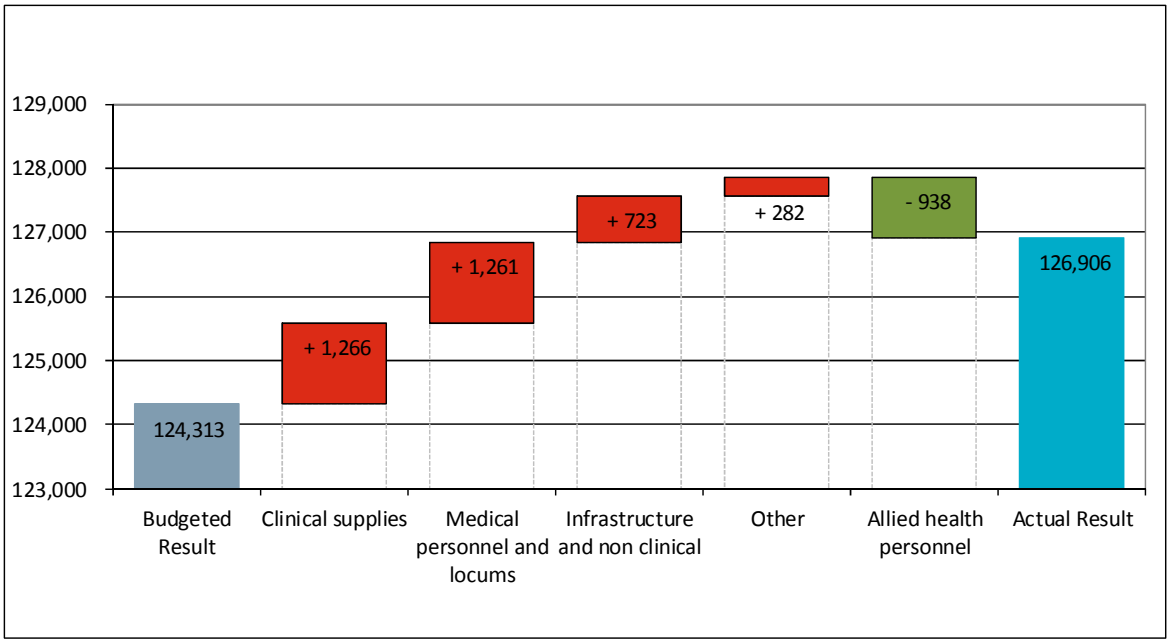
Medical personnel and locums (unfavourable)
Vacancies more than offset by locum cover, and additional sessions to meet demand.

Nursing personnel (unfavourable)
Patient watches and patient volumes.

Clinical supplies (unfavourable)
Disposable instruments, patient transport and blood costs.

Allied health personnel (favourable)
Vacancies mainly in social workers, psychologists, laboratory technicians, and pharmacists.

Year-to-date



Note the scale does not begin at zero

Clinical supplies (unfavourable)
Patient transport costs, blood products (mainly Intragam), and disposable instruments, partly offset by lower pharmaceutical costs.

Medical personnel and locums (unfavourable)
Vacancies more than offset by locum vacancy and leave cover.

Infrastructure and non-clinical (unfavourable)
Security (patient watches), Māori workforce scholarships (offset in income), and food, laundry and cleaning costs relating to patient volumes.

Allied health personnel (favourable)
Vacancies mainly in social workers, laboratory technicians, psychologists, medical radiation technologists (MRTs), occupational therapists, and cultural workers.

Full Time Equivalents (FTE)

FTE numbers are volatile reflecting the human resource needs of the DHB and the availability of staff, factors that change significantly from month-to-month. Consequently FTEs are reported on a year-to-date (YTD) basis to improve understanding of underlying trends. However, in the first few months of the year, the dampening effect of YTD reporting is limited.

FTEs are 12 (0.5%) favourable including:

Medical personnel (22 FTE / 5.9% favourable)

- Vacancies across across a number of specialties including radiologists, intensivists, obstetricians, and and orthopaedic surgeons, more than offset in outsourced medical.

Nursing personnel (-25 FTE / -2.4% unfavourable)

- Impact of patient watches and high levels of activity mainly in the wards and AT&R

Allied health personnel (22 FTE / 4.5% favourable)

- Ongoing vacancies in social workers, laboratory technicians, psychologists, and medical radiation technologists.

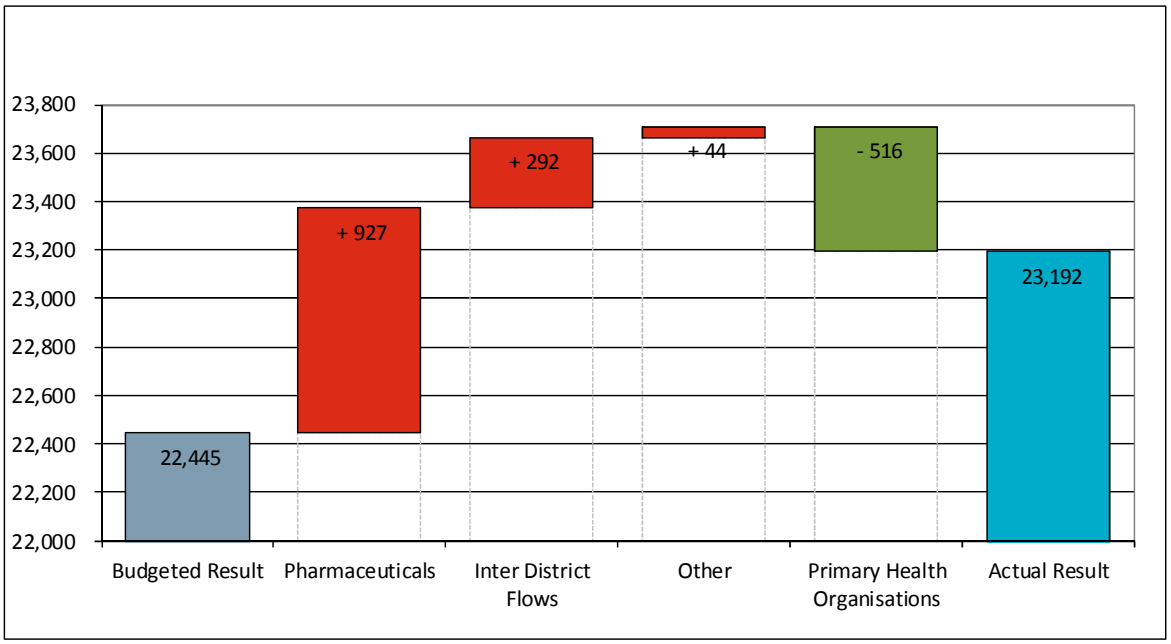
Support personnel (-11 FTE / -9.2% unfavourable)

- Pressure on kitchen staff, orderlies, and security (patient watches).

3. FUNDING OTHER PROVIDERS

	November				*Year to Date*				*Year End*
$'000	*Actual*	*Budget*	*Variance*		*Actual*	*Budget*	*Variance*		*Forecast*
Payments to Other Providers									
Pharmaceuticals	4,588	3,661	(927)	-25.3%	19,293	18,304	(988)	-5.4%	47,081
Primary Health Organisations	3,516	4,033	516	12.8%	18,366	18,499	133	0.7%	43,197
Inter District Flows	5,335	5,043	(292)	-5.8%	24,863	25,214	351	1.4%	59,562
Other Personal Health	2,063	2,046	(17)	-0.8%	10,021	9,926	(94)	-1.0%	24,668
Mental Health	1,236	1,187	(48)	-4.1%	5,952	5,417	(534)	-9.9%	13,359
Health of Older People	6,122	6,131	9	0.1%	31,469	30,662	(807)	-2.6%	75,758
Other Funding Payments	332	344	12	3.6%	1,519	1,719	201	11.7%	3,902
	23,192	22,445	(747)	-3.3%	**111,482**	**109,741**	(1,741)	-1.6%	267,526
Payments by Portfolio									
Strategic Services									
Secondary Care	4,886	4,637	(250)	-5.4%	22,858	23,183	325	1.4%	54,715
Primary Care	9,427	8,986	(441)	-4.9%	43,624	42,963	(662)	-1.5%	105,639
Chronic Disease Management	-	-	-	0.0%	-	-	-	0.0%	-
Mental Health	1,575	1,517	(58)	-3.8%	7,590	7,062	(528)	-7.5%	17,548
Health of Older People	6,651	6,665	14	0.2%	34,134	33,330	(804)	-2.4%	81,918
Other Health Funding	-	-	-	0.0%	-	-	-	0.0%	-
Maori Health	521	512	(9)	-1.7%	2,615	2,559	(56)	-2.2%	6,142
Population Health	132	129	(3)	-2.4%	661	645	(16)	-2.4%	1,564
	23,192	22,445	(747)	-3.3%	**111,482**	**109,741**	(1,741)	-1.6%	267,526

December



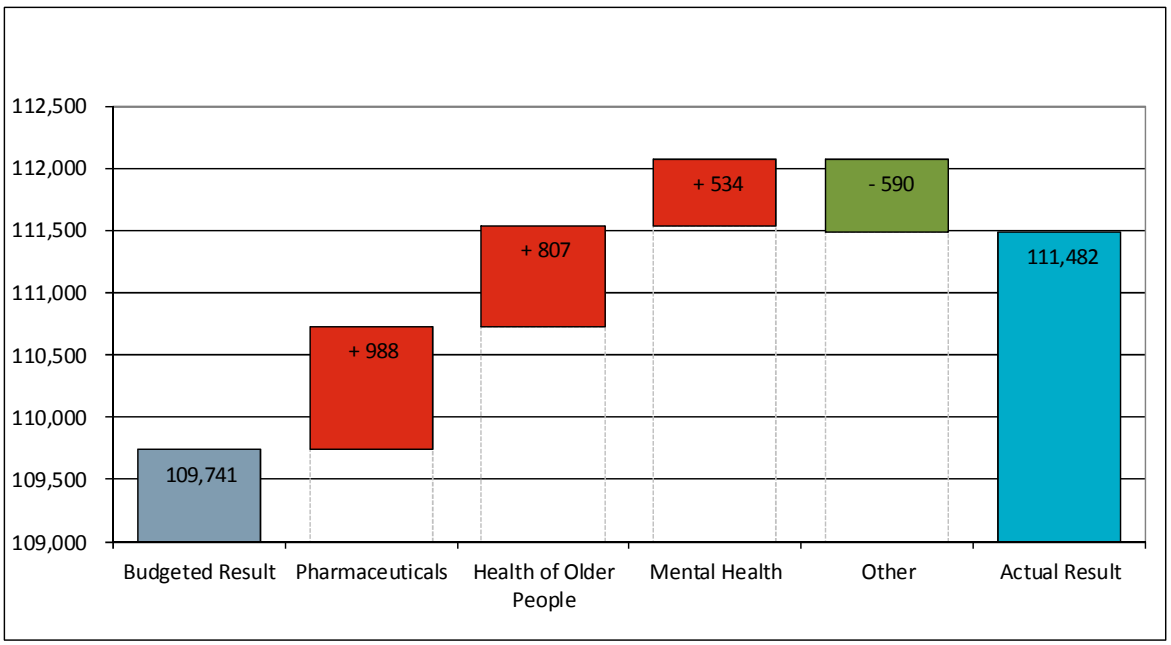
Note the scale does not begin at zero

Pharmaceuticals (unfavourable)
Combined pharmaceutical spend has been adjusted to reflect the increased activity, especially in high cost and cancer drugs, and is in line with the latest forecasts from PHARMAC.

