BOARD MEETING

Date: Wednesday 27 November 2019

Time: 1:30pm

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

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

Apologies: Dr Helen Francis

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: Jacqui Sanders-Jones, Board Administrator

Public Agenda

Item	Section 1: Routine	Time (pm)
1.	Welcome and Apologies	1:30
2.	Interests Register	
3.	Minutes of Previous Meeting 30 October 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.	HB Clinical Council report– Co-Chairs, Julie Arthur & Dr Robin Whyman	2:40
14.	HB Health Consumer Council report– Chair, Rachel Ritchie	2:45
	Section 3: For Decision	
15.	Code of Professional Conduct for Crown Entity Board Members – Ken Foote	2.50
	Section 4: For Information & Discussion	
16.	HBDHB Performance Framework Exceptions Q1 – Chris Ash	3.00
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 30 October (public excluded)	3.05
19.	Matters Arising (public excluded) – Review of Actions - Chair's letter for Equity Support to MoH	-
20.	Board Approval of Actions exceeding limits delegated by CEO	-
21.	Chair's Update (verbal)	
22.	CEO report to Board – public excluded	3.15
23.	HB Clinical Council (public excluded) Co-Chairs, Julie Arthur & Dr Robin Whyman	3.30
24.	Chief Medical Officer update (verbal) – Robin Whyman	3.35
25.	HB Health Consumer Council report (public excluded) – Chair, Rachel Ritchie	3.40
26.	Planning & Funding Report to Board (public excluded) – Chris Ash	3.45
27.	Overnight Nursing Service (Napier) – Chris Ash	3.55
28.	Under 18's Free Primary Care – Chris Ash	4.05
	Section 7: For Information/Decision	
29.	Finance Risk and Audit Committee – Chair, Dan Druzianic	4.15
	Meeting concludes	**4.25**

The next HBDHB Board Meeting will be held at
1.30pm on Wednesday 18 December 2019
(followed by the Board Christmas Function at St George's Restaurant, Havelock North 4.30 – 7pm)

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 4 August 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 (Chair)	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
Ngahiwi Tomoana (Deputy Chair)	Active	Chair, Ngati Kahungunu Iwi Incorporated (NKII)	Actual Conflict of Interest. Non-Pecuniary interest. Chair of NKII. NKII is titular head of 6 Taiwhenua. 2 NKII Taiwhenua have contracts for health services with HBDHB: (i) Te Taiwhenua Heretaunga is HBDHB's 5th largest health services contractor. The contracts are administered by HBDHB's Planning, Funding and Performance department. (ii) Ngati Kahungunu Ki Wanganui a Orutu has a contract with HBDHB to provide mental health services. This contract is administered by HBDHB's Planning, Funding and Performance department.	Will not take part in any decisions in relation to the service contracts between the NKII Taiwhenua and HBDHB.	The Chair	01.05.08
	Active	Uncle of Tiwai Tomoana	Perceived Conflict of Interest. Non-Pecuniary interest. Tiwai Tomoana is employed by HBDHB and is a Kitchen Assistant in the Food and Nutrition Department at Hawke's Bay Hospital.	All employment matters in relation to Tiwai Tomoana are the responsibility of the CEO.	The Chair	01.05.08
	Active	Uncle of Iralee Tomoana	Iralee Tomoana is employed by HBDHB and works in the Radiology Department as a clerical assistant.	All employment matters in relation to Iralee Tomoana are the responsibility of the CEO.	The Chair	01.05.08
	Active	Brother of Numia Tomoana	Perceived Conflict of Interest. Non-Pecuniary interest. Numia Tomoana is employed by Cranford Hospice and works as a palliative care assistant and, in this role, works with chaplains at Hawke's Bay Hospital.	Will not take part in any decisions in relation to the Chaplain service at Hawke's Bay Hospital.	The Chair	01.05.08
	Active	Involved with Waitangi Claim #2687 (involving Napier Hospital land) sold by the Government	Requested that this be noted on the Interest Register	Unlikely to be any conflict of Interest.	The Chair	28.03.18
	Active	Iwi Chairs involved with Treaty of Waitangi Health Claim #2575	Requested that this be noted on the Interest Register	Unlikely to be any conflict of Interest.	The Chair	19.12.18
Barbara Arnott	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	26.10.17
Dr Helen Francis	Active	Trustee of Hawke's Bay Power Consumers' Trust which holds all the shares in Unison Networks Limited.	Potential Conflict of Interest. Non-Pecuniary interest. Unison Networks Limited, trading as Unison, has a lease agreement with HBDHB for a generator which is located at Hawkes Bay Fallen Soldiers Memorial Hospital. HBDHB has an electricity supply contract with Meridian Energy Limited. Meridian Energy Ltd has a subcontract with Unison for the supply of power lines.	Will not take part in any decisions or discussions in relation to HBDHB electricity contracts. Will not take part in any decisions in relation to the generators at Hawke's Bay Hospital and electricity generation.	The Chair	03.10.11
	Active	HB Medical Research Foundation	Trustee	Declare this interest prior to any discussion in relation to the Foundation, and an appropirate mitigation action is decided on.	The Chair	20.08.14
	Active	Senior Advisor Primary Care	Health system improvement & innovation, Ministry of Health	Declare interest as and when required	The Chair	13.03.19

Board Member Name	Current Status	Conflict of Interest	Nature of Conflict	Mitigation / Resolution Actions	Mitigation / Resolution Actions Approved by	Date Conflict Declared
Diana Kirton	Active	Brother, John Fleischl, is a Senior Medical Officer (surgeon) employed by HBDHB.	Perceived Conflict of Interest. Non-Pecuniary interest.	Will not take part in any decisions in relation to surgical services provided by or contracted by HBDHB. All employment matters in relation to John Fleischl are the responsibility of the CEO	The Chair	18.02.09
	Active	Employee of Eastern Institute of Technology (EIT), Practicum Manager, School Health and Sports Science from 3 Feb 2014	Non-pecuniary interest: Organises student practicum placements with some HBDHB funded health providers.	Declare this prior to any discussion in relation to EIT in the area of interest, and an appropirate mitigation action is decided on.	The Chair	16.01.14
	Active	Trustee of Hawke's Bay Power Consumers' Trust which holds all the shares in Unison Networks Limited.	Potential Conflict of Interest. Non-Pecuniary interest. Unison Networks Limited, trading as Unison, has a lease agreement with HBDHB for a generator which is located at Hawkes Bay Fallen Soldiers Memorial Hospital. HBDHB has an electricity supply contract with Meridian Energy Limited. Meridian Energy Ltd has a subcontract with Unison for the supply of power lines.	Will not take part in any decisions or discussions in relation to HBDHB electricity contracts. Will not take part in any decisions in relation to the generators at Hawke's Bay Hospital and electricity generation.	The Chair	03.10.14
	Active	RENEW Counselling Services	Counsellor	No conflict perceived	The Chair	17.07.17
Dan Druzianic	Active	Director of Markhams Hawke's Bay Limited	Potential Conflict of Interest. Some clients may from time to time be employed by or have contracts with HBDHB	Declare an interest at any time an issue arises concerning a client, and take no further part in any decision or discussion on this matter.	The Chair	7.12.10
Jacoby Poulain	Active	Board Member of Eastern Institute of Technology (EIT)	Perceived conflict - HBDHB has a Memorandum of Understanding (MOU) with EIT relating to training and development in health related occupations.	Will not take part in any decisions or discussions in relation to the MOU between HBDHB and EIT	The Chair	14.1.14
	Active	Councillor Hastings District Council	Potential conflict as potential advocate for Hastings District population whereas HBDHB coveres whole of Hawke's Bay	Declare this interest prior to any discussion on the specific provision of services in Hastings and Chair decides on appropriate mitigation action.	The Chair	14.1.14
Heather Skipworth	Active	Daughter of Tanira Te Au	Kaumatua - Kaupapa Maori HBDHB	All employment matters are the responsibility of the CEO	The Chair	04.02.14
	Active	Trustee of Te Timatanga Ararau Trust (aligned to Iron Maori Limited)	The Trust has contracts with HBDHB including the Green Prescription Contract; and the Mobility Action Plan (Muscular Skeletal)	Will not take part in any discussions or decisions relating to any actions or contracts with the Trust or aligned to Iron Maori Limited.	The Chair	04.02.14 25.03.15 29.03.17
	Active	Director of Kahungunu Asset Holding Company Ltd	The asset portfolio of the company in no way relates to health, therefore there is no perceived conflict of interest.	Unlikely to be any conflict of Interest. If in doubt will discuss with the HBDHB Chair.	The Chair	26.10.16
Peter Dunkerley	Active	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 Whararíki 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 discussions relating	The Chair	8.08.18
Hine Flood	Active	Councillor for the Wairoa District Council	Perceived Conflict - advocate for the Wairoa District population and HBDHB covers the whole of the Hawkes Bay region.	Declare this interest prior to any discussion on the specific provision of services in Wairoa and Chair decides on appropriate mitigation action.	The Chair	14.02.17

MINUTES OF THE BOARD MEETING
HELD ON WEDNESDAY 30 OCTOBER 2019, IN THE TE WAIORA ROOM,
DHB ADMINISTRATION BUILDING, MCLEOD STREET, HASTINGS
AT 1.37PM

PUBLIC

Members:	Kevin Atkinson (Chair) Ngahiwi Tomoana (Deputy Chair) Dan Druzianic Dr Helen Francis Peter Dunkerley Diana Kirton Barbara Arnott – left at 4.20pm Heather Skipworth Jacoby Poulain Ana Apatu Hine Flood
Apology	Diana Kirton, Helen Francis
Absent	Jacoby Poulain
In Attendance:	Craig Climo (Interim Chief Executive Officer) Anna Lorck (Board Member Elect) David Davidson (Board Member Elect) Hayley Anderson (Board Member Elect) Members of the Executive Leadership Team Julie Arthur & Dr Robin Whyman (as co-Chairs, HB Clinical Council) Rachel Ritchie (Chair, HB Health Consumer Council) Members of the public and media Jacqui Sanders-Jones, Board Administrator

1. APOLOGY

Apologies received from Diana Kirton and Helen Francis
Jacoby Poulain noted as absent

Chair congratulated and then welcomed the new board members as guests to the meeting.

2. INTEREST REGISTER

No changes to the interests register were advised

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

3. CONFIRMATION OF PREVIOUS MINUTES

The minutes of the Board meeting held on 25 September 2019, were confirmed as a correct record of the meeting.

Moved: **Dan Druzianic**
Seconded: **Ana Apatu**
Carried

4. MATTERS ARISING FROM PREVIOUS MINUTES

Item 1: **Person & Whanau Centred Care –** December committee reports will include an update on this matter.

Item 2: **He Ngākau Aotea –** Executive Director of Health Improvement and Equity provided written update within Matters Arising. A meeting has been scheduled for next week between HBDHB, PHO & NKII to discuss further. Next update will be in March 2020.

RECOMMENDATION
That the HBDHB Board:
Notes the content of the He Ngākau Aotea report provided as an update
Adopted

Item 3: **Annual Plan 20/21 –** Agenda item. Complete

Item 4: **Board Induction –** Agenda item. Complete

Item 5: **Te Pitau Alliance Actions to Executive Director of Primary Care** – response provided within Matters Arising and accepted. Complete

5. BOARD WORK PLAN

The Board Work Plan was noted; observing that November 2019 meeting will be the last held with current Board members.

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
Marea Wilson	Enrolled Nurse	Communities Women & Children	40	23-Aug-19
Alison Wall	Receptionist - Outpatient	Medical Directorate	24	8-Nov-19
Molly Murray	Clerical Worker	Communities Women & Children	24	24-Oct-19
Margaret Jensen	Care Associate	Medical Directorate	20	11-Oct-19
Louside Carroll	Registered Nurse	Older Persons, Allied &NASC HB	13	29-Sep-19

Appointment process of new Board members – Chair advised that he has been in communication with the Ministry of Health and it is hoped there will be options for consideration presented to the Minister within the next few weeks. Chair has provided MoH with skillset required/expected.

7. CHIEF EXECUTIVE OFFICER'S (CEO) REPORT

The Interim CEO provided an overview of his report with comments noted in addition, including the following key points:

- **Provider Arm executive summary** will be provided next month and continue monthly as a standing agenda item.
- **Annual Plan 19/20 –** presented to the Minister of Health with recommendation of being approved.
- **Update regarding industrial action:**
  - A lot of activity all led by APEX union.
  - Radiographers strike – HBDHB has approached Employment Relations Authority to assist with facilitating, however to agree to facilitate there are criteria to be fulfilled. APEX unlikely to agree.
  - Medical Imaging Technologists strike – Life Preserving Services (LPS) for orthopaedic clinic is in place. (This went to adjudication and found in HBDHB favour as justified LPS). At time of writing there was no patient harm resulting from strike action, however there is significant concern as to the resulting extended wait times of scans and consequences of this delay in diagnostics.
  - Psychologists strike – latest offer rejected.
  - Laboratory Workers strike - further notice received of 2-day withdrawal of labour.

- **Closure of Wairoa GP practice** was discussed at length, with the CEO explaining that it is unusual for DHBs to own GP practices. The Wairoa model was in place to assist with maintaining services, always with the intention of removing DHB involvement. The CEO was firm in his belief that there is no impact on patients and there is not a significant service change. The Wairoa DHB practice was primarily using locum doctors and has now grown to a position whereby it sustains its own GP workforce.

Concern was voiced by a Board member that the 'interim' intention was never mentioned during the establishment of the service.

Some Board members felt strongly about the lack of engagement with iwi leaders and Maori community of Wairoa before this change took place. CEO responded that if Board seeks engagement on these decisions then this could be carried forward as a process.

Comment was made by Deputy Chair of MRB, that this is a missed opportunity for engagement with the Wairoa community and iwi, regardless of operational service continuity.

Emma Foster, Deputy Executive Director Primary Care, spoke of the historical engagement with Wairoa community in regards to the model of healthcare in Wairoa, recognising that whanau want the best service they can. The DHB see the way forward by developing *Community Governance* over the Wairoa model of healthcare.

The Board Chair suggested that to move forward, the new board clarify in its delegations policy, how decisions (like the Wairoa GP practice) take place, noting that there are probably decisions similar to this being made every month.