Inter District Flows (unfavourable)
Long term patients including a very long term patient notified by Auckland DHB in November.

Primary Health Organisations (favourable)
Lower than projected costs for first contact services.

Year-to-date



Note the scale does not begin at zero

Pharmaceuticals (unfavourable)
Mainly reflects the November adjustment to reflect the increased combined pharmaceutical spend.

Health of Older People (unfavourable)
Changes in mix of care to higher cost packages, pay equity and In-Between-Travel costs.

Mental Health (unfavourable)
Prior year adjustment as a result of washup impacting YTD result.

Other (favourable)
Lower than expected costs for first contact services in November.

4. CORPORATE SERVICES

$'000	November Actual	November Budget	November Variance		Year to Date Actual	Year to Date Budget	Year to Date Variance		Year End Forecast
Operating Expenditure									
Personnel	1,669	1,694	25	1.5%	8,374	8,728	354	4.1%	19,763
Outsourced services	179	76	(103)	-135.2%	762	382	(381)	-99.6%	1,808
Clinical supplies	64	55	(9)	-15.6%	236	275	39	14.3%	628
Infrastructure and non clinical	1,461	1,327	(134)	-10.1%	6,931	6,696	(236)	-3.5%	16,481
	3,372	3,152	(220)	-7.0%	16,304	16,081	(223)	-1.4%	38,680
Capital servicing									
Depreciation and amortisation	1,085	1,173	88	7.5%	5,522	5,942	420	7.1%	13,661
Financing	84	-	(84)	0.0%	110	-	(110)	0.0%	197
Capital charge	612	612	-	0.0%	3,061	3,061	-	0.0%	7,346
	1,781	1,785	4	0.2%	8,693	9,003	310	3.4%	21,203
	5,154	**4,938**	(216)	**-4.4%**	**24,996**	**25,084**	**88**	**0.3%**	**59,883**
Full Time Equivalents									
Medical personnel	0.3	0.3	0	8.9%	0	0	(0)	-16.7%	0.3
Nursing personnel	15.2	16.8	2	9.4%	15	17	2	11.1%	16.9
Allied health personnel	(0.5)	0.4	1	210.5%	(0)	0	0	101.6%	0.4
Support personnel	31.5	30.7	(1)	-2.6%	30	30	0	0.7%	30.2
Management and administration	165.5	176.1	11	6.0%	165	173	8	4.4%	173.5
	212.0	**224.2**	12	5.5%	**211**	**221**	**10**	**4.6%**	**221.4**

Personnel is mainly executive staff vacancies partly offset by contracted executives in outsourced services.

Infrastructure includes national work plan costs relating to the cental region Technical Advisory Services, and data network costs relating to the new telephone system.

Depreciation and amortisation reflects the extension of building lives assumed in the 30 June 2019 revaluation of land and buildings and slower than planned capital expenditure.

5. RESERVES

$'000	November Actual	November Budget	November Variance		Year to Date Actual	Year to Date Budget	Year to Date Variance		Year End Forecast
Expenditure									
Contingency	83	218	135	61.8%	152	766	614	80.2%	735
Efficiencies	-	-	-	0.0%	-	-	-	0.0%	-
Other	(239)	(79)	160	201.8%	158	(137)	(295)	-214.6%	266
	(156)	**139**	294	212.3%	**309**	**629**	**319**	50.8%	**1,001**

The contingency budget reduces when ELT approves use of reserves, which have been largely allocated against specific initiatives expected to drive improvements in patient outcome and access. The YTD favourable variance shows the release of contingency into the result.

The “Other” category includes prior year adjustments and loss on disposal of clinical equipment.

6. FINANCIAL PERFORMANCE BY MOH CLASSIFICATION

	November			Year to Date			End of Year		
$'000	*Actual*	*Annual Plan*	*Variance*	*Actual*	*Annual Plan*	*Variance*	*Forecast*	*Annual Plan*	*Variance*
Funding									
Income	48,111	48,836	(725)	241,711	242,439	(729)	580,981	581,833	(852)
Less:									
Payments to Internal Providers	28,797	28,797	-	144,861	144,861	-	338,307	338,307	-
Payments to Other Providers	22,046	21,823	(222)	106,560	106,633	73	256,666	258,081	1,415
Contribution	**(2,732)**	**(1,784)**	**(948)**	**(9,710)**	**(9,055)**	**(655)**	**(13,992)**	**(14,554)**	**563**
Governance and Funding Admin.									
Funding	308	308	-	1,542	1,542	-	3,603	3,603	-
Other Income	3	3	1	13	13	0	30	30	0
Less:									
Expenditure	287	290	2	1,491	1,468	(24)	3,676	3,633	(43)
Contribution	**25**	**21**	**3**	**64**	**87**	**(23)**	**(43)**	**0**	**(43)**
Health Provision									
Funding	28,489	28,489	-	143,319	143,319	-	334,704	334,704	-
Other Income	2,518	2,402	116	13,283	12,502	781	31,411	29,551	1,860
Less:									
Expenditure	30,954	29,512	(1,442)	155,150	151,186	(3,964)	372,182	362,601	(9,582)
Contribution	**52**	**1,378**	**(1,326)**	**1,452**	**4,635**	**(3,183)**	**(6,067)**	**1,654**	**(7,722)**
Net Result	**(2,655)**	**(385)**	**(2,270)**	**(8,194)**	**(4,333)**	**(3,861)**	**(20,102)**	**(12,900)**	**(7,202)**

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.

7. 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, or unbudgeted new funding received during the year and the associated expenditure.

	November			*Year to Date*			*End of Year*		
$'000	*Mgmt Budget*	*Annual Plan*	*Movement*	*Mgmt Budget*	*Annual Plan*	*Movement*	*Mgmt Budget*	*Annual Plan*	*Movement*
Funding									
Income	48,836	48,876	(40)	242,439	242,639	(199)	581,350	581,833	(484)
Less:									
Payments to Internal Providers	28,797	28,797	-	144,861	144,861	-	338,307	338,307	-
Payments to Other Providers	21,823	21,893	70	106,633	107,505	871	256,015	258,081	2,066
Contribution	**(1,784)**	**(1,815)**	**30**	**(9,055)**	**(9,727)**	**672**	**(12,972)**	**(14,554)**	**1,583**
Governance and Funding Admin.									
Funding	308	308	-	1,542	1,542	-	3,603	3,603	-
Other Income	3	3	-	13	13	-	30	30	-
Less:									
Expenditure	290	290	1	1,468	1,471	3	3,625	3,633	8
Contribution	**21**	**20**	**1**	**87**	**84**	**3**	**8**	**0**	**8**
Health Provision									
Funding	28,489	28,489	-	143,319	143,319	-	334,704	334,704	-
Other Income	2,402	2,369	32	12,502	12,359	143	29,718	29,551	167
Less:									
Expenditure	29,512	29,449	(64)	151,186	150,368	(818)	364,359	362,601	(1,758)
Contribution	**1,378**	**1,409**	**(31)**	**4,635**	**5,311**	**(675)**	**64**	**1,654**	**(1,590)**
Net Result	**(385)**	**(385)**	**(0)**	**(4,333)**	**(4,333)**	**-**	**(12,900)**	**(12,900)**	**0**

8. QUALITY AND FINANCIAL IMPROVEMENT PROGRAMME

Planned savings, including a vacancy factor, have been incorporated into operational budgets and will be managed as part of the normal operational performance reviews in 2019/20. Our focus will be on sustainable changes that generate qualitative improvements that positively impact patient outcomes. It is anticipated that in many cases these will also impact the drivers of cost, such as length of stay and therefore will have a positive impact on the financial position.

9. FINANCIAL POSITION

		November				
30 June 2019	$'000	*Actual*	*Budget*	*Variance from budget*	*Movement from 30 June 2019*	*Annual Budget*
	Equity					
188,048	Crown equity and reserves	188,742	164,706	24,037	695	174,339
(44,407)	Accumulated deficit	(52,601)	(20,704)	(31,897)	(8,194)	(29,271)
143,641		136,141	144,001	(7,860)	(7,500)	145,068
	Represented by:					
	Current Assets					
759	Bank	723	840	(117)	(36)	840
1,881	Bank deposits > 90 days	1,884	1,855	29	3	1,855
29,342	Prepayments and receivables	27,876	26,200	1,676	(1,466)	26,488
4,023	Inventory	4,136	3,872	264	113	3,933
-	Investment in NZHP	-	2,638	(2,638)	-	2,638
36,005		34,619	35,405	(786)	(1,387)	35,754
	Non Current Assets					
190,552	Property, plant and equipment	188,487	183,076	5,411	(2,065)	188,324
13,790	Intangible assets	15,460	2,675	12,784	1,669	3,412
1,189	Investments	1,189	9,002	(7,812)	-	9,002
205,532		205,136	194,753	10,383	(396)	200,737
241,537	**Total Assets**	**239,754**	**230,157**	**9,597**	**(1,783)**	**236,491**
	Liabilities					
	Current Liabilities					
10,208	Bank overdraft	18,838	7,713	(11,125)	(8,630)	1,828
31,318	Payables	29,229	38,664	9,435	2,089	47,228
53,370	Employee entitlements	52,546	37,040	(15,506)	824	39,576
94,895		100,612	83,417	(17,196)	(5,717)	88,633
	Non Current Liabilities					
3,001	Employee entitlements	3,001	2,739	(262)	-	2,790
3,001		3,001	2,739	(262)	-	2,790
97,896	**Total Liabilities**	**103,613**	**86,156**	**(17,457)**	**(5,717)**	**91,423**
143,641	**Net Assets**	**136,141**	**144,001**	**(7,860)**	**(7,500)**	**145,068**

Crown equity and reserves variance from budget includes changes in the 2018/19 result subsequent to the preparation of the 2019/20 budget including land and building revaluations, the equity injection for cash flow purposes and Holidays Act remediation provisioning.