- **Chair of Consumer Council queried the ongoing impact of strikes to consumers** and how the DHB will address this for consumers, especially communicating level of detail required to provide assurance to patients. Patients and visitors need to be kept well informed.

  Whanau Ora Hāpori Ora is the agreed Strategy of HBDHB and is considered the main 'plan' with whanau voice, equity and consumers being prominent components. Chair of Consumer Council went on to query how the things we are 'doing' currently are working us towards the strategic goals.

  CEO responded that all DHBs are in this same situation. The challenge in the system is the lack of visibility around the engagement process with MoH, meaning there is perception that the MoH do not understand the DHBs *individual* issues.

  Chair of Consumer Council summarised to the CEO that 'Community led' is a key feature of our strategic plan, and although the closure of DHB involvement in GP practice at Wairoa may feel like a small decision

to the DHB, to the community it's a much bigger issue and the DHB needs to recognise that different communities hold different things of value to them.

RECOMMENDATION

That the HBDHB Board:
Note the contents of this report.

Adopted

8. FINANCIAL PERFORMANCE REPORT

Carriann Hall (Executive Director of Financial Services) spoke to the Financial Report for September 2019, which showed a $0.3m unfavourable to the revised plan of $12.9m deficit for the financial year, taking the year-to-date (YTD) result to $0.9m unfavourable to plan. Comments noted in addition to the report included:

- Planning a deep dive into financials at November FRAC

- Keys drivers: Pharmaceuticals, Aged Residential Care, Medical personnel spend

- IDFs favourable

RECOMMENDATION

That the HBDHB Board:
Note the contents of this report.

Adopted

9. HEALTH & SAFETY BOARD CHAMPION'S UPDATE

Board Health & Safety Champion Heather Skipworth stated that an update on Health & Safety actions will be provided at November Board meeting by Kate Coley, Executive Director of People & Quality. **ACTION**

REPORT FROM COMMITTEE CHAIRS

10. PASIFIKA HEALTH LEADERSHIP GROUP

Barbara Arnott, Board member representating on Pasifika Health Leadership Group spoke to the report, noting in particular the following 3 points:

- Equity Framework needs to be implemented with greater immediacy if change is to be taken forward.
- PHLG Workplan has shown great collaboration for a clear future framework and monitored pathway
- Pasifika Youth Survey has been a success with 400 of 600 secondary school students participating

PHLG felt strongly that there should be a Pasifika representation at Board level and this would have positive impact on the future board. Chair advised that a Pasifika representative was being considered in the process by MoH.

Barbara Arnott's services to PHLG was recognised and thanked by the PHLG members, with flowers presented.

RECOMMENDATION

That the **HBDHB Board:**

Note the contents of this report

Adopted

11. MĀORI RELATIONSHIP BOARD (MRB)

Ana Apatu as representative of MRB spoke to the meeting held 11 August 2019, noting the following points:

- TAW report – cardiovascular and smoking rates are showing little improvement.
- To Waha dental initiative commended and supported with stories and interviews from whanau shared with MRB. These videos will be shared via the HBDHB website through Comms team. Whanau were very keen to give feedback and voice their experiences.

Chair queried the progress of setting up a Charitable trust to continue this type of initiative. Ken Foote, Company Secretary explained that the HB Foundation 'Health Fund' will address donations for a specific purposes, giving example that with a fundraiser for To Waha type activity, people can donate through the Health Fund and specify where they want the money spent.

Chair requested that there was promotion of the Health Fund to be taken forward with Comms & HB Foundation. **ACTION.**

- Disappointment expressed by MRB that no HBDHB representatives were part of the latest NUKA (South Central Foundation) visit.

RECOMMENDATION

That the **HBDHB Board:**

Note the contents of this report

Adopted

12. HAWKE'S BAY CLINICAL COUNCIL

Co-Chair Jules Arthur spoke to the report from the Council's meeting held on 9 October 2019 and noted the following in regards to the agreed Annual Plan of the Clinical Council:

- Realignment of objectives especially the development of the risk management framework
- Workplan developed around safety and quality
- Agenda is revised to focus on the workplan

RECOMMENDATION

That the **HBDHB Board:**

Note the contents of this report

Adopted

12.1 HAWKE'S BAY CLINICAL COUNCIL – Appointment of New Member

The Chief Executive Officer sought Board endorsement for the appointment of Dr Umang Patel to the Clinical Council into the vacant GP position.

RESOLUTION

That the HBDHB Board:

1. **Endorses** the appointment of Dr Umang Patel to Clinical Council

Moved: Barbara Arnott

Seconded: Ana Apatu

Carried

13. HAWKE'S BAY HEALTH CONSUMER COUNCIL

Rachel Ritchie, Chair of Consumer Council advised of the Annual Plan objectives, provided for alignment with Clinical Council and commented on outcomes of their meeting held on 10 October 2019:

- Developed a focused and robust process for addressing workplan objectives
- IS update on 'A year of delivery' provided reminders on great initiatives but felt by members not to address consumer needs fully.
- Issue with the 1737 Mental Health line for youth in need has been addressed with a joint letter sent to MoH teleservices from HB Health Consumer Council and Hasting District council Youth Council representatives.

RECOMMENDATION

That the **HBDHB Board:**

Notes the contents of this report

Adopted

14. TE PĪTAU HEALTH ALLIANCE (HAWKE'S BAY)

Hine Flood, Deputy Chair of Te Pitau Health Alliance Governance Group spoke to the report from the meeting held 9 October 2019.

Ken Foote Company Secretary assisted the Group with a reminder and reaffirmation of the groups' purpose and scope.

Continued monitoring of changes which are taking place with Mental Health & Addictions Redesign.

Group recognised that the Rangatahi Redesign has a lot of consumer work taken place and discussion raised on how best to acknowledge their contribution.

Recommendation

That the HBDHB Board:

Note the contents of this report

Adopted

FOR INFORMATION

15. TE PĪTAU HEALTH ALLIANCE 'Te Pitau' – CEO paper

CEO spoke to his proposal to change this governance group make-up into an operational model of membership, which he feels will optimise structure and process. New structure to be led by leaders of PHO (Wayne Woolrich, CEO HHB), HBDHB (Chris Ash, Executive Director of Planning & Funding) and Patrick le Geyt as General Manager of Maori Health.

This recommendation will also need to be considered by PHO Board.

Some Board members recognised that things need to done differently and should be challenged to ensure that more whanau voice and consumer engagement takes place, however questioned how this assurance to drive change is given through this proposed change to Te Pitau governance.

There was further concern that the community focus lens (which was an original expectation of Te Pitau) will be lost to management led processes, simply because it is too difficult to maintain this governance group.

Although members didn't necessarily disagree with the content of the paper, members felt that CEO approach to presenting this paper to board was not done in a courteous manner; noting that Te Pitau has whakapapa associated with it in joining the two entities of HBDHB and PHO to create a governance group which communities can trust in for the best health initiatives.

CEO responded that the PHO needs to be 'powered up' and enabled to move forward effectively with reporting to Board every quarter and this change will enable expectation and accountability to their workplan. This statement was generally supported.

CEO confirmed that Chair of Health HB Ltd and Te Pìtau, Bayden Barber, was in agreement with CEO approach that contracting the PHO for initiatives would be the more successful model.

Chair of Consumer Council reminded Board members as to why the Te Pìtau Alliance arose and voiced concern as to the recognition of consumer voice if brought into management level rather than governance.

The Board Chair raised concern that progress isn't being made with current Te Pitau set up, however he noted that it is a Ministry of Health requirement to have an alliance between PHO and DHB. The Chair suggested a review of the alliance agreement on how the two boards would work together with this proposed new arrangement of membership and specifically how consumer voice will be recognised.

The Chair advised that he strongly supported allowing DHBs to determine community funding.

Concern raised by a Board member that this is a backward step and that consumer voice and equity for Maori will not be championed if spend on initiatives is controlled through contracts between the PHO & DHB.

There was request to allow a further discussion at the next Te Pitau meeting.

Board was undecided on the recommendation and were in agreement to bring this back to November meeting, as by this time both Te Pitau Alliance Governance Group and PHO Board will have met and discussed the proposal.

RESOLUTION

That the HBDHB Board

1. **Receives** this report; and
2. **Defer** decision on proposal to disestablish the Te Pitau Alliance Governance Group until the Te Pitau Alliance Governance Group and PHO Board have met.

Moved: Barbara Arnott
Seconded: Dan Druzianic
Carried

16. PLANNING & FUNDING MONTHLY REPORT

Chris Ash, Executive Director of Planning & Funding, presented the report from Planning & Funding directorate, explaining that the focus was on developing a single document 'one plan' that is fit for purpose and meets expectations both for MoH and DHB.

'Assessing needs' was a term queried by Board member as to the process involved in this assessment. Response explained that a collective set of skills and capabilities form the commissioning process.

By drawing out the priorities from the pieces of work which led to the HBDHB Strategy, this annual plan is developed, which provides visibility to Board of the resources required in the implementation process and timeframes around this.

This paper outlines a process which fits together the pieces of work into a total picture.

Members felt there was no 'for Maori' focus within this plan and reminded members of this expectation.

The organisation plan for 20/21 also serves as the MoH plan and was presented as a 4 phase process. A presentation of the Workplan was spoken to with explanation of prioritisation. Presentation will be provided to members.

RECOMMENDATION

That the **HBDHB Board:**

Notes the contents of this report.

Adopted

17. BOARD MEMBER INDUCTION 2019 – Discussion Document

Ken Foote, Company Secretary introduced the proposed induction package for new board members and sought feedback on development of options within the proposal, explaining that the overall objective is to add value to ensure the time spent is worthwhile.

The pack included MoH induction resources. MoH has engaged with Board Chairs for input to improve on the last round of inductions. Key dates for MoH were provide, highlighting the HB Leadership Forum on the 4 March, being held day before MoH Induction.
Timing of site visits to be established.
The papers will be provided in Resource Centre of Diligent but paper copy also available on request.

The discussion document was well supported by Board members and no further comment made for any changes to proposal.

RECOMMENDATION

That the Board:

1. Note and endorse the proposals contained in the Discussion Document.

2. Request a review of the date proposed for the Hawke's Bay Health Sector Leadership Forum Workshop, given the Regional Board members Induction is now scheduled for 5 March 2019.

Adopted

18. ALLIED LAUNDRY SERVICES LTD – Annual General Meeting

RESOLUTION

That the Board:

1. **Note** the Annual Report and Financial Statements for Allied Laundry Services Ltd (which have been reviewed but not yet signed off by the auditors) for the year ended 30 June 2019.

2. **Appoint** Ken Foote as the HBDHB Shareholder representative to attend the Allied Laundry Services Ltd Annual General Meeting to be held on Tuesday 26 November 2019, with Carriann Hall appointed as his Alternate.

Moved: **Dan Druzianic**
Seconded: **Heather Skipworth**

Carried

19. CENTRAL REGIONS TECHNICAL ADVISORY SERVICES LTD – Annual General Meeting

RESOLUTION

That the Board:

1. Note the Annual Report for TAS for the year ended 30 June 2019.

2. Appoint Kevin Atkinson as the HBDHB representative to attend the TAS Annual General Meeting to be held Wednesday 4 December 2019, with Craig Climo appointed as his Alternate.

Moved: **Peter Dunkerley**
Seconded: **Ana Apatu**

Carried

20. TE ARA WHAKAWAIORA (TAW) – Adult Health indicators

Patrick le Geyt, General Manager of Maori Health presented the annual TAW report on Adult Health indicators, supported by Dr Andy Phillips, Hospital Commissioner and Chris Ash, Executive Director of Planning and Funding.

This report focused on the three indicators (and improvement progress) which reflect the greatest preventable causes of high mortality rates in adult Maori, including:
-ASH rates
-Cardiovascular diseases
-Smokefree success

Dr Andy Phillips, Hospital Commissioner and equity champion for Cardiovascular spoke specifically to heart disease and the poor outcomes currently seen, especially in the Maori community. Addressing the need for further FTE Cardiologists will have immediate improvement results on the cardiology data. This is being

taken forward with further resources allocated to the service. Currently using services in Wellington, which results in logistical and financial difficulties for patients.

Chris Ash, Executive Director of Planning & Funding and equity champion for ASH rates spoke of the prevalence of Long Term Conditions (LTC) for Maori (44 – 65years age group). There is felt to be a lot of activity yet not the progress expected. Currently increasing work with NGOs and flagging patients with LTC, in attempt to close the gaps. There is a proposal for a focus group in Maori Health with LTC focus to be set up. A complete patient registry of those most at risk would be the ideal.
Timely access to primary health care and GPs is also a consideration alongside clinical pathways being developed.

Bernard Te Paa, Executive Director of Health Improvement and Equity spoke to the prevalence of smoking in Maori women, with favourable news that this is trending down, especially in the 14 – 17year olds margin. This measure is based upon the work done with mothers identified as smokers.
Overall engagement rate was 84% however the Maori access to the advice is higher at 85%.
Innovative provision of smoking cessation advice given to whole whanau (not just individuals) has resulted in 147 whanau members provided with Smokefree advice, which is a positive step to success.
There is possibility to extend to Primary Care communities and team are working alongside the PHO to offer further Smokefree advice.

The Board Chair addressed 'vaping' as an alternative tool, and felt that using this as a tool toward smoke free shouldn't be an option to whanau, as health outcomes are not yet clear.
Bernard Te Paa, Executive Director of Health Improvement & Equity responded that the MoH has changed position several times on vaping and currently vaping can be used as a smoking reduction tool. There is no long term evidence of vaping side effects nor from the flavouring chemicals.
The Chair suggested monitoring children taking up vaping in the household of those using this smoking cessation tool if possible, to correlate links between the two. ACTION

RECOMMENDATION

It is recommended that the HBDHB Board:

1. **Note** the contents of the report
2. **Endorse** the next steps and recommendations.