The current assets variance reflects differences between estimated and actual receipt of wash-up funding such as elective surgery, more than offset by the write-off of the investment in New Zealand Health Partnerships (NZHP) at the end of last year.

Higher than budgeted non-current assets results from the revaluation of land and buildings at 30 June 2019, partly offset by later than planned capital expenditure.

The movement in current liabilities mainly reflects Holidays Act remediation provisioning.

10. EMPLOYEE ENTITLEMENTS

30 June 2019	$'000	*November Actual*	*Budget*	*Variance from budget*	*Movement from 30 June 2019*	*Annual Budget*
7,755	Salaries & wages accrued	7,053	7,742	689	702	9,483
1,027	ACC levy provisions	1,280	1,013	(267)	(253)	1,174
5,530	Continuing medical education	4,430	4,446	16	1,100	5,656
37,303	Accrued leave	37,782	21,869	(15,913)	(479)	21,255
4,755	Long service leave & retirement grat.	5,001	4,710	(292)	(246)	4,798
56,371	**Total Employee Entitlements**	55,547	39,779	(15,767)	824	42,366

Accrued leave includes provisioning for the remediation of Holidays Act non-compliance, in accordance with the memorandum of understanding with health sector employee representatives and the Ministry of Business, Innovation and Employment (MBIE).

11. PLANNED CARE

MoH data on Planned Care delivery is provided in the tables below. Note, due to MoH timing this is only to October. This shows total Planned Care discharge performance continues to be better than plan, but that our Inpatient Surgical Discharges (electives) are significantly under plan both on a discharge and on a case weight basis. As we anticipated, the result worsened for October but we expect to see some improvements from November onwards. The material shortfall on case weight could have a significant impact on revenue, with the YTD shortfall equating to circa $2.5m. This has not been included in our financial position on the basis that we continue to work with MoH on our recovery plans.

2019/20 Year to Date Contracted Volume Summary

	Base YTD Planned Volume	Additional YTD Planned Volume	Total YTD Planned Volume	Actual Delivery	YTD Delivery %	2019/20 Total Planned Volume
Inpatient Caseweight Delivery	2,707.8	970.9	3,678.7	3,195.2	86.9%	10,490.0
Inpatient Surgical Discharges	1,858	696	2,554	2,231	87.4%	7,298
Minor Procedures	681	239	920	1,293	140.5%	2,481
Non Surgical interventions	0	0	0	0	-	38

Figures are DHB of Domicile and include publicly funded, Elective and Arranged Surgical Discharges reported to NMDS, and selected Minor Procedure Purchase Units reported to NMDS and NNPAC

12. TREASURY

Liquidity Management

The surplus cash of all DHBs is managed by NZHP under a sweep arrangement facilitated by BNZ. The DHB provides forecast cash flow information to NZHP to allow it 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. The cash balance at the end of November was a $18.8m overdraft.

The cash low point for each month is generally incurred immediately prior to receipt of MoH funding on the 4th of the month. Our statutory overdraft limit is currently $29m, but is likely to increase to $32m once our Annual Plan is approved.

Debt Management

The DHB 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.

12. CAPITAL EXPENDITURE

Capital spend is lower than plan as a number of projects will not progress until equity funding for the radiology extension is confirmed. The plan phasing will be reviewed once confirmation on the radiology business case is received. If the equity funding is declined, the capital plan will be reviewed and options presented to FRAC and Board.

See table on the next page.

2020 Plan		*Year to Date*		
		Actual $'000	*Budget $'000*	*Variance $'000*
	Source of Funds			
	Operating Sources			
14,465	Depreciation	5,522	5,942	420
7,230	Equity Injection not approved	(1,150)	3,352	3,114
21,695		4,372	9,294	3,533
	Other Sources			
-	Special Funds and Clinical Trials	85	-	(85)
-	Equity Injection approved	695	-	695
-		780	-	610
21,695	**Total funds sourced**	**5,151**	**9,294**	**4,143**
	Application of Funds:			
	Block Allocations			
3,075	Facilities	946	1,266	319
2,729	Information Services	1,159	963	(196)
3,525	Clinical Plant & Equipment	1,695	1,483	(212)
9,329		3,800	3,712	(88)
	Local Strategic			
500	Replacement Generators	-	208	208
-	Endoscopy Building	(3)	-	3
2,550	Radiology Extension	184	1,062	878
700	High Voltage Electrical Supply	69	550	481
2,069	Seismic AAU Stage 2 and 3	28	1,223	1,195
1,500	Seismic Surgical Theatre HA37	125	625	499
200	Seismic Radiology HA27	7	83	77
1,195	MC2D Proc Rm3 Endoscopy HA57	-	498	498
2,681	Surgical Expansion	220	755	536
11,395		629	5,004	4,375
	Other			
-	Special Funds and Clinical Trials	85	-	(85)
-	Other	(55)	-	55
-		30	-	(30)
	Regional Strategic			
971	Regional Digital Health Services (formerly RHIP)	693	578	(114)
971		693	578	(114)
21,695	**Capital Spend**	**5,151**	**9,294**	**4,143**

13. ROLLING CASH FLOW

The cash flow is based on the November forecast result, and the base budget for 2020/21 that includes the full year impact of planning changes made in 2019/20. The DHB does not anticipate breaching its current statutory overdraft limit of $29m in year on normal operations.

The cash flow forecast assumes wash-up revenue from MOH volume-based funding will be received quarterly. However, both the volume provided and timing of receipt are uncertain and the impact on cash inflow can be significant.

The approved equity injections for seismic remediation have been included, although the timing is uncertain. Unapproved equity injections for the radiology expansion have also been included to match the associated expenditure. No allowance has been made for Holidays Act remediation costs nor any associated equity support from MoH.

It should be noted that the recent changes to the capital charge regime means that HBDHB will receive revenue to offset capital charges arising from the investment related equity injections.

	Actual	November Forecast	Variance	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast
Cash flows from operating activities															
Cash receipts from Crown agencies	50,659	50,366	292	49,818	50,086	49,893	50,183	50,993	49,933	50,255	50,215	49,603	55,886	49,970	50,185
Cash receipts from donations, bequests and clinical trials	23	-	23	-	-	-	-	-	-	-	-	-	-	-	-
Cash receipts from other sources	53	208	(155)	213	205	208	208	207	208	208	211	211	211	3,210	211
Cash paid to suppliers	(36,259)	(29,021)	(7,239)	(25,153)	(29,039)	(25,680)	(29,054)	(29,135)	(28,300)	(29,304)	(28,657)	(28,043)	(28,301)	(28,133)	(28,867)
Cash paid to employees	(18,923)	(19,324)	401	(17,901)	(24,555)	(18,640)	(18,506)	(22,644)	(19,143)	(19,490)	(23,841)	(18,694)	(18,583)	(21,946)	(19,353)
Cash generated from operations	**(4,447)**	**2,230**	**(6,677)**	**6,978**	**(3,303)**	**5,782**	**2,831**	**(578)**	**2,697**	**1,668**	**(2,072)**	**3,077**	**9,213**	**3,101**	**2,176**
Interest received	74	7	67	7	7	7	7	7	7	7	7	7	7	7	7
Interest paid	(84)	(3)	(81)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
Capital charge paid	(612)	(0)	(612)	(4,240)	(0)	(0)	(0)	(0)	(0)	(4,240)	(0)	(0)	(0)	(0)	(0)
Net cash inflow/(outflow) from operating activities	**(5,070)**	**2,233**	**(7,303)**	**2,729**	**(3,311)**	**5,774**	**2,823**	**(586)**	**2,689**	**(2,580)**	**(2,080)**	**3,069**	**9,204**	**3,093**	**2,167**
Cash flows from investing activities															
Proceeds from sale of property, plant and equipment	-	-	-	(0)	(0)	-	0	0	0	-	(1)	(1)	(1)	(1)	(1)
Acquisition of property, plant and equipment	(1,423)	(1,459)	36	(1,164)	(838)	(1,452)	(1,372)	(1,790)	(2,111)	(2,712)	(1,899)	(1,899)	(1,899)	(1,899)	(1,899)
Acquisition of intangible assets	(625)	(94)	(531)	(94)	(94)	(94)	(94)	(94)	(94)	(94)	(173)	(173)	(173)	(173)	(173)
Net cash inflow/(outflow) from investing activities	**(2,048)**	**(1,554)**	**(495)**	**(1,259)**	**(933)**	**(1,547)**	**(1,467)**	**(1,885)**	**(2,206)**	**(2,807)**	**(2,073)**	**(2,073)**	**(2,073)**	**(2,073)**	**(2,073)**
Cash flows from financing activities															
Proceeds from equity injection	-	-	-	-	4,185	-	-	-	-	-	-	-	-	-	-
Equity repayment to the Crown	-	-	-	-	-	-	-	-	-	(357)	-	-	-	-	-
Net cash inflow/(outflow) from financing activities	**-**	**-**	**-**	**-**	**4,185**	**-**	**-**	**-**	**-**	**(357)**	**-**	**-**	**-**	**-**	**-**
Net increase/(decrease) in cash or cash equivalents	(7,118)	680	(7,798)	1,471	(59)	4,227	1,356	(2,471)	483	(5,744)	(4,154)	995	7,131	1,020	94
Add:Opening cash	(9,113)	(9,113)	-	(16,232)	(14,761)	(14,820)	(10,593)	(9,237)	(11,707)	(11,224)	(16,968)	(21,122)	(20,126)	(12,995)	(11,975)
Cash and cash equivalents at end of period	**(16,232)**	**(8,434)**	**(7,798)**	**(14,761)**	**(14,820)**	**(10,593)**	**(9,237)**	**(11,707)**	**(11,224)**	**(16,968)**	**(21,122)**	**(20,126)**	**(12,995)**	**(11,975)**	**(11,881)**
Cash and cash equivalents															
Cash	4	-	4	-	-	-	-	-	-	-	4	4	4	4	4
Short term investments (excl. special funds/clinical trials)	(18,845)	(11,123)	(7,722)	(15,050)	(15,477)	(11,728)	(10,719)	(13,461)	(13,154)	(19,057)	(23,992)	(23,171)	(16,215)	(15,370)	(15,451)
Short term investments (special funds/clinical trials)	2,602	2,690	(87)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	2,690	2,690	2,690	2,690	2,690
Bank overdraft	7	-	7	323	691	1,169	1,516	1,788	1,963	2,122	175	350	525	700	875
	(16,231)	**(8,433)**	**(7,798)**	**(14,760)**	**(14,820)**	**(10,592)**	**(9,237)**	**(11,707)**	**(11,224)**	**(16,968)**	**(21,122)**	**(20,126)**	**(12,995)**	**(11,975)**	**(11,881)**
Cash Low Point (before the 4th of the following month)	(18,845)	(11,593)	(7,252)	(15,050)	(15,837)	(13,310)	(14,381)	(13,641)	(19,363)	(28,951)	(24,302)	(33,225)	(18,405)	(15,404)	(15,451)