Adopted

GENERAL BUSINESS

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

21. RECOMMENDATION TO EXCLUDE THE PUBLIC

RESOLUTION

That the Board

Exclude the public from the following items:

22. Confirmation of previous minutes 25 September - Public Excluded
23. Matters Arising (public excluded)
24. Board Approval of Actions exceeding limits delegated by CEO
25. Chair's Update
26. CEO report to Board (Public excluded)
27. HB Clinical Council report to Board (public excluded)
28. Chief Medical Officer verbal report
29. Planning & Funding report (public excluded)
30. Finance Risk and Audit Committee

Moved: **Peter Dunkerley**
Seconded: **Dan Druzianic**

Carried

The public section of the Board Meeting closed 4.40pm

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	Short document to be socialised with Consumer Councils and MRB in November and December and report to be provided by Chairs of both governance groups in December Board report.
2	26/06/19	**He Ngakau Aotea** • Regular updates requested as to costs and progress	Bernard Te Paa	March 2020	Workplan for March 2020
3	30/10/19	**Board H&S Champion** • Update on Actions arising from Board H&S Champion visits to be provided by EDP&Q	Kate Coley	November 2019	See Appendix 1 Matters Arising Nov '19
4	30/10/19	**Health Fund** • Promotion of the Health Fund to be taken forward with Comms and HB Foundation	Anna Kirk	November 2019	Working with Hawke's Bay Foundation. Press release and additional collateral is expected to go out end of Nov / early December. The detail is being finalised.
5	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	

Appendix 1

Health & Safety Board Champion – Update

The following provides an update on the Board champion tours and progress against a number of the items identified that have yet been completely resolved.

A Facilities Management governance group has been established to prioritise the allocation of the facilities block. This has representation from all professional groups, health & safety, procurement, operational managers, finance and IT. The block currently has around $2.9m allocated (2018/19 FY), with a list of requests and requirements relating to capital maintenance and health & safety issues of $12m. The group will review and undertake a risk assessment and prioritisation process on the list of requests, including those identified in the Board H&S walkabouts and put forward recommendations to the capital investment committee. It should be noted that not all matters identified by Board H&S Champions can be prioritised over and above those already on this list which are identified as higher risk.

Area	Identified Issue	Update
Ward Areas	Handrails and patient falls	Handrails will be fitted in B2 and A1 in this financial year. FMGG have prioritised recommendation to continue to rollout further handrails in specific areas in 20-21 financial year. These will be prioritised based on adverse events and information from the Falls Committee. Complete
Pharmacy	Space limitations	Short term – FRAC endorsed short term solution at meeting in July. Endorsed and work is progressing by Facilities. Complete
Napier	Phone System Workplace violence & abuse – challenges within the facility and also safety concerns for those working out in the community.	Resolved Overarching programme of work being developed to mitigate the risk posed both in Napier, and all other sites. Working with IS to identify a solution for those staff out in the community. Full report provided to FRAC in September and October. Continue to work with the facility to support them with challenges. Ongoing
Mental Health	Smoking challenges and impact on environment	This remains a challenge to manage within the Inpatient environment, recent meetings with staff have uncovered inconsistencies in approach from nursing and medical staff which has contributed to the problem which is being addressed. Working with smoking cessation services, and identification of appropriate model to support wellbeing of clients and safety of staff. Initially looked at a vaping policy but with recently reported health

	Medication room	harm and experiences from other DHB MHS this is unlikely to be given any more consideration. The issue of some of the environmental challenges has been identified through a number of vehicles including through the conversation with Board Champions. A significant amount of work has been undertaken by the team and staff within the unit to identify mitigation strategies and a number of changes have been made within the facility. Further to the board champion walkaround, the unit was visited by Cap Coast Forensic team, and the Director of Mental Health. Both reviewed the recovery plan which was endorsed by health services leadership team and the then CEO, and did not recommend specifically a change to the medication room. The key issues and challenges identified related to staff numbers and mix (skill, experience & gender). The current medication room opens up to two distinct areas (Acute & sub-acute), and if there are safety concerns the staff now enter the medication room from the sub-acute area and exit from the same side then come through the nurses station then enter the acute side from the nurse station. The SD, ND and PAG Chair have met with staff this week and discussed the issues again, staff are happy using the other exit if need be, there will be a modification to the convexed mirror and an additional one added, staff also expressed the challenge they have with patients knocking on the medication room window when they know they are inside, this impacts on the ability to concentrate when preparing medications. As a result mirrored glass film will be trialled. The mental health team will continue to monitor and review the situation on an ongoing basis, however at this time based on staff feedback the view is that there is no need to make any further changes to the medication room.
ICU	**Storage** – Investigate provision of appropriate storage for patients/families and ward resources with Facilities	ICU engaged with Facilities and the Health & Safety Advisor - working through where improvements are possible.
Health Records	Issues relating to: **Space** – creates challenges with overstocked shelves, cue's/procedure to let others know that individuals are between shelving, shelving moves Limited **knowledge** of staff in regards of H&S requirements	From a facilities perspective, H&S and Facilities have visited the area, and it is acknowledged that there are a number of issues that need to be addressed and considered in line with other priorities. Facilities have begun the process for a project assessment. With regards to increasing knowledge and support to the team, Safety & Wellbeing Manager has met with the manager of the area and is working up a series of short education sessions for staff.

GOVERNANCE WORKPLAN PAPERS

19-Nov-19

BOARD MEETING 27 NOVEMBER 2019	Dec	EMT Member	Lead/Author	MRB Meeting Date	Clinical Council Meeting Date	Consumer Council Meeting Date	F R A C Meeting date	BOARD Meeting date
Finance Report (Oct)		Carriann Hall					27-Nov-19	27-Nov-19
HBDHB Performance Framework Exceptions Q1 Feb19 /May/Aug/**Nov** (Just in time for MRB Mtg then to EMT)		Chris Ash						27-Nov-19
Overnight Nursing Service (Napier)		Chris Ash						27-Nov-19
Code of Profressional Conduct for Crown Entities	D	Ken Foote						27-Nov-19
Under 18's Free Primary Care		Chris Ash						27-Nov-19
Provider Service report to Board		John Burns						27-Nov-19
Primary Care Directorate Monthly Report		Chris Ash						27-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
Finance Report (Nov)		Carriann Hall	Chris				18-Dec-19	18-Dec-19
Provider Service report to Board		John Burns						18-Dec-19
VIP/Family Harm report		Bernard Te Paa	Patrick le Geyt	11-Dec-19				18-Dec-19
Electives - Status to public & referers		Craig Climo						18-Dec-19
Laboratory Negotiations update		Chris Ash	Di Vicary					18-Dec-19
Primary Care Directorate Monthly Report		Chris Ash						18-Dec-19
Board Committees		Ken Foote						18-Dec-19
Corporate Performance Dashboard		Carriann Hall	Jenny Cawston	11-Dec-19				18-Dec-19
Person & Whanau Centred Care - committee reports to Board		Kate Coley						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
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
Provider Service report to Board		John Burns						26-Feb-20
Finance Report (Dec)		Carriann Hall	Chris				26-Feb-20	26-Feb-20
HBDHB Non-Financial Performance Framework Dashboard Q2 - **EMT/Board**	E	Chris Ash	Peter MacKenzie					26-Feb-20
HBDHB Performance Framework Exceptions Q2 Nov 18 Feb 19 /May/Aug 19 (just in time for MRB mtg then to EMT)	E	Chris Ash	Peter McKenzie					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
Quarterly Report to the Minister of Health (Oct 19-Dec 19) Feb 20 Board		Carriann Hall						26-Feb-20
Primary Care Directorate Monthly Report		Chris Ash						26-Feb-20

BOARD MEETING 25 MARCH 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
Three Waters discussion - once recieved plan from Napier council (MA 24.04.19)		Bernard Te Paa	Nick Jones					25-Mar-20
Finance Report (Feb)		Carriann Hall						25-Mar-20
Provider Service report to Board		John Burns						25-Mar-20
HB Pasifika Youth Project - final reporting and recommendations		Bernard Te Paa		11-Mar-20		12-Mar-20		25-Mar-20
He Ngakau Aotea		Bernard Te Paa						25-Mar-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	20 November 2019
Consideration:	For Information

RECOMMENDATION

That the Board

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

FINANCIAL PERFORMANCE

The operating result to budget at the end of October was:

- $0.7M U for the month
- $1.6M U year-to-date (4 months) –v- $12.9M planned deficit

The forecast:

- $0.4M U was the forecast was for October
- $ 3M U is the revised year end forecast
- $ 14.6M deficit is the projection for 2020/21 –v- $8M planned deficit

The underlying result for October was:

- $318k U was the underlying variance for October, with two "one-offs" removed.

The two "one-offs" referred to above were:

- $270k U net Ministry of Health (MoH) wash-ups from prior years
- $144k of strike costs, $44K paid to senior doctors and $100k of outsourcing costs
  $414k

The underlying result of $318k U consisted of:

- $224k U in the Funder-arm related to aged residential care
- $186k U in the Provider-arm, with $91k U in Security and $40k U in "other" revenue.
- $139k U in Health Improvement and Equity (likely timing)
  $549k U

With favourable offsets in:

- $100k F Facilities (likely timing)
- $130k F Inter District Flow income (mainly two cases)
  $230k F

I am concerned about our ability to achieve both this year's and next year's planned operating results, with potential savings at this stage falling short, without it having a negative impact on services and the health workforce.

Forecast 2019/20
The forecast contains about $2.9M of savings over those planned in 2019/20.

A further $1.6M has been identified, that can be roughly quantified, that could be delivered in 2019/20. The conversation re savings will be had elsewhere, but I want to note controls:

- Controls are being tightened over recruitment, use of security, casual staff, overtime, opening and closing beds. There is a balance between achieving effective control in historically difficult to control areas and still enabling managers to perform their day-to-day job and to not get in the way of longer term opportunities to improve services.
- Actively, not automatically, thinking about needs when approving upcoming job vacancies for replacement.
- We will audit a sample of clinical records for people who have been placed in residential care this financial year to see if they are in the appropriate setting.
- There is limited potential in discretionary public hospital spending e.g. training, building maintenance, flights to attend meetings.
- Resource utilisation information to users is being looked at e.g. laboratory, pharmacy and radiology usage to senior doctors.
- There are unbudgeted cost increases I have approved to address serious service shortfalls i.e. in cardiology – additional cardiologist, clinical specialist, and echo sonographer.

Forecast 2020/21
The first projection for 2020/21 is just to hand. It is a deficit of $14.6M. We have planned $8M. The projection includes those things in train that have been captured as savings and additional costs. It excludes next year's funding increases and cost increases on the assumption that they will net off.

This forecast for 2020/21 is novel and is work in progress, but is important to track progress. What the forecast means is that if we deliver on all the potential savings identified to date and quantified, that we are only maintaining our current deficit. It includes the $0.9M gain in one less day in the year than the current leap year. Significant current cost increases flowing onto next year are Intragram (a blood product) and Inter Hospital Transfer at $1.8M, aged residential care at $2.3M, and pay increments from existing pay settlements at $1.3M.

PROVIDER-ARM
Chris McKenna, Chief Nursing & Midwifery Officer, is ably filling in as Executive Director of Provider Services, until 6 January 2020 when John Burns returns for a further three months. Chris's focus is on ensuring that financial controls are in place and effective, and surgical throughput.

Achieving planned surgical throughput is of concern and at this stage we are only about the level of last year, being well short of plan. At the time of writing, the situation is being reassessed in checking that existing capacity is fully used and any option for extended hours. A tender for out-sourced surgery has been issued. It was to close on 18 November, but on request from recipients has been extended to 13 December. The spend being considered is flexible but to place an indicative value on it is in the order of $1.6M for the rest of the financial year.

Applying the straight funding formula to our current forecast discharges, $7M of revenue is potentially at risk, if fully enforced. Equally of concern is the lost opportunity of treatment for the community. This issue is being worked on to clarify the forecast volumes and the constraints and opportunities to achieve plan.

It's grim reading and a couple of pieces of context provides some balance:

- For the three months to 30 September 2019 our elective surgery output to plan ranked 11th of the 18 DHBs with plans.

- In the five years to 2018/19 surgical admissions for our population increased 11.8 percent compared to 7.3 percent for New Zealand, and for all inpatient admissions, it grew 22.2 percent compared to 11.8 percent for New Zealand.

The MoH recently visited to meet with our elective services people. I'm advised the MoH was critical of our performance – unsurprisingly – and made a number of suggestions the team are looking at. However, the concept is simple, only admit as many people as can be seen and treated. We admit more. The natural concern of senior doctors is that it excludes people who would benefit from treatment, but of course admitting more does not alter capacity and does not allow more to be seen and treated. It simply creates a long and ever growing list of people who will have expectations that will not be met. I have told management that control need be achieved over the number of people entering the system, and that we need to do so in a way that will not initially exclude people who would be seen or treated when we are in a steady state. It will require some time to get to a steady state, but so long as there is clear improving trend, and plan to do so, then stakeholders should be satisfied.

Tangentially to elective performance I have been looking at how we might capture and publicise the number of people who would benefit from treatment but for capacity reasons we are unable to offer it. The motivation is transparency and that it should not be the sole responsibility of senior doctors – hospital based and general practice – to inform patients and manage expectations. The barrier is that we only capture people referred to the hospital who cannot be seen or treated. As an aside, only about five percent of patients referred are declined for assessment - this may speak to the effectiveness of GP referrals. Quite possibly the only way to gain this information would be via a door-to-door health survey.

We are looking at the quality of the information given to coders in clinical notes. We suspect that we may be understating complexity by the way in which clinical information is recorded which understates our Case Weighted Discharges and Inter District Flow income. We have also identified that we have not been fully capturing arranged cases and that they have been recorded as acute. These two matters do not change anything for patients, but they bear on revenue and quality of information.

The bed availability "project" has commenced. This is to identify and implement practicable things to ameliorate the seasonal bed availability issue. It's led by Drs Gardner (physician) and Park (intensivist) with support from Anne Speden's Business Intelligence and Service Improvement teams.

Hawke's Bay Hospital has mostly been in green status and has only been red during strike action.

ANNUAL PLAN 2019/20
We understand that our plan is with the Minister with a Ministry recommendation for approval.

REPORTING AGAINST PLAN
There is a separate report in the agenda on quarter one performance on metrics. The report is work in progress and will change to include a summary and brief narrative reporting by the time we are reporting against next year's plan.

SENIOR MANAGEMENT REPORTING TO BOARD
I have previously mentioned that as one of a number of suggested changes around management and Board arrangements that I would put to the Board that specific senior managers and advisers report regularly to the Board, including importantly the PHO. It is intended that DHB management would periodically reciprocate with the PHO.

This is to enhance contact between the two, increase the Board's knowledge regarding issues and opportunities, and increase tension on performance.

The attachment is for information to show the logic of the schedule and will be incorporated into the Board's work plan.

18 DECEMBER BOARD MEETING

An indication is sought from the Board as to the agenda it wants for the 18 December meeting. It is the last scheduled meeting.

Noting that:

- At this stage new member induction is scheduled for 9 December, being the commencement date of the new Board. It will include in outline overall positioning of what we are trying to achieve.
- A major planning session is scheduled for early March, tentatively 4 March.
- The next tentative Board meeting date is 26 February, if we maintain the practice of the Board meeting being the last Wednesday of the month.
- The December financial result is due on 16 January which will be advised to members that day or soon thereafter. The delay is to allow for annual leave and a corporate office shut down.

MATTERS IN PUBLIC EXCLUDED SECTION

Please also see the matters in the public excluded section of my report.

THANK YOU

I take the opportunity to thank the outgoing Board members for their services to the DHB and the community. I've only been here a short time but I know the effort required and I've seen it applied here.

APPENDIX

SENIOR MANAGEMENT REPORTING TO BOARD

- **PERFORMANCE TO DATE**
- **ISSUES / OPPORTUNITIES**

Quarterly Performance Information Available

January	February	March	April	May	June	July	August	September	October	November	December
Nil	HIE and Population Health PHO People & Quality	Annual Planning	CM&DO CN&MO Allied Comms	HIE and Population Health PHO People & Quality	Information Services and Service Improvement	CM&DO CN&MO Allied	HIE and Population Health PHO People & Quality	Information Services and Service Improvement	CM&DO CN&MO Allied Comms	HIE and Population Health PHO People & Quality	Nil

Align:

- To availability of quarterly reporting for those reliant on the metrics
- Group logically on the day, e.g. Health Improvement & Equity, Population Health and PHO
- None in December, January (shortened, if any, meetings) and March has an all in planning day

HAWKE'S BAY District Health Board Whakawāteatia	**Financial Performance Report October 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	November, 2019
Purpose	For Information

8

RECOMMENDATION:

That the HBDHB Board:

Note the contents of this report

EXECUTIVE DIRECTOR FINANCIAL SERVICES COMMENTS

Financial Performance

The result for the month of October is $0.7m unfavourable to plan, taking the year-to-date (YTD) result to $1.6m unfavourable.

We had expected to be $405k adverse in month and the underlying result was close to this. However the position was impacted by a number of timing / one-offs, including the net impact of prior year wash-ups totalling $270k adverse and in-month costs of $144k relating to the recent Medical Imaging Technologists (MIT) strikes ($162k YTD).

Underlying drivers continue to be largely patient volume driven, in both funding other providers (particularly in Aged Residential Care) and in providing health care services. Furthermore, we are seeing an impact of shortfalls on pay settlement. In our YTD result (and forecast) we are assuming that the delta on PSA Clerical and MERAS pay settlements are fully funded, that PHARMAC expenditure comes in on plan and that we receive the full allocation of planned care revenue. There are risks in all of these assumptions, which are discussed in the forecast section of this report.

Our full year forecast is for a $15.9m deficit, which is $3.0m adverse to plan.

	October				*Year to Date*				*Year End*	Refer
$'000	*Actual*	*Budget*	*Variance*		*Actual*	*Budget*	*Variance*		*Forecast*	Appendix
Income	50,504	51,066	(562)	-1.1%	204,769	204,098	671	0.3%	614,100	1
Less:										
Providing Health Services	26,099	25,787	(312)	-1.2%	101,711	100,113	(1,598)	-1.6%	303,916	2
Funding Other Providers	21,626	21,745	118	0.5%	88,290	87,297	(993)	-1.1%	264,867	3
Corporate Services	5,061	5,160	99	1.9%	19,843	20,146	303	1.5%	59,517	4
Reserves	(44)	(119)	(75)	-62.8%	465	490	25	5.1%	1,651	5
	(2,238)	**(1,506)**	(732)	-48.6%	**(5,539)**	**(3,947)**	(1,592)	-40.3%	**(15,851)**	

Key Drivers (YTD)

The detail of the variances are covered in the appendices to the report. The main areas for discussion are:

- Income (Appendix 1)

  Reversal of $0.5m of pay equity income recognised in 2018/19, that is unlikely to be received.

- Providing Health Services (Appendix 2)

  Medical vacancy and leave cover, blood products and patient transport are the main contributors to the YTD result, and are all included in service reviews.

- Funding Other Providers (Appendix 3)

  Volumes and mix of service for Health of Older Persons are the main drivers of the unfavourable result and a working group is reviewing the impacts. There was also a benefit on IDFs from 2017/18 of $0.25m.

Other Performance Measures

	October				Year to Date				Year End	Refer
	Actual	Budget	Variance		Actual	Budget	Variance		Forecast	Appendix
	$'000	$'000	$'000	%	$'000	$'000	$'000	%	$'000	
Capital spend	823	1,769	(946)	-53.5%	3,103	7,076	(3,973)	-56.1%	21,695	12
	FTE	FTE	FTE	%	FTE	FTE	FTE	%	FTE	
Employees	2,456	2,491	35	1.4%	2,457	2,493	36	1.5%	2,527	2 & 4
	CWD	CWD	CWD	%	CWD	CWD	CWD	%	CWD	
Case weighted discharges	2,407	2,530	(123)	-4.9%	9,989	10,371	(382)	-3.7%	29,239	2

- Capital spend (Appendix 12)

  Spend on block allocations is only marginally underspending and is expected to achieve plan by year end. The underspend is attributed to main strategic projects and can be attributed to phasing. We are developing options to ensure capital allocation is fully utilised.

- Cash (Appendices 11 & 13)

  The cash low point immediately before receipt of November funding was $15.0m overdrawn, against a forecast of $6.7m overdrawn. $2.7m can be attributed to correction to the forecast for special funds/clinical trials cash balances, the remaining difference relates to MoH cash timing, with Sector Services taking $3m for provider payments a day earlier than expected, and lower Ministry of Health (MoH) cash payments in October than anticipated.

- 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 patient watches.

- Activity (Appendix 2)

  Acute medical inpatients are 316 case weights higher than plan (8%) YTD, whereas elective surgery is 434 case weights (19%) lower than plan in October. This continues the trend from last month 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.

December Financial Reporting

We will report November's results in December as normal. However, 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 indicates a $3m adverse result at the end of June 2020. The forecast aims to take a balanced, rather than an overly pessimistic view of the position. 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 (upwards of $600k) on recent payment advice from MoH and we are working with them to resolve. Furthermore, unplanned changes relating to MECA mandated step increases and medical run-reviews are having an impact on the position.

PHARMAC – As in prior forecasts, we have assumed that PHARMAC comes in on plan. However, there have been a number of material changes since budget setting and we are unclear how these will impact the forecast. We will have a better understanding once we receive advice in the next month.

Planned Care revenue – Our forecast assumes we will receive the full planned care revenue from MoH. However this is predicated on achievement of case weighted discharges and we currently have a material shortfall on these. Section 11 provides further detail. Actions include a review of data capture to ensure that all compliant activity is captured.

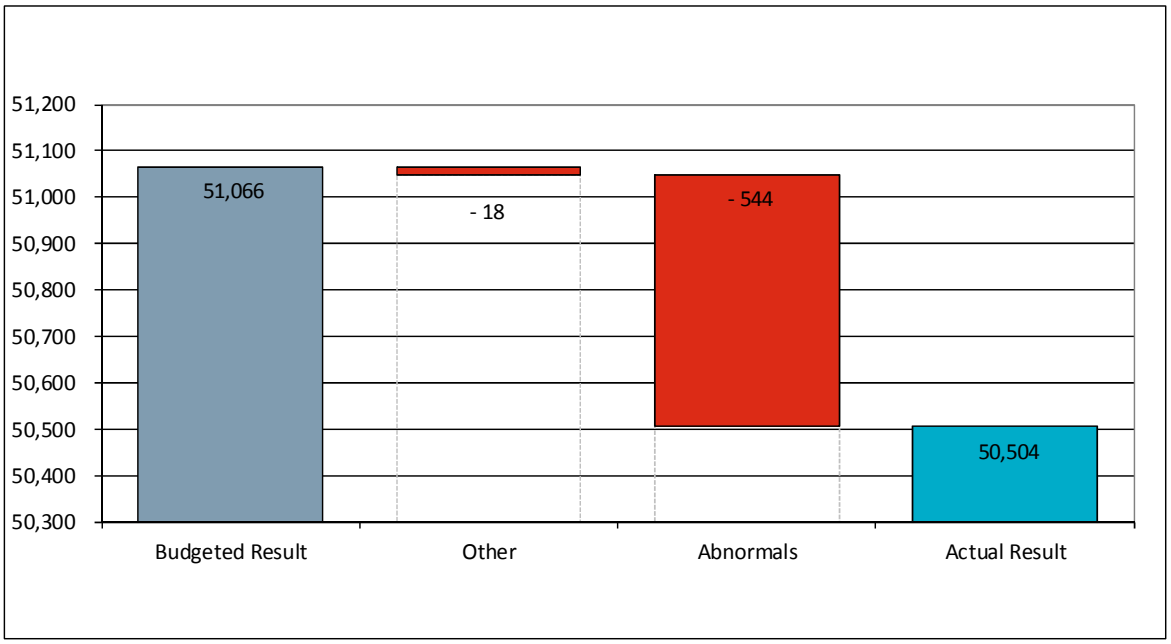
Achieving savings – When we reduced our planned deficit from $15m to $12.9m and committed to deliver $8m deficit in 2020/21, we based this on back-ending savings into the latter half of the year and reducing our recurrent run-rate. There are opportunities being worked through, some are included in the forecast and some are not. We are looking for recurrent savings, which will reduce our run-rate to deliver the $8m planned deficit in 2020/21. Further detail has been provided in the FRAC papers to support discussions on actions to achieve plan.

APPENDICES

1. INCOME

$'000	October Actual	October Budget	October Variance		Year to Date Actual	Year to Date Budget	Year to Date Variance		Year End Forecast
Ministry of Health	49,009	48,970	38	0.1%	196,321	195,647	674	0.3%	588,411
Inter District Flows	667	707	(40)	-5.7%	2,711	2,830	(119)	-4.2%	8,371
Other District Health Boards	395	349	46	13.2%	1,571	1,394	177	12.7%	4,745
Financing	(1)	7	(8)	-116.1%	21	28	(7)	-26.1%	21
ACC	385	372	13	3.6%	1,842	1,630	212	13.0%	5,361
Other Government	75	82	(7)	-8.2%	186	250	(63)	-25.3%	455
Patient and Consumer Sourced	109	104	6	5.6%	463	415	48	11.5%	1,288
Other Income	409	476	(66)	-14.0%	2,236	1,905	330	17.3%	6,030
Abnormals	(544)	-	(544)	0.0%	(581)	-	(581)	0.0%	(581)
	50,504	**51,066**	**(562)**	**-1.1%**	**204,769**	**204,098**	**671**	**0.3%**	**614,100**

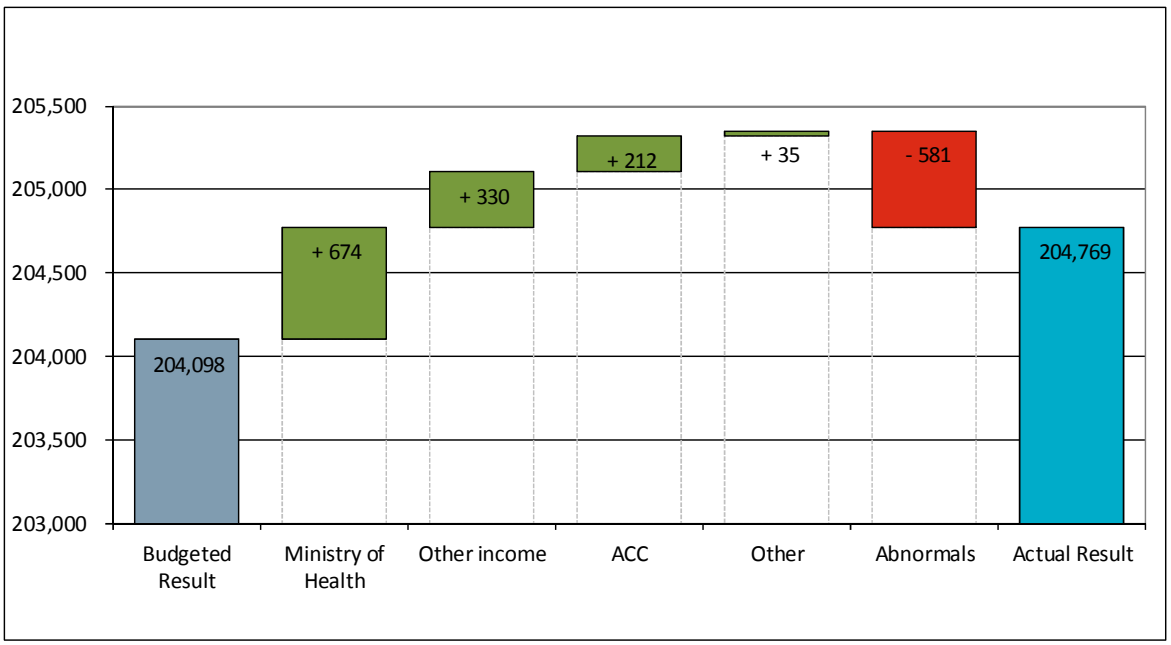
October



Note the scale does not begin at zero

Abnormals (unfavourable)
Pay equity wash-up for 2018/19 was significantly less than allowed for.

Year-to-date



Note the scale does not begin at zero

Ministry of Health (favourable)
Reimbursement of MECA settlements, and capital charge funding relating to the 2018/19 property revaluations.

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

ACC (favourable)
Elective surgery and rehabilitation.

Abnormals (unfavourable)
Pay equity wash-up for 2018/19 was significantly less than allowed for.