HAWKE'S BAY District Health Board Whakawāteatia	**PLANNING & FUNDING MONTHLY REPORT**
	For the attention of: **HBDHB Board**
Document Owner:	Chris Ash, Executive Director of Planning & Funding
Document Author:	Chris Ash, Executive Director of Planning & Funding
Month:	December 2019
Consideration:	For Noting
RECOMMENDATION **That the HBDHB Board** 1. **Note the contents of the report**	

Executive Summary

In December, the following headlines should be noted:

- The DHB has been successful in leading a collaborative bid to the Ministry of Health (MoH), jointly with primary care and NGOs, to develop extended primary mental health services in Hawke's Bay.
- Financial performance has been impacted significantly in November by a revision to the PHARMAC forecast assumptions.

Developments & Innovation

More community hui are planned for the Wairoa district in December and January.

Following the successful session held with the Mahia community in November, the coming weeks will see a range of similar events taking place:

Tuai/Waikaremoana	16-Dec
Rongomaiwahine	19-Dec
Mohaka/Raupunga	New Year, date tbc
Wairoa township	New Year, date tbc

The approach builds on learning from Southcentral Foundation, which are emphasised in both the health system strategy (Whānau Ora, Hāpori Ora), and in He Ngākau Aotea. The purpose of the hui is to whakarongo (listen) to whānau experiences and priorities for their health and wellbeing, without agenda. Wherever possible, we intend to meet with communities in the places they gather and, as in the case of one of the December meetings, respond to invitations from the community to do so. As with the event in Mahia, the DHB will field at least one Executive with a team that includes members of the Māori Health team, Planning & Funding, and senior clinical / operational service leaders.

Planning & Funding is working closely with the Health Improvement & Equity team to review and refine our approach in this area, particularly in terms of how the DHB acts on the basis of what we hear, partners with the community to identify and negotiate solutions, and communicates back around what steps have been taken. In the coming months, we expect to replicate similar approaches in the other communities of Hawke's Bay.

In respect of the Mahia hui, initial conversations have taken place with colleagues in Hauora Tairāwhiti to explore options that may allow greater choice to be offered to communities living on the boundary between the two districts. Provider Services colleagues are working on a range of measures to address the other themes, which include travel, booking processes, and signage / communications.
A project is being initiated to work with the Wairoa community on the long-term service model to meet community needs. The Wairoa Community Partnership Group, which includes membership from the local Post Settlement Governance Entities (PSGEs) will be a key stakeholder in the development of this work.

Commissioning Portfolios – Exception Reports

Child, Youth & Dental

- Rangatahi Resdesign – Te Pītau – The rangatahi roopu has completed its first phase of work, and is presenting a proposal for service design principles to Te Pītau Governance Group in December. If approved, the work will pass into a detailed service design and procurement phase.

Mental Health & Addictions

- Primary Mental Health – In recent months reports, we have referred to the system response to a Ministry of Health tender for primary mental health and addictions services. The approach was led by Planning & Funding, but in reality was a full coproduction with Health Hawke's Bay (who will be the lead provider), a number of GP practices, and mental health NGOs. The response was pulled together, front-to-end, in just under five weeks.

  Success in this RFP (request for proposals) process would result in a trebling of existing funding spent on primary mental healthcare in Hawke's Bay. The services will be based out of general practices but offer support for mild to moderate mental health issues to the whole enrolled population.

  In early December, we heard from the Ministry of Health that we have been proposed for inclusion in 'Tranche 2' (services to start after July 2020). The Ministry will be contacting us late January to organise a meeting to discuss the proposal further.

  The DHB is working separately with TTOH (Heretaunga) and KE (Wairoa) on a bid to the MOH to extend kaupapa Māori mental health services in primary settings.

Financial Performance

The directorate finished Month Five $616k adverse, and $1,766.8k adverse Year-to-Date.

The main reason for the in-month adverse variance was an adjustment to accruals in the Referred Services cost centre, based on revised forecasting information from PHARMAC. This issue, and associated mitigating actions have been covered in the monthly report from the Executive Director of Financial Services.

HAWKE'S BAY District Health Board Whakawāteatia	Provider Services Monthly Report
	For the attention of: HBDHB Board
Document Owner	Chris McKenna, Acting Executive Director of Provider Services
Month/Year	December 2019
Reviewed By	Robin Whyman, Chief Medical and Dental Officer Andy Phillips, Chief Allied Health Professions Officer
Purpose	Update the Board on Provider Services Performance
Previous Consideration/Discussions	Provider Services Monthly Report to the Finance Risk and Audit Committee, November 2019

RECOMMENDATION:

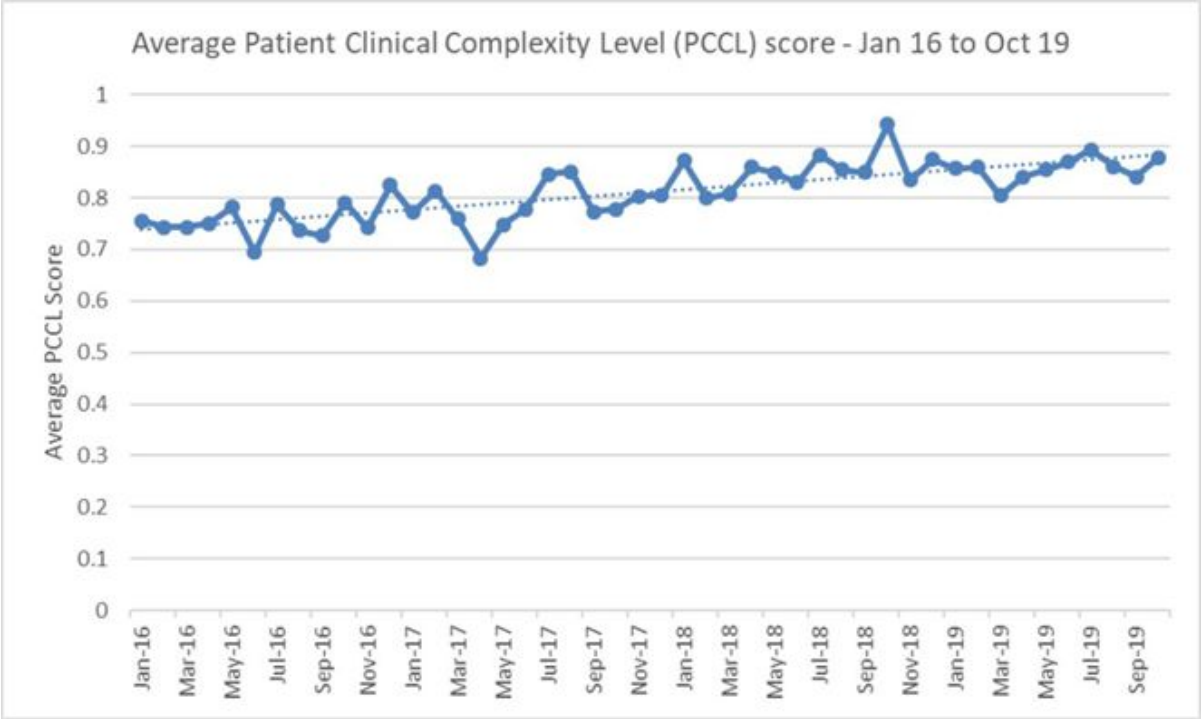
It is recommended that the Board Committee:

1. Note the content of the December 2019 report.

EXECUTIVE SUMMARY

Hawke's Bay Hospital continues to be challenged to meet demand from acutely unwell patients, whilst at the same time meeting contracted elective surgical volumes.

The increase in clinical complexity of patients together with high social complexity continues to compound the volume of demand. HBDHB receives funding for complexity of interventions on people measured by Case Weighted Discharge, which has not changed. The increase in clinical complexity with patients having increase in comorbidities is measured by Patient Clinical Complexity Level (PCCL) shown below:



Volume of November activity has continued the downward trend from record levels experienced over this winter, moving from 31 additional beds occupied to 13 additional beds to budgeted plan. This is driven by acute demand in both medical and surgical specialties. The impact on needing to maintain high quality clinical care for complex patients is with the nursing resources mainly, at a cost of $425k.

Health Round Table (HRT) comparison of NZ Hospitals indicates our acute length of stay is consistent with our peer index as at the last quarter. Another factor is HBDHB has the second highest Ambulatory Sensitive (avoidable) Hospital (ASH) admissions at greater than 11%. The net effect of demand on the hospital is that planned bed closure to budgeted levels has not been achieved, noting an increase of 5% utilisation. To maintain elective throughput, surgical wards have been operating at 104% occupancy.

	Nov-18	Nov-19	Variance	% Variance
Emergency Department presentations	3,935	3,915	-20	-0.51%
Daily occupied beds	270.8	284.2	13.4	4.95%
Elective operations	565	546	-19	-3.36%
Admissions – multiday	1,773	1,715	-58	-3.27%

The above chart shows that there was little variance between November 2019 and November 2018 for emergency department presentations. However, year-to-date the number of admissions to the hospital increased significantly.

Elective surgery volumes decreased due to the perioperative shortage of anaesthetists. Significant effort was made to recruit anaesthetists to permanent and locum posts. This issue will resolve by 30 January 2020, as posts are filled.