2. PROVIDING HEALTH SERVICES

	October				Year to Date				Year End Forecast
	Actual	Budget	Variance		Actual	Budget	Variance		
Expenditure by type $'000									
Medical personnel and locums	6,169	5,810	(359)	-6.2%	24,121	23,320	(801)	-3.4%	74,220
Nursing personnel	8,268	8,296	28	0.3%	31,255	31,303	49	0.2%	95,295
Allied health personnel	3,218	3,439	221	6.4%	12,668	13,463	796	5.9%	39,348
Other personnel	2,256	2,311	54	2.4%	8,747	8,646	(101)	-1.2%	25,986
Outsourced services	914	984	70	7.1%	3,408	3,632	225	6.2%	9,741
Clinical supplies	3,599	3,487	(113)	-3.2%	14,975	13,904	(1,071)	-7.7%	40,681
Infrastructure and non clinical	1,674	1,460	(214)	-14.7%	6,539	5,845	(694)	-11.9%	18,645
	26,099	**25,787**	**(312)**	**-1.2%**	**101,711**	**100,113**	**(1,598)**	**-1.6%**	**303,916**
Expenditure by directorate $'000									
Medical	7,468	7,173	(296)	-4.1%	28,186	27,753	(432)	-1.6%	85,326
Surgical	5,787	5,937	150	2.5%	22,915	23,002	86	0.4%	70,090
Community, Women and Children	4,228	4,299	72	1.7%	16,582	16,667	85	0.5%	50,408
Mental Health and Addiction	1,889	1,899	10	0.5%	7,576	7,176	(400)	-5.6%	23,047
Older Persons, NASC HB, and Allied H	1,438	1,479	41	2.8%	5,637	6,209	572	9.2%	17,204
Operations	4,100	3,834	(266)	-6.9%	16,174	14,938	(1,236)	-8.3%	48,025
Other	1,189	1,165	(24)	-2.1%	4,642	4,368	(274)	-6.3%	9,817
	26,099	**25,787**	**(312)**	**-1.2%**	**101,711**	**100,113**	**(1,598)**	**-1.6%**	**303,916**
Full Time Equivalents									
Medical personnel	341.6	361.1	20	5.4%	341	366	26	7.0%	377.6
Nursing personnel	1,038.1	1,034.0	(4)	-0.4%	1,034	1,023	(11)	-1.1%	1,033.0
Allied health personnel	466.4	483.5	17	3.5%	473	494	21	4.2%	495.9
Support personnel	124.5	112.7	(12)	-10.5%	123	113	(10)	-8.6%	115.8
Management and administration	274.4	281.6	7	2.5%	275	276	1	0.4%	283.2
	2,245.0	**2,272.9**	**28**	**1.2%**	**2,246**	**2,273**	**27**	**1.2%**	**2,305.4**
Case Weighted Discharges									
Acute	1,862	1,763	98	5.6%	7,332	7,208	124	1.7%	19,957
Elective	376	579	(203)	-35.0%	1,924	2,340	(416)	-17.8%	6,850
Maternity	128	147	(19)	-12.9%	587	671	(84)	-12.6%	2,000
IDF Inflows	41	41	0	0.9%	146	151	(5)	-3.5%	432
	2,407	**2,530**	**(123)**	**-4.9%**	**9,989**	**10,371**	**(382)**	**-3.7%**	**29,239**

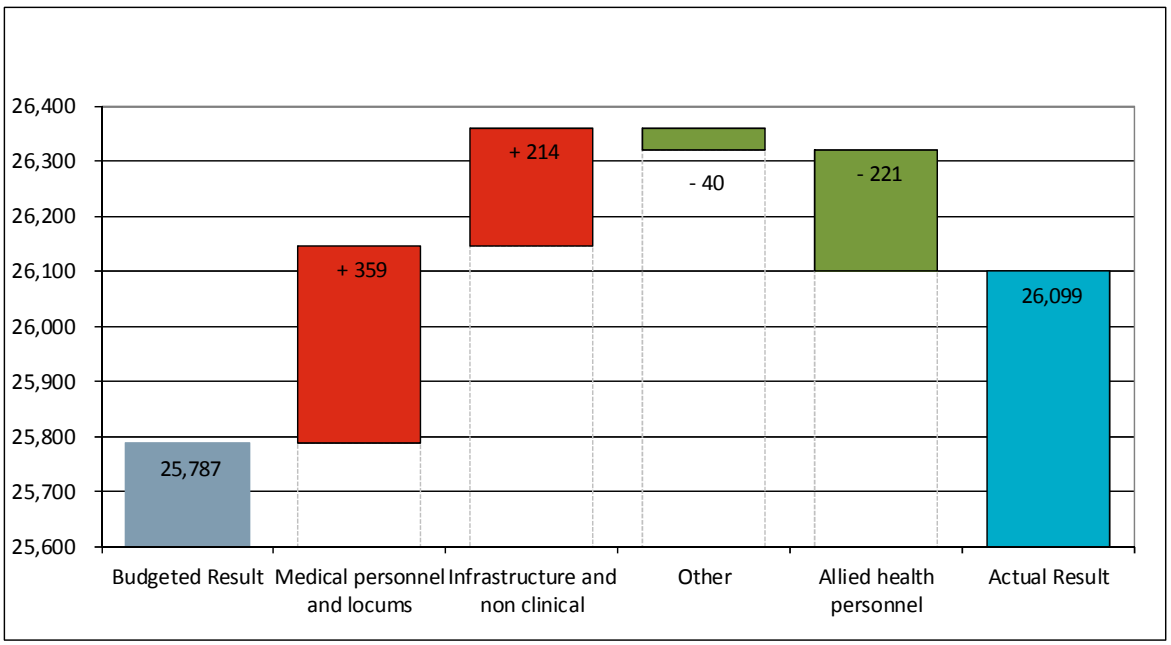
Directorates YTD

- Operations – patient transport and blood products.
- Medical – Vacancy and leave cover, and outsourced radiology reads
- Mental Health and Addiction – locum psychiatrist costs for vacancy and sick leave cover
- Other – SMO leave cover, and Maori workforce scholarships (offset in income)
- Older Persons et al – vacancies, mainly in allied health

Case Weighted Discharges

Case weighted discharges (CWD) have fallen behind plan in elective surgery, 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.

October



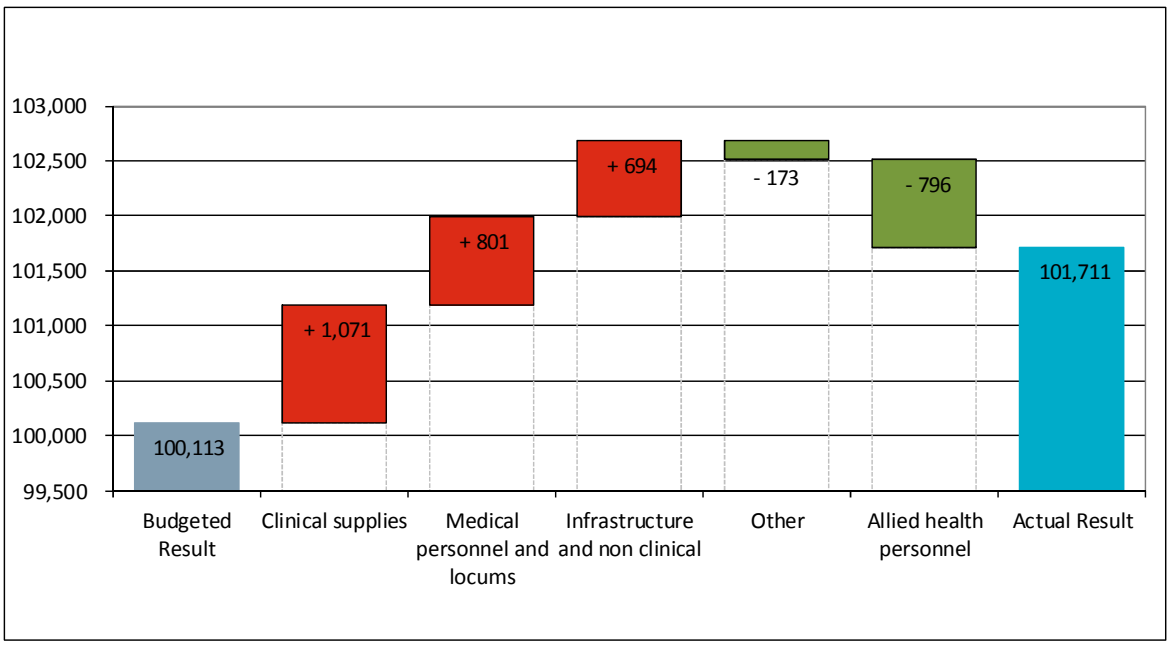
Note the scale does not begin at zero

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

Infrastructure and non-clinical (unfavourable)
Security (patient watches), file storage rationalisation, maintenance costs, cleaning and laundry costs reflecting hospital throughput, and improving the capacity of anaesthetics.

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

Year-to-date



Note the scale does not begin at zero

Clinical supplies (unfavourable)
Patient transport costs, blood products (mainly Intragam), and surgical implants.

Medical personnel and locums (unfavourable)
Vacancies more than offset by locum cover including travel and accommodation costs, and leave cover.

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

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

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 27 (1.2%) favourable including:

Medical personnel (26 FTE / 7% favourable)

- Vacancies across a number of specialties more than offset in outsourced medical.

Nursing personnel (-11 FTE / -1.1% unfavourable)

- Impact of patient watches and high levels of activity

Allied health personnel (21 FTE / 4.2% favourable)

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

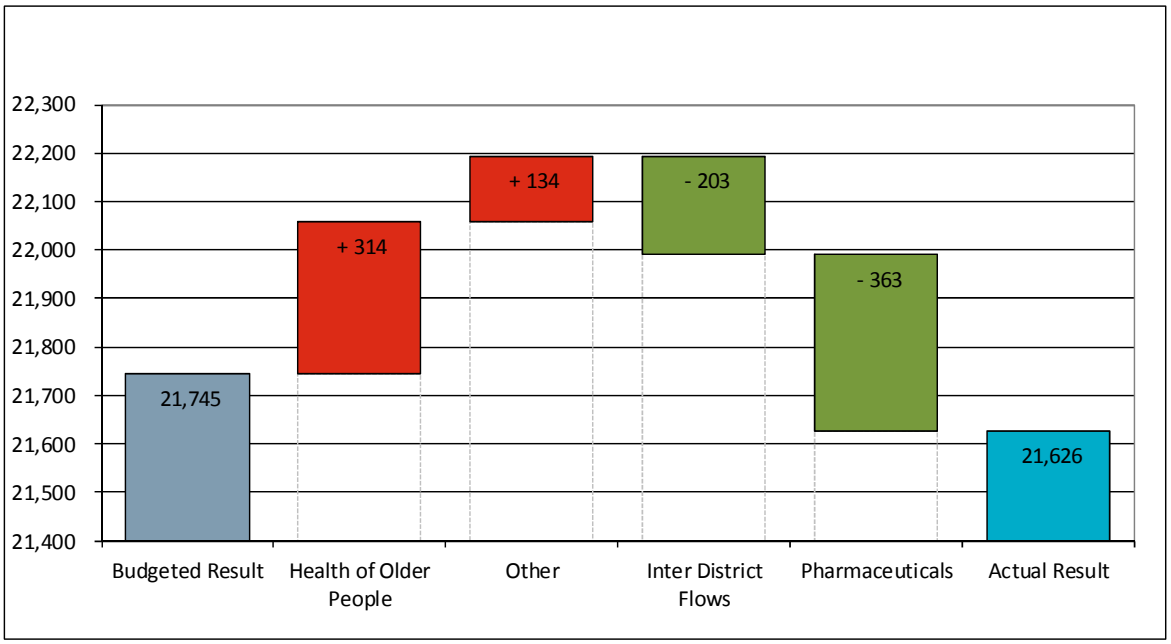
Support personnel (-10 FTE / -8.6% unfavourable)

- Pressure on orderlies, security and kitchen staff.

3. FUNDING OTHER PROVIDERS

$'000	October Actual	October Budget	October Variance		Year to Date Actual	Year to Date Budget	Year to Date Variance		Year End Forecast
Payments to Other Providers									
Pharmaceuticals	3,298	3,661	363	9.9%	14,705	14,643	(62)	-0.4%	44,141
Primary Health Organisations	3,637	3,551	(86)	-2.4%	14,850	14,466	(383)	-2.6%	43,809
Inter District Flows	4,840	5,043	203	4.0%	19,528	20,171	643	3.2%	59,220
Other Personal Health	1,889	1,958	69	3.5%	7,958	7,880	(77)	-1.0%	24,644
Mental Health	1,196	1,057	(138)	-13.1%	4,716	4,230	(486)	-11.5%	13,181
Health of Older People	6,445	6,131	(314)	-5.1%	25,347	24,531	(816)	-3.3%	75,958
Other Funding Payments	322	344	22	6.3%	1,187	1,375	188	13.7%	3,914
	21,626	21,745	118	0.5%	88,290	87,297	(993)	-1.1%	264,867
Payments by Portfolio									
Strategic Services									
Secondary Care	4,447	4,637	189	4.1%	17,972	18,546	574	3.1%	54,415
Primary Care	8,009	8,416	407	4.8%	34,197	33,976	(220)	-0.6%	103,274
Chronic Disease Management	-	-	-	0.0%	-	-	-	0.0%	-
Mental Health	1,504	1,386	(117)	-8.5%	6,016	5,546	(470)	-8.5%	17,395
Health of Older People	6,980	6,665	(316)	-4.7%	27,484	26,665	(818)	-3.1%	82,089
Other Health Funding	-	-	-	0.0%	-	-	-	0.0%	-
Maori Health	526	512	(14)	-2.8%	2,094	2,047	(47)	-2.3%	6,133
Population Health	160	129	(31)	-24.3%	529	516	(13)	-2.4%	1,561
	21,626	21,745	118	0.5%	88,290	87,297	(993)	-1.1%	264,867

October



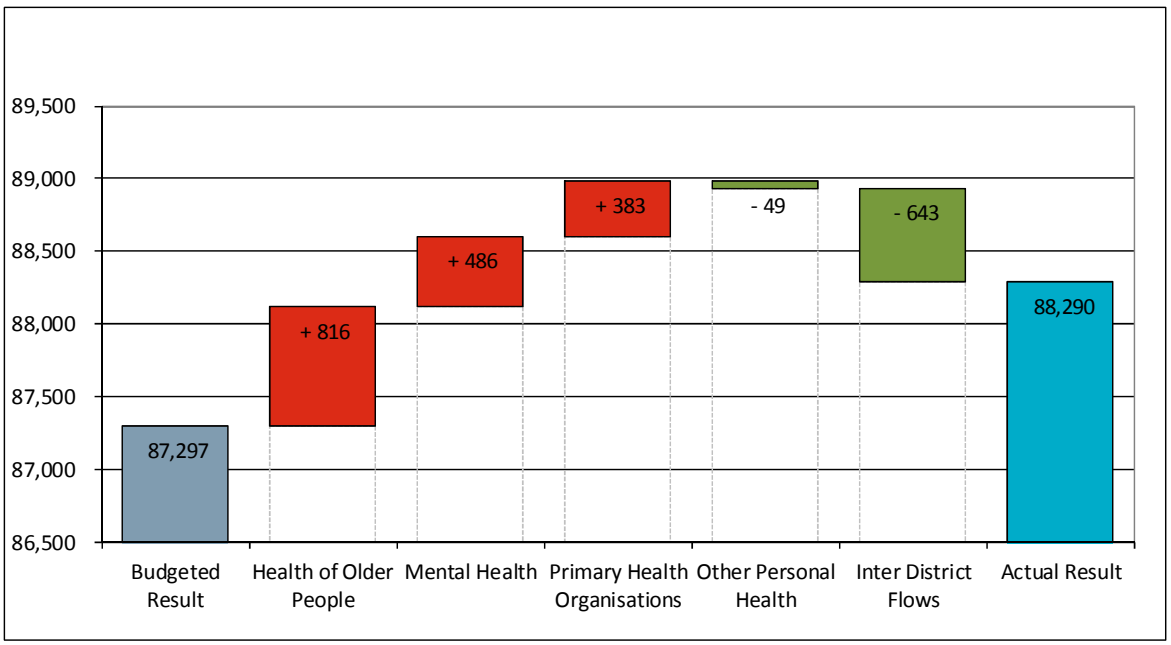
Note the scale does not begin at zero

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

Inter District Flows (favourable)
Wash-up on 2017/18 IDFs.

Pharmaceuticals (favourable)
PHARMAC rebates have been accrued on the assumption they will offset the higher expenditure.

Year-to-date



Note the scale does not begin at zero

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.

Primary Health Organisation (unfavourable)
Capitation costs, offset in income

Inter District Flows (IDF) (favourable)
IDF outflow costs better than plan, including $0.25m 2017/18 washup, some volatility and risk in this.

4. CORPORATE SERVICES

$'000	October Actual	October Budget	October Variance		Year to Date Actual	Year to Date Budget	Year to Date Variance		Year End Forecast
Operating Expenditure									
Personnel	1,886	1,892	5	0.3%	6,705	7,034	329	4.7%	19,719
Outsourced services	188	77	(111)	-145.0%	583	306	(278)	-90.8%	1,778
Clinical supplies	52	55	3	5.6%	172	220	48	21.9%	620
Infrastructure and non clinical	1,202	1,315	113	8.6%	5,471	5,369	(102)	-1.9%	16,254
	3,328	3,339	10	0.3%	12,931	12,928	(3)	0.0%	38,370
Capital servicing									
Depreciation and amortisation	1,119	1,209	90	7.5%	4,437	4,769	332	7.0%	13,694
Financing	1	-	(1)	0.0%	26	-	(26)	0.0%	107
Capital charge	612	612	-	0.0%	2,449	2,449	-	0.0%	7,346
	1,733	1,822	89	4.9%	6,912	7,217	306	4.2%	21,146
	5,061	**5,160**	**99**	**1.9%**	**19,843**	**20,146**	**303**	**1.5%**	**59,517**
Full Time Equivalents									
Medical personnel	0.5	0.3	(0)	-74.0%	0	0	(0)	-22.9%	0.3
Nursing personnel	14.4	16.9	3	14.9%	15	17	2	11.5%	16.9
Allied health personnel	0.3	0.4	0	20.4%	0	0	0	75.3%	0.4
Support personnel	27.8	29.8	2	6.7%	30	30	0	1.5%	30.2
Management and administration	168.0	170.5	2	1.5%	165	172	7	4.0%	173.5
	211.0	**217.8**	**7**	**3.1%**	**210**	**220**	**10**	**4.3%**	**221.4**

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

Infrastructure includes data network costs and mobile phones relating to the new telephone system and mobility.

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	October Actual	October Budget	October Variance		Year to Date Actual	Year to Date Budget	Year to Date Variance		Year End Forecast
Expenditure									
Contingency	68	126	58	45.8%	68	548	480	87.5%	735
Other	(113)	(246)	(133)	-54.1%	397	(58)	(455)	-780.8%	916
	(44)	**(119)**	**(75)**	**62.8%**	**465**	**490**	**25**	**5.1%**	**1,651**

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

	October			*Year to Date*			*End of Year*		
$'000	*Actual*	*Annual Plan*	*Variance*	*Actual*	*Annual Plan*	*Variance*	*Forecast*	*Annual Plan*	*Variance*
Funding									
Income	47,932	48,400	(468)	193,600	193,603	(3)	582,030	581,833	197
Less:									
Payments to Internal Providers	27,533	27,533	-	116,064	116,064	-	338,307	338,307	-
Payments to Other Providers	20,387	21,123	736	84,514	84,810	296	254,322	258,081	3,759
Contribution	**12**	**(256)**	**268**	**(6,978)**	**(7,271)**	**292**	**(10,599)**	**(14,554)**	**3,956**
Governance and Funding Admin.									
Funding	308	308	-	1,233	1,233	-	3,603	3,603	-
Other Income	3	3	-	9	10	(1)	29	30	(1)
Less:									
Expenditure	305	304	(1)	1,204	1,178	(26)	3,633	3,633	(1)
Contribution	**6**	**7**	**(1)**	**39**	**66**	**(27)**	**(1)**	**0**	**(1)**
Health Provision									
Funding	27,225	27,225	-	114,831	114,831	-	334,704	334,704	-
Other Income	2,471	2,567	(96)	10,766	10,100	665	30,878	29,551	1,327
Less:									
Expenditure	31,952	31,050	(903)	124,197	121,674	(2,522)	370,833	362,601	(8,232)
Contribution	**(2,256)**	**(1,257)**	**(998)**	**1,400**	**3,257**	**(1,857)**	**(5,251)**	**1,654**	**(6,906)**
Net Result	**(2,238)**	**(1,506)**	**(732)**	**(5,539)**	**(3,948)**	**(1,591)**	**(15,851)**	**(12,900)**	**(2,951)**

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.

	October			*Year to Date*			*End of Year*		
$'000	*Mgmt Budget*	*Annual Plan*	*Movement*	*Mgmt Budget*	*Annual Plan*	*Movement*	*Mgmt Budget*	*Annual Plan*	*Movement*
Funding									
Income	48,400	48,440	(40)	193,603	193,763	(159)	581,350	581,833	(484)
Less:									
Payments to Internal Providers	27,533	27,533	-	116,064	116,064	-	338,307	338,307	-
Payments to Other Providers	21,123	21,323	200	84,810	85,611	801	255,702	258,081	2,378
Contribution	**(256)**	**(417)**	**160**	**(7,271)**	**(7,912)**	**642**	**(12,660)**	**(14,554)**	**1,895**
Governance and Funding Admin.									
Funding	308	308	-	1,233	1,233	-	3,603	3,603	-
Other Income	3	3	-	10	10	-	30	30	-
Less:									
Expenditure	304	297	(6)	1,178	1,180	3	3,625	3,633	8
Contribution	**7**	**13**	**(6)**	**66**	**63**	**3**	**8**	**0**	**8**
Health Provision									
Funding	27,225	27,225	-	114,831	114,831	-	334,704	334,704	-
Other Income	2,567	2,589	(22)	10,100	9,990	110	29,685	29,551	134
Less:									
Expenditure	31,050	30,917	(133)	121,674	120,919	(755)	364,637	362,601	(2,036)
Contribution	**(1,257)**	**(1,103)**	**(154)**	**3,257**	**3,901**	**(644)**	**(248)**	**1,654**	**(1,903)**
Net Result	**(1,506)**	**(1,506)**	**0**	**(3,948)**	**(3,948)**	**0**	**(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

30 June 2019	$'000	October Actual	October 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	(49,946)	(20,319)	(29,627)	(5,539)	(29,271)
143,641		138,796	144,386	(5,590)	(4,845)	145,068
	Represented by:					
	Current Assets					
759	Bank	713	840	(127)	(46)	840
1,881	Bank deposits > 90 days	1,889	1,855	34	8	1,855
29,342	Prepayments and receivables	26,888	26,157	732	(2,454)	26,488
4,023	Inventory	4,366	3,869	497	343	3,933
-	Investment in NZHP	-	2,638	(2,638)	-	2,638
36,005		33,856	35,358	(1,502)	(2,150)	35,754
	Non Current Assets					
190,552	Property, plant and equipment	188,457	182,289	6,168	(2,095)	188,324
13,790	Intangible assets	14,528	2,562	11,966	738	3,412
1,189	Investments	1,189	9,002	(7,812)	-	9,002
205,532		204,175	193,853	10,321	(1,357)	200,737
241,537	**Total Assets**	**238,030**	**229,211**	**8,819**	**(3,507)**	**236,491**
	Liabilities					
	Current Liabilities					
10,208	Bank overdraft	11,715	8,361	(3,354)	(1,507)	1,828
31,318	Payables	33,354	37,347	3,994	(2,036)	47,228
53,370	Employee entitlements	51,165	36,384	(14,780)	2,205	39,576
94,895		96,233	82,093	(14,140)	(1,338)	88,633
	Non Current Liabilities					
3,001	Employee entitlements	3,001	2,732	(269)	-	2,790
3,001		3,001	2,732	(269)	-	2,790
97,896	**Total Liabilities**	**99,234**	**84,825**	**(14,409)**	**(1,338)**	**91,423**
143,641	**Net Assets**	**138,796**	**144,386**	**(5,590)**	**(4,845)**	**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	*October Actual*	*Budget*	*Variance from budget*	*Movement from 30 June 2019*	*Annual Budget*
7,755	Salaries & wages accrued	6,371	6,881	510	1,383	9,483
1,027	ACC levy provisions	1,187	996	(192)	(160)	1,174
5,530	Continuing medical education	4,633	4,683	50	897	5,656
37,303	Accrued leave	37,012	21,859	(15,153)	291	21,255
4,755	Long service leave & retirement grat.	4,961	4,697	(264)	(206)	4,798
56,371	**Total Employee Entitlements**	54,166	39,116	(15,049)	2,205	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 September. This shows total Planned Care discharge performance as better than plan, but that our Inpatient Surgical Discharges (electives) are significantly under plan both on a discharge and on a case weight basis. The material shortfall on case weight could have a significant impact on revenue, with the YTD shortfall equating to circa $1.4m. This has not been included in our financial position.

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	2,021.1	724.1	2,745.3	2,480.4	90.4%	10,490.0
Inpatient Surgical Discharges	1,391	521	1,912	1,705	89.2%	7,298
Minor Procedures	505	179	684	903	132.0%	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 October was a $11.7m overdraft.

The cash low point for each month is generally incurred immediately prior to receipt of MoH funding on the 4th of the month. October's low point was a $21.3m overdraft on 3 October. November's low point is likely

to be the $15.0m overdrawn on 1 November, subject to timely receipt of cash from MoH. 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	4,437	4,769	332
7,230	Working capital and equity Injection not approved	(2,095)	2,307	3,012
21,695		2,342	7,076	3,344
	Other Sources			
-	Special Funds and Clinical Trials	66	-	(66)
-	Equity Injection approved	695	-	695
-		761	-	628
21,695	**Total funds sourced**	**3,103**	**7,076**	**3,973**
	Application of Funds:			
	Block Allocations			
3,075	Facilities	647	1,008	361
2,729	Information Services	699	711	12
3,525	Clinical Plant & Equipment	1,085	1,192	107
9,329		2,431	2,910	479
	Local Strategic			
500	Replacement Generators	-	167	167
-	Endoscopy Building	(3)	-	3
2,550	Radiology Extension	206	850	644
700	High Voltage Electrical Supply	22	80	58
1,450	Seismic AAU Stage 2 and 3	11	483	472
1,500	Seismic Surgical Theatre HA37	57	500	442
200	Seismic Radiology HA27	-	67	67
1,195	MC2D Proc Rm3 Endoscopy HA57	-	398	398
3,300	Surgical Expansion	156	1,100	944
11,395		450	3,644	3,194
	Other			
-	Special Funds and Clinical Trials	66	-	(66)
-	Other	(61)	-	61
-		5	-	(5)
	Regional Strategic			
971	Regional Digital Health Services (formerly RHIP)	217	522	305
971		217	522	305
21,695	**Capital Spend**	**3,103**	**7,076**	**3,973**