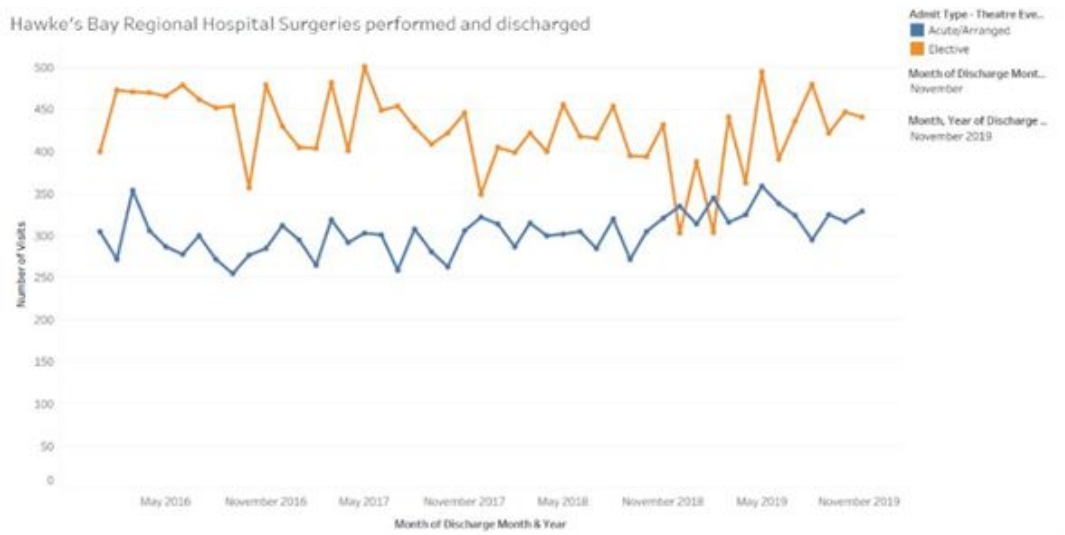
To deliver the elective surgery that our community needs, every effort is being made to increase internal capacity by offering additional lists on Saturdays and local anaesthetic procedure lists. We have activated an RFP process for elective surgical procedures that had significant interest from private and public providers within and outside Hawke's Bay. Whilst this is being negotiated we continue to outsource surgical procedures to Royston, which has an additional cost.

	YTD Nov- 18	YTD Nov- 19	Variance	% Variance
Emergency Department presentations	19,753	19,661	-92	-0.47%
Daily occupied beds	276.2	290.4	14.2	5.14%
Elective operations	2763	2857	94	3.40%
Admissions – multiday	8,914	8,977	63	0.71%

We have identified that there are relatively large numbers of patients with length of stay greater than ten days. To address this, senior review of all patients that stay longer than 10 days occurs twice per week. There is an increasing trend of social issues such as lack of whānau support or lack of suitable accommodation outside of hospital with the hospital increasingly seen as refuge of last resort for members of our community. Access to age residential beds for hospital level care and dementia care at level 3 and 4 is demand driven, with access difficulties at times. Actions have been taken to address identified issues in health system design such as lack of community health resource to support people to live well at home.

There is continued focus on improving outcomes for people with cancer. We achieved 88% against the 61-day Faster Cancer Treatment (FCT) target of 61 days from receipt of referral to treatment. This represents a strong performance in the context of industrial action that increased waiting times for diagnostics, pressure on surgical treatment and challenges in getting our community to Palmerston North for radiotherapy treatment.

Management's focus is the recovery plan for elective surgery ensuring that planned surgery for those in our community is undertaken. This plan includes daily monitoring of theatre output for the elective target, outsourcing, re-coding acute/arranged to electives and a focus plan with our surgeons to increase internal capacity.



The above shows the number of surgeries performed and discharged by month. Acute (blue line) is increasing over time with elective delivery showing significant variability month-to-month. When acute discharges and elective volumes increase during the same month (for example July 2019) there is an increase demand for hospital beds and resourcing. There is therefore a need to reduce the month-on-month variability for elective volumes and there is a plan in place for February 2020.

The medical locum spend has exceeded budget. This is due to increased locum use in cardiology (see Patient Safety and Clinical Quality Report), increased radiologist locums due to vacancy gaps and demand for diagnostic services and additional short-term dermatologists to manage down the ESPi 2[1] backlog. Difficulties with emergency department Residential Medical Officer (RMO) coverage due to sickness and lieu leave are largely covered by Senior Medical Officers (SMO) locums. We have appointed surgical locums to meet ESPi compliance and health targets and to cover for vacancy gaps and sabbaticals. In surgery, locums have been appointed to anaesthetics, ophthalmology and maxillo-facial.

We are addressing budget overspend in psychiatry by revising the on-call arrangements agreed in November 2018. A mitigation plan is in place to increase recruitment to cover rosters to maintain a two tier on-call system.

The provider is taking management actions to address budget overspends whilst maintaining patient and staff safety and delivering contracted requirements. Financial controls have been put in place such as lifting delegations to the next level.

Innovations

We are involved in a software programme, Emergency Q, to reconnect people with acute medical care needs back to their general practice where appropriate. From mid-November, people who arrive at the emergency department but do not need to be seen in the emergency department have been offered the option of being seen at a local acute and medical clinic at Hastings Health Centre. Early in December we will connect in with City Medical in Napier and The Doctors Hastings

[1] Patients waiting longer than 4 months for their first specialist assessment (FSA)
All patients accepted for an FSA should be seen within 4 months of the date of referral. The goal is to have no patients waiting more than 4 months for an FSA.

in early February 2020. This has seen significant benefits already in improving relationships between HBDHB and Primary Care. Feedback from patients and staff has been very supportive. The intention is to add other providers such as community pharmacy, extended care paramedics and physiotherapists in the near future. We will also add appointments to General Practitioner (GP) practices to the offer early next year.

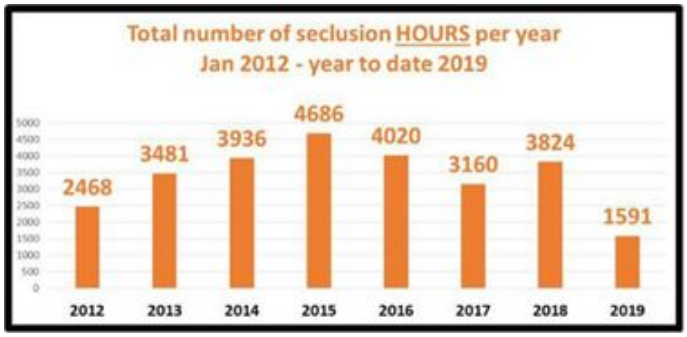
Allied health initiatives

Our allied health home-based strength and balance programme to prevent falls has been funded by ACC and evaluated highly. The success of our local programme has led ACC to continue to fund our Hawke's Bay programme whilst other programmes in NZ have been closed down.

We are coming to the end of the first phase of the Mobility Action Programme. The programme was delivered as a partnership between Iron Māori, HBDHB and Health Hawke's Bay PHO. This kaupapa Māori programme was intentionally co-designed to address inequity in musculoskeletal pain and disability. It achieved a number of landmark successes such as introducing a shared care electronic record, intentionally improving equity, returning people to work and reducing pain and increasing mobility. It is hoped to extend this programme to other people with mental health issues, cancer and other conditions.

Mental Health initiatives

Great progress continues in reducing the number of mental health patients in seclusion with only 62.23 hrs of seclusion recorded for November. We are working to achieve fewer than 17 hours of seclusion in December 2019 to achieve our seclusion reduction target for calendar year 2019. Furthermore, we have seen a reduction in assaultive behaviour and a reduction in harm as a result of assaultive behaviour.



Measles update

HBDHB has released a small number of doctors and nurses to the Ministry of Foreign Affairs and Trade response team to Samoa to support the measles epidemic.

Information Services projects

Provider Services has been working with the Information Services (IS) Directorate on the following projects:

1. Service Improvement – supported agile, rapid delivery methodology that is clinically led

Improvements include:

- ESPi 2 - 19 recovery plans (15 compliant by end of 2019)

- Clinic Utilisation reporting implemented
- Capacity vs demand reporting implemented
- Acuity used to manage prioritisation
- Data cleansing with all specialities - underway
- Smart referrals – standard operational referral management process introduced

2. New models of care including:
    - Emergency Q – Emergency Department overflow to Accident and Medical Clinics – increased collaboration across the sector. This initiative focuses on better patient outcomes by supporting treatment in the most appropriate context and timeframe.
    - Mobile clinical collaboration – new secure mobile application that allows 'virtual collaboration between clinicians. The next phase is a trial with GP's and Pharmacy to further expand collaboration.
3. Capacity Planner upgrade with improve data and dashboard information to assist daily projection planning and forecasting hospital activity. Capacity Planner supports proactive decision making in relation to patient demand and bed capacity.

The key benefits of this collaborative work with IS are:

- Improved availability of inpatient and Emergency Department patient data for bed and resource planning
- Availability of near real time inpatient and Emergency Department patient's data for proactive decision making
- Visibility of current, projected and historical inpatient and Emergency Department data
- Forecast reporting by elective and non – elective categories
- Improve bed management and operational management

Countdown Hospital Kids Appeal

Hawke's Bay DHB has received another generous cheque from Countdown following a successful 2019 Countdown Kids Hospital Appeal fundraiser. We have been gifted $42,675 towards this year's wish list, with the following items now able to be purchased:

- A diabetes blood test analyser
- Pulse Oximeter
- Hearing Aid Restoration Instrument
- Three neonatal airway management tools and a CAFS recorder

Safety and Wellbeing Recognition Awards

The Mental Health and Addictions Directorate were recognised in the Safety and Wellbeing Recognition Awards in Harding Hall on 10 December 2019. They were awarded the "Challenge Award – Ngā Rau Rākau for the way that David Warrington (Service Director) and Peta Rowden (Nurse Director – Mental Health and Addictions) led the response to WorkSafe's Improvement Notice after a patient assaulted a staff member. "*Ngā Rau Rākau did marvellous work to meet WorkSafe's requirements, and your leadership meant that all efforts were focused, monitored, and successful in getting the Notice signed off. Excellent outcome, well deserved! "*

BOARD HEALTH & SAFETY CHAMPION'S UPDATE

Verbal

MÀORI RELATIONSHIP BOARD REPORT

Verbal

	Hawke's Bay Clinical Council (Public)
	For the attention of: **HBDHB Board**
Document Owner:	Jules Arthur (Co-Chair) Dr Robin Whyman (Co-Chair)
Month:	December 2019
Consideration:	For Information

RECOMMENDATION

That the HBDHB Board:

- **Note** the contents of this report

Council met on 11 December 2019. An overview of matters discussed is provided below:

1. Information Service (IS) Update

Lyle Chetty (Business Enablement and Performance Manager) joined the meeting to discuss the partnership with Clinical Council and clinicians in the past year, and the role that Clinical Council has had in shaping those programmes of work, specifically of Clinical Portal in 2019. The discussion included identifying key decisions that need clinical input and when issues needed elevating to a clinical governance level.