13. ROLLING CASH FLOW

The cash flow is based on the October 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	October Forecast	Variance	Nov Forecast	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast
Cash flows from operating activities															
Cash receipts from Crown agencies	53,694	56,415	(2,721)	50,366	49,912	50,030	49,839	50,129	50,940	49,879	50,201	50,213	49,605	55,888	49,972
Cash receipts from donations, bequests and clinical trials	41	-	41	-	-	-	-	-	-	-	-	-	-	-	-
Cash receipts from other sources	3,417	3,460	(44)	208	217	204	208	208	207	208	208	211	211	211	3,210
Cash paid to suppliers	(28,654)	(29,320)	667	(29,021)	(28,856)	(28,560)	(25,424)	(28,702)	(28,767)	(28,018)	(28,982)	(28,666)	(28,055)	(28,315)	(28,146)
Cash paid to employees	(22,111)	(21,763)	(348)	(19,324)	(18,298)	(24,979)	(18,843)	(18,807)	(22,960)	(19,373)	(19,761)	(23,831)	(18,684)	(18,571)	(21,935)
Cash generated from operations	**6,387**	**8,792**	**(2,404)**	**2,230**	**2,976**	**(3,305)**	**5,780**	**2,829**	**(580)**	**2,695**	**1,666**	**(2,072)**	**3,077**	**9,213**	**3,101**
Interest received	(1)	7	(8)	7	7	7	7	7	7	7	7	7	7	7	7
Interest paid	(1)	(3)	2	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Capital charge paid	(612)	(0)	(612)	(0)	(4,264)	(0)	(0)	(0)	(0)	(0)	(4,264)	(0)	(0)	(0)	(0)
Net cash inflow/(outflow) from operating activities	**5,773**	**8,796**	**(3,023)**	**2,233**	**(1,285)**	**(3,301)**	**5,784**	**2,833**	**(576)**	**2,699**	**(2,594)**	**(2,068)**	**3,081**	**9,216**	**3,105**
Cash flows from investing activities															
Acquisition of property, plant and equipment	(608)	(914)	307	(1,459)	(1,163)	(837)	(1,451)	(1,371)	(1,789)	(2,110)	(2,709)	(1,899)	(1,899)	(1,899)	(1,899)
Acquisition of intangible assets	(216)	(173)	(42)	(94)	(94)	(94)	(94)	(94)	(94)	(94)	(96)	(173)	(173)	(173)	(173)
Net cash inflow/(outflow) from investing activities	**(823)**	**(1,087)**	**264**	**(1,554)**	**(1,258)**	**(932)**	**(1,546)**	**(1,466)**	**(1,884)**	**(2,205)**	**(2,806)**	**(2,072)**	**(2,072)**	**(2,072)**	**(2,072)**
Cash flows from financing activities															
Equity repayment to the Crown	-	-	-	-	-	-	-	-	-	-	(357)	-	-	-	-
Net cash inflow/(outflow) from financing activities	**-**	**-**	**-**	**-**	**-**	**4,765**	**-**	**-**	**-**	**-**	**(357)**	**-**	**-**	**-**	**-**
Net increase/(decrease) in cash or cash equivalents	4,949	7,708	(2,759)	680	(2,542)	532	4,238	1,367	(2,460)	494	(5,757)	(4,141)	1,008	7,144	1,033
Add:Opening cash	(14,063)	(14,063)	-	(9,113)	(8,434)	(10,976)	(10,444)	(6,206)	(4,839)	(7,299)	(6,804)	(12,561)	(16,702)	(15,694)	(8,549)
Cash and cash equivalents at end of period	**(9,113)**	**(6,355)**	**(2,759)**	**(8,434)**	**(10,976)**	**(10,444)**	**(6,206)**	**(4,839)**	**(7,299)**	**(6,804)**	**(12,561)**	**(16,702)**	**(15,694)**	**(8,549)**	**(7,517)**
Cash and cash equivalents															
Cash	4	-	4	-	-	-	-	-	-	-	-	4	4	4	4
Short term investments (excl. special funds/clinical trials)	(11,723)	(6,514)	(5,209)	(11,123)	(13,665)	(13,134)	(8,896)	(7,529)	(9,988)	(9,494)	(15,251)	(19,397)	(18,389)	(11,244)	(10,211)
Short term investments (special funds/clinical trials)	2,597	(19)	2,616	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690	2,690
Bank overdraft	8	178	(170)	-	-	-	-	-	-	-	-	-	-	-	-
	(9,113)	**(6,355)**	**(2,758)**	**(8,433)**	**(10,975)**	**(10,444)**	**(6,206)**	**(4,839)**	**(7,298)**	**(6,804)**	**(12,561)**	**(16,702)**	**(15,694)**	**(8,549)**	**(7,516)**
Cash Low Point (before the 4th of the following month)	(14,972)	(6,694)	(8,278)	(11,593)	(13,665)	(13,494)	(10,478)	(11,191)	(10,168)	(15,703)	(25,145)	(19,707)	(28,443)	(13,434)	(10,245)

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:	November 2019
Consideration:	For Noting
RECOMMENDATION **That the HBDHB Board** 1. **Note the contents of the report**	

Executive Summary

In November, the following headlines should be noted:

- The DHB is putting into practice its commitment to listen to the experiences and ideas of consumers and whānau, and using this intelligence to shape commissioning decisions
- Work is underway to simplify and improve the outcomes associated with free after-hours primary care for under 14's
- Demand for Age Related Residential Care placements continues to be one of the most significant financial pressures for the DHB, and this is mirrored by increased constraints on available capacity to admit. Improvement activity will focus on opportunities to keep people independent.

Developments & Innovation

Our kaumātua have agreed on the official Te Reo name for the directorate

The directorate will be known in Te Reo as *Te Puni Aro Putea*.

Te Puni – directorate / specialised group

Aro – certainty and detailed planning

Putea - resource

We have been on the road, listening to our community

On the evening of 4th November, a joint team comprising members of Māori Health, Planning & Funding, Wairoa Hospital management, and Health Hawke's Bay attended a community hui in Mahia. The invitation came from the community, and the group was privileged to listen to over two hours of feedback around people's experiences of health services and opportunities to improve care for people in Mahia.

Significant themes were raised around access to local services, transport and booking arrangements, and communication with patients and their whānau. The team that undertook the visit is coordinating a number of immediate actions in response to what they were told.

The approach is a core part of the DHB's commitment to community leadership, and in-line with learning from Southcentral Foundation the practice of listening to communities by going to them in the places they meet. The DHB is in discussions with communities in Wairoa town, Raupunga and Waikaremoana with a view to similar meetings taking place in the coming weeks.

Commissioning Portfolios – Exception Reports

Primary Care (Health Hawke's Bay Back-to-Back Agreement)

No exceptions to report in November.

Child, Youth & Dental

- Under 14s After-Hours Primary Care – Access arrangements to free after-hours primary care for young people aged under 14 is currently different in Napier city to the rest of Hawke's Bay. At present, care is bulk-funded through a single provider arrangement, with the contract held by the DHB. Marie Beattie, Planning & Commissioning Manager, is working with our PHO (Health Hawke's Bay) to develop service arrangements that will be consistent across the whole district. Under the proposed approach the PHO will hold all the contracts with service providers. Both DHB and PHO are clear that the redesigned offer must be easier for consumers to understand, and that it must demonstrate an ability to extend access for tamariki in our highest need communities.

Pharmacy, Radiology & Laboratories (Referred Services)

- Integrated Community Pharmacy Services Agreement (ICPSA) – Under the local commissioning obligations, a scheme has been developed to target co-payment support to Māori, Pasifika and high needs whānau. Those pharmacies that have taken up the contract offer are now in the process of planning implementation. Within the current year's initiatives, a scheme to look at coronary heart disease prescribing within Māori and Pasifika communities is underway – dispensing data to NHI level has been approved by the Ministry of Health, and work is now underway to combine this with cohort information from general practice. In respect of Community Pharmacy Anti-Coagulant Monitoring (CPAM), the Pharmacy Services Advisory Group is currently collating feedback from clinicians and consumers to inform ongoing service design.
- Community Pharmacy Vaccinators – Work is being undertaken with our Public Health team to enable community pharmacies to deliver the MMR vaccine, should this be required.

Frail & Older People

- Age Related Residential Care (ARRC) Demand – The District Health Board's spend on ARRC has been running consistently higher during the first four months of 2019/20 than it was in the preceding financial year. The pressure is driven by a mixture of increased volumes, case mix (with an increasing trend towards Hospital Level of Care), and potentially contribution mix. The last issue, which relates to the level of private financial contributions made by ARRC residents, is currently undergoing further analysis. A working group comprising Planning & Funding, Finance, and the clinical Needs Assessment Service Coordination (NASC) has come together to intensively review and understand the data driving these changes. This will include analysis of the level of discharges from hospital direct into ARRC and the timeliness of NASC patient reviews.

Mental Health & Addictions

- Primary Mental Health – In last month's report, we flagged the development of a partnership response (between the DHB, PHO, general practices and mental health NGOs) to the Ministry of Health's RFP (Request for Proposals) concerning primary mental health. We are now working actively with local kaupapa Māori providers on a bid to expand their existing primary mental health services, ahead of a deadline for proposals at the end of this month. We will advise the outcome of the RFP when it is received. This is expected prior to Christmas.

Planned Care & Long-Term Conditions – Penny Rongotoa

- Clinical Pathways – Work has commenced with colleagues in Health Hawke's Bay, supported by Information Services, to examine the business case for reintroducing a Clinical Pathways tool across the system. This electronic platform provides clinicians with structured access to agreed standard approaches for dealing with named conditions, and guides referrers on available local services to support patient management. It can also be made available as a resource to patients and whānau. The business case will need to consider not only the cost and change management associated with the tool, but the commissioning support and clinical engagement required to develop the local pathways.

Urgent and Acute Care – Jill Garrett

- Ambulatory Sensitive Hospitalisations (ASH), Ages 45-64 – A cross-sector and cross-service ASH working group has been convened in response to analysis in the October report to Board. This report cited a lack of progress in closing the gap, and diffuse activity that was making it difficult to attribute cause and effect. The new group will meet for the first time on 14th November. Further, a new electronic 'flag' has been developed to indicate patients who have one or more long term condition. This will enable better use of data to target interventions in support of this population.

Financial Performance

The directorate finished Month four $196k adverse, and $1,150k adverse Year-to-Date. The improved in-month position is largely reflective of revised accounting assumptions in respect of the PHARMAC rebate and other timings/one-offs.

The principal factor driving the underlying run-rate remains Age Related Residential Care, and specifically cost and volume mix.

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	November 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 Finance Risk and Audit Committee, October 2019
Summary	This report provides an executive summary on activity and progress within Provider Services.

RECOMMENDATION:

It is recommended that the Board:

1. Note the content of the November 2019 report

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EXECUTIVE SUMMARY

October activity returned to what may be considered a more normal level, as can been seen from the monthly activity chart below. However, when considered against the same month last year it shows that the hospital did not experience the traditional reduction in activity standard for October in previous years and was the basis for the increase in staffing, particularly nursing, requirements. This demonstrates a year-on-year increase in demand for hospital services with an additional trend of increasing peaks in demand. It was planned to close the 14 beds that were opened and staffed to accommodate the winter demands at the end of September but the demand on the hospital required that these beds remain open for an additional month.

	Oct -18	**Oct-19**	**Number**	**Oct-18**
ED presentations	3914	3871	-43	-1.11%
Daily occupied beds	255.6	287.5	31.9	11.10%
Elective operations	550	513	-37	-7.21%
Admissions – multiday	1734	1858	124	6.67%

The above chart shows that October 2019 compared with October 2018 had very similar emergency presentations, a reduction in elective operations, increased admissions and a significant growth in daily occupied beds. The effect of this was the hospital operated at an additional 32 inpatients perday compared with the same month last year. Given that staffing planning was based on past year's trends this growth has naturally impacted on the staff resources required and clinical and non-clinical supplies.

We continue to work on improving Emergency Care of patients and have seen some improvement in our 6-hour waiting time (ED6) performance in October.

To examine whether the above result was a one off, the activity for the period July– October for the two comparative years was undertaken. These results are detailed in the chart below.

	YTD OCT 18	**YTD Oct 19**	**Number**	**% Variance**
ED presentations	15837	15746	(91)	0.5
Daily occupied beds	277.6	291.6	14	5.0
Elective operations	2228	2214	14	0.6
Admissions – multiday	7128	7239	111	1.6

The two main factors arising from this review are that elective operations are behind schedule, due mainly to the anesthetist shortage issue that has been discussed in previous reports and the continued level of inpatient daily occupied beds. The issue of elective surgery is dealt with in detail in a separate agenda item ESPI5.

The continued increase in occupied bed days, especially in comparison with past years' trends is placing pressure on resources that are directly affected by patient activity such as nursing, allied health, consumables (food, diagnostic services and clinical supplies). It is estimated that the impact on the direct marginal costs of the additional 14 beds is in the order of $750,000 for the period July - October 19.

Reviews of all patients with a stay greater than 10 days have been increased from once per week to twice weekly.

At the time of writing this report, acute and elective patients are being managed in budgeted beds per bed plan. As previously reported elective Case Weighted Discharges and elective discharges are behind plan. Refer ESPi 5 report for detail.

Ongoing recruitment for locum aneasthetists continues with some success. The impact on ESPI 5 continues to deteriorate. The Surgical Directorate plan to continue to maximise all theatre sessions, extend operating times times and seek outsourcing as per RFP. The response to the request for proposal prices closes on the 13 December 2019. Providers had requested an extension to this date to complete the submission. The DHB is requesting pricing in the specialities of ophthalmology, general surgery, orthopaedics, vascular surgery, otolaryngology and urology. Prices are for bundles of services to be delivered in 2019/20 and 2020/21 year.

Work continues to improve outcomes for patients with cancer. In October 88% of patients were seen within 62 days from referral to treatment, against the 90% target.

The hospital was significantly impacted by Medical Imaging Technicians (MIT) strike action during September, October and November. Due to the implementation of a comprehensive contingency plan the impact on Provider Services has been minimized. An increase in demand and strike action, however, have resulted in increasing CT waiting time for cancer patients to 5 weeks (FCT imaging should be 10 - 14 days) and "routine "to 17 weeks (MoH Diagnostic Wait Time Indicator = 42 days). Radiology are out-sourcing CT examinations, however, the local private provider has very limited capability and capacity. Out-sourcing will continue to assist with the waitlist times at considerable cost to the DHB.

Villa 1 staff led by Clinical Nurse Coordinator ensured that there was minimal disruption to those orthopaedic and fracture clinic patients requiring urgent and timely X-rays during the MIT strike. By pre-empting the specific X-ray requirements in advance and reviewing each case individually the team worked collaboratively with the orthopaedic team. However, some orthopaedic outpatient clinics were postponed to ensure patient safety.

The Clinical Leader – Prioritisation, DHB Performance and Support for the Ministry of Health, visited HBDHB on 7 November. He met with a number of departments including the Surgical Directorate and reported that the MoH is disappointed at the lack of progress made in Planned Care at HBDHB and noted that too many patients are being accepted to be seen or treated for the capacity that the DHB currently has. The leadership team is working with SMO's across all Directorates to more tightly manage the numbers. Refer ESPi 2 and ESPi 5 reports.

Chief Medical Officers were advised on 8 November that a small number of Otago University Medical undergraduate Trainee Interns have irregularities in their elective reports that may prevent them graduating and commencing work as PGY1 medical house officers in November 2019. At this point Hawke's Bay DHB has been advised that 13 of our 18 PGY 1 house officers for 2019/2020 are unaffected and have been registered by the Medical Council. A further six still have their elective reports being reviewed by the university. They are part of a group of 53 across the country. The six trainee interns will attend orientation in the week commencing 18 November. Their graduation and registration status is expected to be clear by the end of the week commencing 18 November. This issue is creating uncertainties about the availability of our PGY1 workforce for 2019/2020 at an extremely late point in the year, but the affect remains uncertain at this time.