At a local level, the IS governance group has clinical representation alongside other stakeholders, and the future plan is that this will form a conduit to Clinical Council. This same governance model is being rolled out regionally and the Terms of Reference for regional model are currently under development.

A key piece of work for the next IS Governance group is to review the strategic IS priorities that have been identified by the sector for 2020/21 and determine how the Clinical Council will be engaged in those discussions.

2. Committee reports

Verbal reports to Council were provided by members on the Te Pitau Alliance governance group and Consumer Experience Committee.

3. Next Meeting

The next meeting of the Clinical Council is on 12 February 2020.

HAWKE'S BAY HEALTH CONSUMER COUNCIL REPORT

HAWKE'S BAY District Health Board Whakawāteatia	**Pasifika Health Leadership Group – Chairs Report**
	For the attention of: **HBDHB Board**
Document Owner:	Traci Tuimaseve, Chair of PHLG
Reviewed by:	Traci Tuimaseve, Chair of PHLG Bernard Te Paa, Executive Director, Health Improvement & Equity Directorate
Month:	December 2019
Consideration:	For Information

RECOMMENDATION

That the HBDHB Board

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

The Pasifika Health Leadership Group (PHLG) met on 2 December 2019. An overview of the issues discussed and/or agreed at the meeting is provided below.

PACIFIC HEALTH UPDATE REPORT

The report was taken as read. PHLG noted

- Their concerns around measles, requesting that the HBDHB provide good communications out to the community
- Resourcing for additional work over and above current demand needs to be addressed for the Pacific Health Service

PHLG WORK PLAN

The PHLG's focus is to support and drive key priorities as identified in the Work Plan over the next six months to 30 June 2020. These priorities include:

Priority 1 - Engaged Pacific Communities

- 4 April – Pasifika Polyfest Secondary School Festival
- 13 April – Event scheduled for RSE workers and the community
- Pasifika Youth Survey data will inform the Rangatahi review – leading to a procurement for services
- 10x Pacific ECEs – dates to be advised to confirm engagement, discuss needs and actions

Priority 2 – Enhancing DHB and health services understanding of Pacific people

- Cultural competency framework training including evaluation and follow-up actions

Priority 3 – Promoting the value of the Pacific health workforce

- Ability for PHLG to provide input to DHB internal policies relevant for Pasifika
- Report on Pacific recruitment to be available at the next PHLG meeting
- Pasifika panel member for NetP interviews

PHLG were pleased that representation was available for Pasifika, however, the position had not been filled. Panu Te Whaiti, PHLG member and Clinical Nurse Team Leader at Totara Health enquired of the role and has now been confirmed as the Pacifica representive for 2020.

PHLG were also advised that:

- All Pasifika that applied through NetP were successful
- Students are able to bring whānau to interviews
- An update of numbers applying through the Turiki programme will be made available to PHLG

Priority 4 – Targeted initiatives to positively improve Pacific health outcomes

- The Corporate Performance Quarterly Report will become a standing agenda item that will report against Pacific priorities
- A request to Health Hawke's Bay for similar reporting to be made
- Knowledge of planned HBDHB community events that have wellbeing and positive outcomes for Pasifika

HAWKE'S BAY District Health Board Whakawāteatia	**HBDHB 'New' Board Governance Issues**
	For the attention of: **HBDHB Board**
Document Owner:	Ken Foote, Company Secretary
Reviewed by:	Craig Climo – Interim Chief Executive officer
Month:	December 2019
Consideration:	For Discussion/Decision

RECOMMENDATION

That the Board:

- Provide feedback/direction on the proposals and options presented; and
- Approve the concepts and timeline for governance meetings and activities through to 31 March 2020

'NEW' HBDHB BOARD

In preparing this Paper, it is acknowledged that only four of the members present were part of the previous HBDHB Board. Given this, it is also therefore acknowledged that induction becomes a bigger issue, and also and that this 'new' Board may wish to take some time to address the governance related issues required at the beginning of any new Board term, and this term in particular. Hopefully, these acknowledgements are reflected in the level of detail provided and in the flexibility inherent in most of the proposals in this Paper

PURPOSE

The purpose of this paper is to provide the 'new' HBDHB Board with information on a range of governance related activities and issues to be addressed within the first three – four months of taking office, and to receive feedback on proposals around how and when these may be delivered. These include:

- Outline proposed DHB Board induction resources and activities to be delivered nationally, regionally and locally;
- HBDHB Board Committee structures and appointments
- HBDHB Board representative appointments
- Proposed 2020 Meeting Schedule
- Process for appointment of new CEO

INDUCTION RESOURCES AND ACTIVITIES

Induction is an extremely valuable process for anybody joining a new organisation and/or coming into a new sector or environment. Health is very complex and multi-layered sector, so induction of new (and existing) Board Members is quite extensive. Set out below are the components proposed (and/or required) for the 'new' HBDHB Board:

Administration

There are a number of 'administrative' issues that need to be completed by new Board members within the first week to ten days of taking office. Completing these will prepare, equip and enable members to participate in the first Board meeting scheduled for 18 December 2019. Appropriate arrangements will be made to provide all new members with an opportunity to complete these within the time period.

Appendix 1 sets out the various administrative matters to be completed. Key issues here are the set up and training required to get Board members using Diligent, as the clear intent is to completely cease printing hard copies of Board papers.

National Ministry of Health Induction

Attached as **Appendix 2** is an early presentation from the Ministry of Health setting out proposed:

- Board Induction Context
- Objectives for 2019 Board Induction
- Proposed Resources and Activity
- Proposed Targeting of Resources and Activity

Also attached (as **Appendix 3**) is a Draft Table of Contents for a 'Welcome on Board' summary document to be prepared by the Ministry. No details have been given on timings for the release of these resources.

National induction for DHB Chairs will take place on 11/12 December 2019.

Regional Induction

A regional induction day for new and returning Board members in the Central Region will be held on Thursday 5 March from 10.00am to 3.30pm in Wellington. This meeting will be jointly run to support Board members understanding their role and the expectations the Crown and Chairs will have of them, and to support regional collaboration. The first half of the day is for the Crown and Central Region matters the second half. It is expected that the Minister of Health will be present in the morning.

Local HBDHB Induction

Due to the very late notification of the appointed members, the planned Induction Day previously scheduled for 9 December 2019 was cancelled, and the planned activities reallocated:

- Administration issues have been covered above
- The Powhiri will proceed on 18 December 2019, immediately prior to the FRAC and Board meetings
- Other activities have been incorporated into a 'special' Board meeting now proposed for 27 January 2020. The proposed programme for this Day, is attached as **Appendix 4.** Rather than just 'one way' induction, this programme provides time for Board members to discuss (and record) their initial thinking on key issues (Governance, Planning & Finance) and also to identify issues that require further information and or discussion.

HBDHB Board Induction Pack

Attached as **Appendix 5,** is the Table of Contents of an HBDHB Board Induction Pack of significant HBDHB documents. This pack (including all individual documents and links) is available through Diligent. Members will be shown how to access these during the administration sessions described above.

HBDHB Governance Manual

Although referenced in the Induction pack above, the full HBDHB Governance Manual is available separately on Diligent. The Company Secretary will take members through this Manual and answer and questions during the early part of the board meeting proposed for 27 January 2020. The Introduction and Table of Contents for this Manual are attached as **Appendix 6.**

It is noted that there may be some duplication between this Manual and the proposed MoH 'Welcome on Board' document. As the Governance Manual is written in a Hawkes Bay context and the MoH document is not yet available however, no attempt will be made at this stage to remove these potential duplications.

1:1 Sessions with the Chair

It is proposed that within the first few weeks, each Member has a 1:1 session with the Board Chair. Apart from 'getting to know' each other, the intent of these sessions is to give the Chair the opportunity to identify amongst other things:

- Areas of particular skill and/or interest, and therefore Board Committee/representative appointments
- Leadership skills for potential Committee Chairs
- Governance development needs for development of a Board Training and Development Programme

If and/or when these sessions take place will be matters for the Chair to decide.

Board Induction Site Visits

It has been acknowledged that it would be useful for Board members to have some familiarity with the key HBDHB facilities and services. Site visits are the logical way to achieve this. Due to the number of activities already planned for the first few months, and the number of facilities to visit, it is proposed that a schedule be developed that has members visiting these facilities and services over the first six to twelve months of 2020. A list of potential site visits is attached as **Appendix 7,** noting that visits to Wairoa and Central Hawkes Bay will require some significant travel time.

TIMINGS

Following discussion on this Induction Process with the previous HBDHB Board (and the three newly elected members), the following timeline has been developed to incorporate both 'fixed' and proposed activities, to give a chronological view:

Monday 9 December 2019 – 'New' board comes into office

Tuesday 10 December to Tuesday 17 December 2019 – Administration sessions

Wednesday 11 – Thursday 12 December 2019 – National Induction for Chair

Mid December 2019 - MoH 'Welcome On Board' information pack available

Wednesday 18 December 2019 – Powhiri, FRAC and Board meetings

December 2019 to January 2020 – Board member 1:1 sessions with Chair

Wednesday 5 February 2020 – Board Meeting/Induction

Wednesday 26 February 2020 – FRAC and Board Meeting

Wednesday 4 March 2020 – HB Health Sector Leadership Forum Workshop

Thursday 5 March 2020 – Central Region Induction Day – All Members

Wednesday 25 March 2020 - FRAC and Board Meeting

February to December 2020 – Scheduled site visits.

As indicated earlier, it is acknowledged that this is a very busy schedule proposed for the first three months, so feedback from members on this would be welcomed. For good governance, it is important that decisions are made in a timely manner, such that activities can be appropriately planned and developed to meet the needs of the Board.

HBDHB COMMITTEE STRUCTURE AND APPOINTMENTS

The current HBDHB Board Committee Structure is detailed in both the Induction Pack and Governance Manual referenced above. This current structure was adopted in 2013 and was last reviewed in October 2017. A number of issues have arisen recently that has indicated that some refinement may be appropriate, but that will now be a matter for the 'new' board to pick up' if required.

As indicated in the opening comments of this Paper, it is acknowledged that given the significant number of new members, the board may wish to take some time to consider this structure and/or make appointments to it. Some interim appointments may however be appropriate to keep the governance functions moving in the meantime.

Appendix 8 has been developed to provide both a summary of the current structures and Terms of Reference provisions relating to appointments, and a table to note relevant appointments once they are made (albeit on a temporary basis). It has been assumed that such deliberate longer term appointments will not be made at this December meeting. If this is the case, some general understanding will however be required for both FRAC and MRB meetings to continue in the meantime.

MEETING SCHEDULE – 2020 ANNUAL CALENDAR

Following on from the issues raised above about Committee structures, a status quo 2020 Annual Calendar has been included as **Appendix 9.** The HBDHB Board have for some years now followed the pattern reflected in this calendar, but it is acknowledged again, that this may not suit the 'new' Board, and therefore changes may be discussed and agreed. As indicated above, it would be useful to at least confirm dates for meetings for the next few months, whilst further discussion takes place on this issue.

PROCESS FOR APPOINTMENT OF NEW CHIEF EXECUTIVE OFFICER

'The Four Pillars of Governance Best Practice for New Zealand Directors' published by the Institute of Directors notes:

'*The appointment of the Chief Executive Officer (CEO) is arguably the board's most important function. The board influences the culture and performance of the company by appointing the CEO, and in this sense, the CEO is the conduit and connector between the company and the board'.*

With the resignation of the previous CEO in August 2019 being within three months of the election (and appointment) of this 'new' Board, all decisions relating the appointment of a replacement have been deferred for this 'new' Board to consider. An Interim CEO has been appointed in the meantime.

In the next few months therefore, this 'new' Board will need to decide on an appropriate profile and agree a recruitment process for the appointment of a new CEO. The details relating to all this will be provided in separate papers, but the issue is noted here for additional context around governance decisions/activities required of the 'new' Board over the next few months.

Provision for discussions and decisions on these issues have not currently been made in the above proposed activities.

FEEDBACK

Whilst some of the activities and dates indicated above are 'fixed', many of them are not, and are therefore in the hands of the Board to decide what will best meet the availability and/or requirements of members. Early feedback on relevant issues would therefore be appreciated so that potential changes can be investigated and reported back.

2019 HBDHB BOARD INDUCTION

ADMINISTRATION

PERSONAL

- Payroll Documentation
- Contact Details
- Interests / Conflicts

ID CARDS / ACCESS

- Photos
- Issue of Cards

GENERAL INFORMATION / BRIEFINGS

- Site maps / Layouts
- Amenities & Parking
- Evacuation Procedures
- Health & Safety (individual responsibilities)

BOARD PAPERS / RESOURCES

- Provision / Use / Security of Devices – HBDHB Policy
- Issue & Set Up of IPad (if required)
- Load Diligent App on Own Device (if preferred)
- Diligent Training
  - Access to Board papers
  - Access to Resources
  - Help

Board Induction:
Providing the context and setting expectations

Context

- The Minister is responsible for ensuring new board members understand their role and any expectations the Crown might have of them.
- The Chair is responsible to brief new board members on the particular environment within which the board operates.
- Being a DHB Board member is complex and multi layered and induction needs to take multiple forms and layers and be relevant to the skills and knowledge of the incoming member
- The Ministry is supporting the Minister and DHB Chairs with this responsibility

Objectives for 2019 DHB Board Induction

CROWN / CENTRAL	REGIONAL	LOCAL
BOARD CHAIRs		
To provide new Chairs with information and advice to support their understanding of: - **their role & additional responsibilities as a Chair** - **the legislative and accountability parameters they must work within** - **the roles of the Minister(s), select committees, Ministry and other important players** - **Treaty of Waitangi obligations** - **being part of politically neutral state sector, and what that means for them** - **applying a no surprises principle & approach** **and a mechanism to build relationship(s) with** - **the Minister** - **key crown and central stakeholders**	To provide new Chairs with information, advice to support their understanding of: - the region their DHB is part of - the role of Regions and regional service plans - the collaborative nature of regions - the additional responsibilities as a Regional Chair and a mechanism to build a relationship with - members from the other Regional Boards - members from other Regional Executives - key regional stakeholders - local Iwi	To provide new Chairs with information, advice to support their understanding of: - the environment the DHB is operating within - the composition of the board and its committees and advisory bodies - core operating Documents (e.g. SOI, Annual Plan etc) and a mechanism to build a relationship with - the Chief Executive - the DHB Executive and management - local Iwi
BOARD MEMBERS		
To provide new Board members with information and advice to support their understanding of: - **their roles and responsibilities** - **the legislative and accountability parameters they must work within** - **the roles of the Minister(s), select committees, Ministry and other important players** - **Treaty of Waitangi obligations** - **being are part of politically neutral state sector, and what that means for them** - **applying a no surprises principle & approach**	To provide new Board members with information and advice to support their understanding of: - the region their DHB is part of - the role of Regions and regional service plans - the collaborative nature of regions - local Iwi - members from the other Regional Boards - members from other Regional Executives	To provide new Board members with information and advice to support their understanding of: - the environment the DHB is operating within - the composition of the board and its committees and advisory bodies - core operating Documents (e.g. SOI, Annual Plan etc) and a mechanism to build a relationship with - the DHB Executive and management - local Iwi

Proposed Resources and Activity

	Resources	Meetings / Activity
Centrally Developed	• Welcome on Board – 2019 *A summary document that provides context, background, legislative framework etc* • Being a DHB Chair – 2019 *Summary of specific responsibilities, "useful things to know", insights etc* • Board Member Needs Assessment Pack *Information and tools to support Boards members training and development needs* • Board Continuous Improvement Pack *Information and tools to support Boards self-evaluation and quality improvement*	• One on one with Minister (Chairs only) *To individually meet and discuss specific expectations and priorities* • One on one with DG (Chairs only) *To individually meet and discuss roles and responsibilities* • All Chairs Induction day (Chairs only) *To collectively meet and discuss with the Minister the role of Chairs, Govt expectations and priorities* • Welcome to Health - 2019 (Chairs only) *To provide new Chairs who are new to the sector with relevant targeted information and support* • Regional Induction Day *A jointly run day to support Board members understanding their role and the expectations the Crown and Chairs will have of them, and to support regional collaboration.*
Locally Developed	• Regional Introduction Pack *Documents and material associated to the region.* • Local Introduction Pack *Documents and material associated to the governance, accountability and performance of the DBH, including Local Board Governance Manual – 2019*	• Local Induction Programme *To facilitate relevant local introductions and relationship building and to support understanding of the DHB.* • Needs assessment Discussion *Initial Board member needs assessment and development options*

Proposed Targeting of Resources and Activity

Who	Resources	Meetings / Activity
New Chair and new to Board / Sector	Welcome on Board – 2019 Being a DHB Chair - 2019 Board Member Needs Assessment Pack Board Continuous Improvement Pack Regional Introduction Pack Local Introduction Pack	One on one with Minister One on one with DG All Chairs Induction day Welcome to Health - 2019 Regional Induction Day Local Induction Programme
New Chair but returning Board member	Being a DHB Chair Board Member Needs Assessment Kit Board Continuous Improvement Pack Local Board Governance Manual – 2019	One on one with Minister One on one with DG All Chairs Induction day Regional Induction Day
Returning Board Chair	Being a DHB Chair Board Member Needs Assessment Kit Board Continuous Improvement Pack	One on one with Minister One on one with DG All Chairs Induction day Regional Induction Day
New Board members	Welcome on Board – 2019 Regional Introduction Pack Local Introduction Pack	One on one with Chair DHB CEO and Executive Local Induction Activity Regional Induction Day
Returning Board Member new Chair		One on one with Chair Regional Induction Day
Returning Board Members same Chair		Regional Induction Day

Draft Tables of Content

Welcome on Board – 2019 (Developed by the Ministry)

A summary document (web and print based) that provides context, background, legislative framework, and generally material to provide new Board member with information to support their understanding of their role, responsibilities and accountabilities.

- Background & context to NZ Health system
- Today's health system and how it compares
- The legislative framework
- The Ministry of Health – Role etc.
- Treaty of Waitangi Obligations
- Health and Safety
- Briefings from health Crown entities
- Briefings from national health agencies
- How boards work
- Governance in the public sector
- Objectives, functions and powers of DHBs
- Board meetings
- Being a DHB Board member
    - What questions might I ask / What documents might I expect to see
- Board committees
- The accountability cycle
- Duties and expectations of members
- Role of the Chair, Deputy Chair and Crown monitors
- Conflicts of interest
- Ministerial portfolios
- Common abbreviations
- Bibliography
- Links to relevant material e.g. Summary of Information to new Members of Crown Entity Boards (SSC)

Being a DHB Chair – 2019

A summary document of the specific responsibilities of Chairs, information on "useful things to know", insights etc.

- Role of Chair and specific responsibilities
    - Board member training and development
    - Board Evaluation
- Statutory Crown Entities – It Takes Three: Operating Expectations (SSC) and link to full doc
- Useful things to know
- Who's Who for Chairs

HBDHB BOARD MEETING & INDUCTION
Wednesday 5 February 2020
HBDHB BOARDROOM

Time	Programme	Responsibility	Comment
09.00	**HBDHB CHAIRS WELCOME / INTRODUCTIONS**	Chair	
09.10	**HBDHB GOVERNANCE** • Introduction and overview of HBDHB Governance Manual • Highlight structures and relationships • Introduction and overview of Induction Pack • Draft Meeting Schedule • Board Appointment Schedule	Ken Foote	
10.00	**MORNING TEA**		
10.15	**INITIAL DISCUSSION ON GOVERNANCE ISSUES** • Committee structure/Terms of Reference • Appointments – Chairs & Members • Meeting Schedule • Identify issues for further explanation/discussion	Chair	
10.45	**CEO PRESENTATION** • Overview - Current and future priorities/challeges/opportunities - Staff structure/functions • Introduction Executive Directors, Clinical Leaders	CEO	