ESPi 2 recovery plans for the Medical Directorate are progressing well. The Directorate is on target to reach the 'zero by the end of December 2019' goal, i.e. all eight medical specialities with no referrals waiting longer than four months.

Significant pressure remains within medical services; namely gastroenterology, cardiology and respiratory; escalation of specific issues to the Health Services Leadership Team has recently seen some urgent resources approved to help stabilise these services. These include 1.0 FTE Cardiologist (4th), 1.0 FTE Clinical Nurse Specialist Heart Failure (from February 2020), and 1.0 FTE Cardiac Sonographer.

The allied health restructure has progressed well and a full review of services will be completed once all positions are filled, mainly by internal redeployment.

The Surgical High Acuity Nursing Area (SHANA) has opened. This initiative will improve patient safety, quality of care and outcomes for surgical patients. The High Dependency Unit and Intensive Care Unit teams are supportive of this initiative and there have been good results and throughput for the first two weeks of operation.

HBDHB's Healthy Housing team is celebrating achieving outcomes recognised in the State Services Commission's Spirit of Service Awards (Te Tohu a te Pirimia) 2019. The desire to improve outcomes for children is at the heart of the work this team does and is a common driver for all parties involved, recognising that housing is a key determinant of health.

The overall winners for the 2019 DHB Step It Up Challenge were the Transcription Service Team in the Operations Directorate with a total of 394,675 steps over 4 weeks. A celebratory morning tea to present the trophy was held with the Transcription Services and second and third place winners.

The patient self-check-in kiosk has gone live and gynaecology clinics have started successfully at Napier Health and Outpatient Department. There are colposcope clinics planned for 14 November 2019.

The CHB Maternity Resource Centre was opened on 1 November 2019. The centre is staffed by Lead Maternity Carers and community donations allowed for the purchase of a CTG (Cardiotocography) machine.

Analysis of the number of Wairoa women staying in Wairoa to birth their baby at their primary unit, with their local midwives has been increasing since 2014 at 1.9% (32 women) of total HB

births to 3% of total HB births, (59 women).

MH&A are in the process of replacing the Director of Area Mental Health Services (DAHMS) role. This is an exciting time for the service and will support looking more closely at individuals treated under Compulsory Treatment Orders and with the pending review of the Mental Health Act. The CEO has accepted the service's recommendations for the preferred candidate and forwarded it to the Director of Mental Health and Addictions at the Ministry of Health. The service hopes to have the new DAMHS in place by Christmas 2019.

MH&A have agreed on new on-call payments for GPs participating in the first on-call roster and will now begin recruiting more GPs to support this. The service works in partnership with the PHO and will support those GPs who are interested to attend a GP master class in Australia which is required to undertake the role. Having more GPs participate in the roster will not only support the MH&A service but will also build capability within the GPs own practice and will be an excellent foundation for relationships and collaborative working between hospital and community services.

BOARD HEALTH & SAFETY CHAMPION'S UPDATE

11

Verbal

MÀORI RELATIONSHIP BOARD REPORT

12

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:	November 2019
Consideration:	For Information

RECOMMENDATION

That the HBDHB Board:

- **Note** the contents of this report

Council met on 13 November 2019. An overview of matters discussed is provided below:

1. Membership

Dr Umang Patel joined the Council and Council noted the resignation of Anne McLeod.
Dr Andy Phillips will undertake a process for a new Allied Health representative to replace Anne McLeod.

2. Workplan and Annual Plan

Council's previously agreed annual workplan was tabled, with names of members responsible for delivering on those objectives and providing reporting on a regular basis.

3. Clinical Governance Structure appointments

The following appointments to the key clinical council committees were agreed:

- IS Governance Group – Dr Nicholas Jones
- Clinical Effectiveness & Audit Committee - Peta Rowden
- Professional Standards & Performance Committee – Karyn Bousfield

With the resignation of Anne McLeod, we will need to consider a further Clinical Council representative for Consumer Experience Committee

4. Clinical Governance Structure appointments

Karyn Bousfield tabled Terms of Reference for a new governing group relating to nurse prescribing. Clinical Council endorsed the Terms of Reference.

5. Collaborative Pathways

An update regarding progress with collaborative pathways following the discontinuation of the Map of Medicine too was provided by Karyn Bousfield and Dr Mark Petersen.

It was noted by Clinical Council that the DHB is unusual to not have a collaborative (clinical) pathways system in place and there are a number of conversations underway to consider an effective system to replace the Map of Medicine. A business case, led in the primary care environment, for a replacement is planned to be

taken through the relevant governance groups for approval in 2020, with an expectation that it would come back to Clinical Council for consideration in March 2020.

6. Committee reports

Verbal reports to Council were provided by members on the PHO Clinical Advisory Group, Patients Safety and Risk Management Committee, Clinical Advisory Governance Group and Te Pitau Alliance governance group

7. Next meeting

The next meeting of the Clinical Council is on 11 December 2019

	Hawke's Bay Health Consumer Council
	For the attention of: **HBDHB Board**
Document Owner:	Rachel Ritchie (Chair)
Month:	November 2019
Consideration:	For Information
RECOMMENDATION That the **HBDHB Board:** 1. **Note** the content of the report.	

Council met on Thursday 14 November 2019. An overview of matters discussed is provided below:

1.1737 Mental Health phone service; poor response time reported by HB youth - Council supported ongoing written correspondence on this issue to challenge the status quo. The latest response from the provider did not address the 'poor response time' issue raised. (This is a national service**.)**

2. Pharmacy Subsidy card - Council members recognise that the 'over 100 prescription spend' subsidy scheme is not well communicated to or understood by consumers. There are many stories of consumers not knowing about the scheme and/or learning about it inadvertently. The scheme has been in place for a number of years and Council will be following this up**.** The intention would be to push for clear and widespread communication to consumers about the existence of the scheme and 'how to access it'.

3. Review of Annual Plan - 1st goal. Review profile - the current status was generally agreed that Council has become known across the DHB but as yet not well known across PHO and out into NGOs and community organisations. Member's views around the need for profile, with whom and for what purpose were gathered and discussed. Based on the discussion a framework will be worked up by the Consumer Experience Facilitators for review. General consensus about where we 'are' currently. The 'where to' requires further discussion and work, however there are some themes emerging.

4. PHO 3 monthly report, Current year goals prioritised and reduced, Monthly planning and funding report- Council members welcomed these board and management reporting initiatives for a more ' joined up' picture of the heath system and clarity moving forward. .

5.Person & Whanau Centered Care - Chairs of Consumer Council and MRB together with the ED Equity and ED People & Quality have met 3 times of over the past months to initiate working together on a joint approach to bring a further proposal back to board following the June 2019 meeting. With other priorities in focus, the challenge of aligning 2 long term approaches from different groups and an organisation wide implementation plan to develop in the current financial climate, progress is occurring but will appear slow. There is an element of frustration building in Consumer Council on the progress. Collaboration will continue

between Council, MRB and Clinical Council as we work together towards the annual planning process for 2020-2021.

6. Interviews - interviews for new members are scheduled for next week.

7**. Reports**- from the following steering groups and committees were received:

- Clinical Council (Les Cunningham)
- End of Life Service Alliance group (Gerraldine Tahere)
- PAG (Deborah Grace)
- Consumer Experience Committee (Dr Diane Mara)
- Integrated pharmacy (Denise Woodhams)

HAWKE'S BAY District Health Board Whakawāteatia	**BOARD CODE OF CONDUCT & ETHICS**
	For the attention of: **HBDHB Board**
Document Owner:	Ken Foote, Company Secretary
Document Author:	Ken Foote, Company Secretary
Month:	November 2019
Consideration:	For Approval

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.

INTRODUCTION

In late October 2019, the attached Draft 'Code of Professional Conduct for Crown Entity Board Members' was received by HBDHB and sent out to Board Members for comment. From these comments, the intent was then to prepare this report for consideration by the full Board, and subsequently have the Chair send a consolidated response back to the State Services Commissioner (SSC) incorporating all HBDHB feedback.

Within the attached code, it is noted that:

'This Code sets out minimum standards of integrity and conduct. The Board should put in place a board charter or governance manual to guide it's governance activities, which includes ethics provisions for board members as appropriate to support these standards and suit the entity's particular circumstances.'

SSC DRAFT 'CODE OF PROFESSIONAL CONDUCT'

Feedback from members on the draft Code was generally very supportive, in that such a code is appropriate and the issues raised were fair, clear and transparent.

The major concern raised in Board feedback was the issue of 'breaches', particularly the lack of any real guidance on resolving breaches at an internal local level (within the Board). It was suggested that it would be helpful to have some guidance on this, along with a few examples.

A comparative analysis of the SSC Code against the HBDHB 'Board Code of Conduct & Ethics', did highlight further issues that could be added to the SSC Code (particularly given recent events in Hawkes Bay). These include:

- 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.

All other issues seemed to be generally addressed and correlate well.

HBDHB GOVERNANCE MANUAL

The current HBDHB Governance manual does contain a Chapter on 'General Behaviours of Board Members' (Chapter 6). Currently these are listed as 'behaviours', but they align closely with the 'responsibilities' set out in the SSC Code. Included in the Appendices to the Governance Manual is the 'HBDHB Board Code of Conduct & Ethics' witch is also referenced from Chapter 6.

It would appear appropriate to update both Chapter 6 of the Manual and the Code in the Appendices, once the SSC Code is confirmed. Additional and/or localised issues and guidance could then be added to the 'minimum standard' set out in the SSC Code. Specific provisions around dealing with 'breaches' at a local level could also then be included, based on any general guidance given by the SSC Code

MEDIA RELATIONS & SOCIAL MEDIA POLICIES

Both the HBDHB Media Relations and Social media Policies are indirectly connected to the Governance Manual and the HBDHB Board Code of Conduct & Ethics. Both are also in the process of being reviewed, given that they are both now over five years old. Given this connections and with Board Members being covered by both policies, it would also seem appropriate to advise the Board of the outcome of these reviews, prior to the policies being finalised.

CODE OF PROFESSIONAL CONDUCT
for Crown Entity Board Members

A code of conduct issued by the State Services Commissioner under the State Sector Act 1988, section 57 (3)

ACTING IN THE SPIRIT OF SERVICE

Crown entities exercise significant powers, deliver public services and directly impact the lives of New Zealanders. To be effective, Crown entities must have the trust and confidence of New Zealanders and the Government.

Boards oversee the operations and performance of Crown entities. As board members you bring a spirit of service to the community, support for the Crown's responsibilities under the Treaty of Waitangi and an intrinsic desire to improve the wellbeing of New Zealand and New Zealanders to your role. A key requirement of your role is to act with the highest levels of integrity and professional and personal standards.

This Code sets out minimum standards of integrity and conduct. The board should put in place a board charter or governance manual to guide its governance activities, which includes ethics provisions for board members as appropriate to support these standards and suit the entity's particular circumstances.

This Code should be read in conjunction with the collective and individual duties of members as set out in the Crown Entities Act 2004. This code does not override any statutory provisions including those in an entity's empowering legislation, the Crown Entities Act 2004, the State Sector Act 1988, the Public Finance Act 1989 and the Companies Act 1993. This code is not intended to limit the ability of an entity or statutory officer to act independently in regard to any statutorily independent function.

RESPONSIBILITIES

Honesty and integrity

You act with honesty and with high standards of professional and personal integrity. You are truthful, open and meet generally accepted standards of behaviour. You speak up in board meetings on decisions or advice that may be detrimental to the public interest.

Care, diligence and skill

You exercise your powers with care, diligence and skill. You give proper consideration to matters and seek and consider all relevant information.

Fairness

You deal with people fairly, impartially, promptly, sensitively and to the best of your ability. You do not act in a way that unjustifiably favours or discriminates against particular individuals or interests. You treat other members and staff employed by the entity with courtesy and respect.

Statutory and administrative requirements

You understand and act in accordance with all statutory and administrative requirements relevant to your role. You play a full and active role in the work of the board and fulfil all your duties responsibly. You respect the principle of collective decision-making and corporate responsibility. This means once the board has made a decision, you support it. You follow board protocols for public comment.

Proper use of position

When acting as a member, you do not pursue your own interests at the expense of the entity's interests. You do not misuse official resources for personal gain or for political purposes. You behave in a way that reflects well on the reputation of the entity and do not do anything to harm that reputation.

Proper use of information

You use information you gain in the course of your duties only for its intended purpose and never to obtain an advantage for yourself or others or to cause detriment to the entity.

You are well informed about privacy, official information and protected disclosures legislation. You fully comply with entity procedures and only disclose official information or documents when required to do so by law, in the legitimate course of duty or when proper authority has been given.

Conflicts of interest

You avoid wherever possible any conflicts of interest with your board role or the appearance of a conflict, current or future. You identify, declare and manage all interests. You become familiar with, and follow, all conflicts of interest requirements, including those of the board, the entity, and all statutory and professional requirements including the Crown Entities Act 2004, sections 62-72.

Gifts and hospitality

You never seek gifts, hospitality or favours for yourself, members of your family or other close associates. You inform the Chair or other proper authority of any offer of gifts or hospitality and ensure that, where a gift or hospitality is accepted, it is recorded in a register in line with the entity's procedures.

Political impartiality

You act in a politically impartial manner. Irrespective of your political interests, you conduct yourself in a way that enables you to act effectively under current and future governments. You do not make political statements or engage in political activity in relation to the functions of the Crown entity.

When acting in your private capacity, you avoid any political activity that could jeopardise your ability to perform your role or which could erode the public's trust in the entity. You discuss with the Chair any proposal to make political comment or to undertake any significant political activity while a board member.

These provisions apply to elected board members in the same way as to appointed members. However elected board members have a relationship with their constituency in addition to their accountability to the responsible Minister. You consider how you maintain that relationship while, as for all members, ensuring your actions do not jeopardise the effective governance of the entity.

Speaking up

You report unethical behaviour when you see it. You treat all concerns raised by others seriously. You support the entity to have clear policies and procedures in place that help expose serious threats to the public interest, and encourage open organisation cultures where all staff feel safe speaking up.

HBDHB PERFORMANCE FRAMEWORK EXCEPTIONS Q1

Late Paper

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 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

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).