App 4 Programme for Jan Board meeting

Time	Programme	Responsibility	Comment
	- Brief Descriptions of roles, priorities and governance related issues ▪ EDPS ▪ EDPC ▪ EDHI&Q ▪ EDP&Q ▪ EDFS ▪ EDDE ▪ CMDO Hospital ▪ CNMO ▪ CAHPO	John Burns/Chris McKenna Chris Ash Bernard Te Paa Kate Coley Carriann Hall Anne Speden Robin Whyman Chris McKenna Andy Phillips	Maximum of 2 slides each (approx. 7 minutes each)
	• Key governance related functions/responsibilities - Brief introduction/highlights ▪ Hawkes Bay Maori/Iwi organisations & relationships ▪ Hawkes Bay Intersectoral relationships/structures ▪ HBDHB Health & Safety commitment, policy, structures & processes ▪ External Communications	Patrick le Geyt Bernard Te Paa & Henry Heke Kate Coley & Christine Mildon Anna Kirk	
12.30	**LUNCH**		
13.00	**HHB LTD CHAIR / CEO PRESENTATION** Brief introduction and overview on the role, strategic direction, structures and relationships of the PHO.	Bayden Barber & Wayne Woolrich	Maximum 3 slides
13.15	**PLANNING** • Introduction and overview on the development and progress of key themes of the System Goals within Whanau Ora Hapori Ora.	Chris Ash/Kate Rawstrom	

Time	Programme	Responsibility	Comment
	• Development of Implementation Plan • Summary of progress on delivery of 19/20 Annual Plan • Priorities and process for development of 20/21 Annual Plan		
14.00	**INITIAL DISCUSSION ON PLANNING ISSUES** • Strategic direction • Annual Plan 19/20 achievements – YTD and year end? • Priorities and process for 20/21 Annual Plan • Identify issues for further explanation/discussion	Chair	
14.30	**COFFEE BREAK**		
14.45	**FINANCE** • Introduction and overview of HBDHB funding and budget setting • Current financial environment, 'challenges' and issues • Financial performance 19/20 – YTD and Forecast • Budget setting 20/21	Carriann Hall	
15.30	**INITIAL DISCUSSION ON FINANCE ISSUES** • 19/20 Year End Forecast – implications • Flow on effect to 20/21 • Financial strategy/priorities for 20/21 • Identify issues for further explanation/discussion	Chair	
16.00	**NEW MEMBER Q & A**	Chair/CEO	
16.15	**CLOSURE**	Chair	

2019 HBDHB BOARD
INDUCTION PACK

HAWKE'S BAY District Health Board Whakawāteatia

2.0 OVERVIEW

2.1 Vision, Mission, Values
2.2 Our Shared Values & Behaviours
2.3 History of HBDHB
2.4 2018/19 Annual Report
2.5 Websites / Facebook
2.6 Acronyms

3.0 HBDHB GOVERNANCE

3.1 Governance Structures
3.2 Governance Manual (refer separate folder)
3.3 Finance Risk & Audit Committee ToR
3.4 Maori Relationship Board ToR / MoU with NKII
3.5 Pacifika Health Leadership Group ToR & Annual Plan
3.6 Clinical Council ToR, Annual Plan & Clinical Governance Structure
3.7 Consumer Council ToR and Annual Plan
3.8 Te Pitau Health Alliance Agreement
3.9 Meeting Schedule

4.0 PLANNING

4.1 HBDHB Planning Structure
4.2 Whanau Ora Hapori Ora (5 Year Strategic Plan)
4.3 Clinical Services Plan
4.4 Health Equity Report & Equity Framework
4.5 2019/20 Annual Plan / Operating Plan
4.6 2019/20 Population Health Annual Plan
4.7 2020/21 Annual Planning Process

5.0 STAFF

5.1 Staff Structure
5.2 People Plan
5.3 Health & Safety Policy
5.4 Health & Safety Board Champion

6.0 HEALTH HAWKES BAY LTD

6.1 Strategic Priorities
6.2 Governance / Staff Structures

7.0 RISK MANAGEMENT

7.1 Strategic Risks

8.0 FINANCE

8.1 Capital Plan
8.2 Operating Budget

Table of Contents

Contents

Introduction

All statutory Crown entities, including District Health Boards (DHBs) are expected to have a board governance manual that reflects good practice standards and the range of legislation that applies to them.

This manual has been compiled to provide HBDHB Board members with guidance and information they may require to assist them meet their governance responsibilities. DHB governance not only includes the generic processes by which organisations are directed, controlled and held to account, but has added obligations and complexities derived from the ethos of public service, health legislation and the impact DHBs have on individuals, businesses and communities in NewZealand.

This is the fifth edition of HBDHB Governance Manual and replaces the fourth edition published in 2016. This edition is significantly based on a document "Resource for Preparation of District Health Board Governance Manuals" prepared by the State Services Commission in 2010 in conjunction with the Ministry of Health. All documents in the **schedule**s have been brought forward from the fourth edition and updated where appropriate.

Whilst this document contains links to relevant websites and other documents, HBDHB does not necessarily endorse any of the material in these links, nor does it guarantee that such links and documents will remain current.

Further updates and/or new editions of this manual will be produced as necessary.

2019 HBDHB BOARD INDUCTION
SITE VISITS

- **Hawkes Bay Fallen Soldiers Memorial Hospital**
- **HBDHB / HHB Corporate Office**
- **Napier Health Centre**
  - City Medical
- **Wairoa Hospital & Health Centre**
- **Central Hawkes Bay Health Centre**
- **Community**
  - Hastings Health Centre
  - Te Taiwhenua o Heretaunga

HBDHB Board Member Appointments

	1	2	3	4	5	6	7	8	9	10	11
Board Member	**Finance, Risk & Audit Committee**	**Hospital Advisory Committee (Statutory Committee)**	**Community, Public Health Advisory Committee (Statutory Committee)**	**Disability & Support Advisory Committee (Statutory Committee)**	**Màori Relationship Board**	**Appointments & Remuneration Committee**	**Te Pitau Health Alliance**	**HB Drinking Water Governance Joint Committee**	**HB Medical Research Foundation**	**HB Rescue Helicopter Trust Appointments Panel**	**Cranford Hospice Trust Appointments Panel**
Shayne Walker											
Evan Davies											
Kevin Atkinson											
Peter Dunkerley											
Ana Apatu											
Heather Skipworth											
Hayley Anderson											
Anna Lorck											
David Davidson											
Charles Lambert											
Joanne Edwards											
Notes from Terms of Reference	Board Chair PLUS up to all other Board Members but no less than 2. Up to 2 independent non-Board members Chair of FRAC shall not be Board Chair	All Board Members Chair notional as committee does not meet	All Board Members Committee does not meet Chair 'sponsors' Pasifika Health Leadership Group	All Board Members Chair notional as committee does not meet	Between 2 to 6 Board members, at least 2 of whom should be Màori Chair to be one of the HBDHB Màori Board Members. HBDHB to consult NKII on Chair appointment	Board Chair to be Committee Chair Plus up to 4 additional Board Members To ensure appropriate diversity	3 Board Members Deputy Chair to be appointed from these 3 Chair is PHO Chair	2 Board Members	1 Board Member	HBDHB Chair or nominee	HBDHB Chair or nominee

2020 Annual Calendar

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sun			1								1	
Mon			2			1 QUEENS BIRTHDAY					2	
Tue			3			2			1		3	1
Wed	1 NEW YEARS DAY		4 Leadership Forum	1		3	1		2		4	2
Thu	2 Day after New Year		5 Board Induction	2		4	2		3	1	5	3
Fri	3		6	3	1	5	3		4	2	6	4
Sat	4	1	7	4	2	6	4	1	5	3	7	5
Sun	5	2	8	5	3	7	5	2	6	4	8	6
Mon	6	3	9 PHLG	6	4	8	6	3	7	5	9	7
Tue	7	4	10	7	5	9	7	4	8	6	10	8
Wed	8	5	11 MRB Clinical Council Consumer Council	8 MRB Clinical Council Consumer Council	6	10 MRB Clinical Council Consumer Council	8 MRB Clinical Council Consumer Council	5	9 MRB Clinical Council Consumer Council	7	11 MRB Clinical Council Consumer Council	9 MRB Clinical Council Consumer Council
Thu	9	6 WAITANGI DAY	12	9	7	11	9	6	10	8	12	10
Fri	10	7	13	10 GOOD FRIDAY	8	12	10	7	11	9	13	11
Sat	11	8	14	11	9	13	11	8	12	10	14	12
Sun	12	9	15	12	10	14	12	9	13	11	15	13
Mon	13	10	16	13 EASTER MONDAY	11	15	13	10	14	12	16	14
Tue	14	11	17	14	12	16	14	11	15	13	17	15
Wed	15	12 MRB Clinical Council Consumer Council	18	15	13 MRB Clinical Council Consumer Council	17	15	12 MRB Clinical Council Consumer Council	16	14 MRB Clinical Council Consumer Council	18	16 FRAC BOARD
Thu	16	13	19	16	14	18	16	13	17	15	19	17
Fri	17	14	20	17	15	19	17	14	18	16	20	18
Sat	18	15	21	18	16	20	18	15	19	17	21	19
Sun	19	16	22	19	17	21	19	16	20	18	22	20
Mon	20	17	23	20	18	22	20	17	21	19	23	21
Tue	21	18	24	21	19	23	21	18	22	20	24	22
Wed	22	19	25 FRAC BOARD	22	20	24 FRAC BOARD	22	19	23 FRAC BOARD	21	25 FRAC BOARD	23
Thu	23	20	26	23	21	25	23	20	24	22	26	24
Fri	24	21	27	24	22	26	24	21	25	23 HB ANNIVERSARY	27	25 XMAS DAY
Sat	25	22	28	25	23	27	25	22	26	24	28	26 BOXING DAY
Sun	26	23	29	26	24	28	26	23	27	25	29	27
Mon	27 PHLG	24	30	27 ANZAC DAY	25	29	27	24	28	26 LABOUR DAY	30	28
Tue	28	25	31	28	26	30	28	25	29	27		29
Wed	29 BOARD	26 FRAC BOARD		29 FRAC BOARD	27 FRAC BOARD		29 FRAC BOARD	26 FRAC BOARD	30	28 FRAC BOARD		30
Thu	30	27		30	28		30	27		29		31
Fri	31	28			29		31	28		30		
Sat		29			30			29		31		
Sun					31			30				
Mon								31				
Tue												

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:

18. Confirmation of previous minutes 27 November 2019 (Public Excluded)
19. Matters Arising (Public Excluded)
20. Board Approval of Actions exceeding limits delegated by CEO
21. Chair's Update
22. Chief Executive Officer's Report (Public Excluded)
23. Hawke's Bay Clinical Council Report (Public Excluded)
24. Chief Medical Officer Verbal Report
25. Planning & Funding Report (Public Excluded)
26. CEO Recruitment
27. Finance Risk and Audit Committee

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).