MidCentral District Health Board

Te Pae Hauora o Ruahine o Tararu

Part One Board Pack

Part 1 and 2 Board Packs

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Margaret Bell <margaret.bell@midcentraldhb.govt.nz>

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Agenda and Karakia

Part 1 and 2 Board Packs

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MidCentral District Health Board

Board Meeting

Venue: Board Room, Gate 2 Heretaunga Street, Palmerston North

When: Tuesday 25 May 2021, from 9.00am

PART ONE

Members

Brendan Duffy (Board Chair), Heather Browning, Vaughan Dennison, Lew Findlay, Norman Gray, Muriel Hancock, Materoa Mar, Karen Naylor, Oriana Paewai, John Waldon, Jenny Warren.

Apologies

Materoa Mar (for lateness)

In attendance

Kathryn Cook, Chief Executive; Kelvin Billinghurst, Chief Medical Officer; Celina Eves, Executive Director, Nursing and Midwifery; Chiquita Hansen, Interim General Manager, Strategy, Planning and Performance; Rory Matthews, Interim Director of the Office of the Chief Executive; Gabrielle Scott, Executive Director, Allied Health; Tracee Te Huia, General Manager, Māori Health; Margaret Bell, Board Secretary.

In attendance (part meeting)

Item 4.2	Kelly Isles, Director of Strategy
Items 4.3, 4.4, 4.5	Neil Wanden, General Manager, Finance and Corporate Services; Darryl Ratana, Deputy Chief Financial Officer
Items 4.6, 4.7	Judith Catherwood, General Manager, Quality and Innovation
Items 4.8, 4.9	Keyur Anjaria, General Manager, People and Culture
Item 4.10	Steve Miller, Chief Digital Officer; Clive Martis, Director Digital Services
Item 5.1	Kelly Isles, Director of Strategy
Item 5.2, 5.3	Neil Wanden, General Manager, Finance and Corporate Services

Please contact the Board Secretary if you require a print copy – email boardsupport@midcentraldhb.govt.nz before noon on the working day prior to the meeting

1. KARAKIA 9.00

He Karakia Timata

Kia hora te marino	May peace be widespread
Kia whakapapa pounamu te moana	May the sea be smooth like greenstone
He huarahi ma tātou I te rangi nei	A pathway for us all this day
Aroha atu, aroha mai	Give love, receive love
Tātou I a tātou I ngā wa katoa	Let us show respect for each other
Hui e taiki e	

2. ADMINISTRATIVE MATTERS 9.05

2.1. Apologies

2.2. Late items

2.3. Register of Interests Update

2.4. Minutes of Board meeting – 13 April 2021, Part One

2.5. Matters arising

2.6. Verbal report from Board Chair

2.7. HDAC – Verbal report from Committee Chair and Minutes of HDAC meeting held on 27 April 2021, Part One

2.8. FRAC – Verbal report from Committee Chair and Minutes of FRAC meeting held on 4 May 2021, Part One

2.9. Manawhenua Hauora Chair's Report

3. STRATEGIC FOCUS

Discussion in Part Two

4. PERFORMANCE REPORTING 9.15

4.1. Chief Executive's Report

4.2. Board KPI Dashboard

4.3. Finance Update – April 2021

4.4. Finance Report – March 2021
4.5. Finance Report – February 2021
4.6. Sustainability Plan
4.7. Quality and Safety Walk-rounds
4.8. Health, Safety and Wellbeing
4.9. Workforce
4.10. Te Awa Update – Digital Services Work Programme

REFRESHMENT BREAK 10.30

5. DISCUSSION/DECISION PAPERS 10.45

5.1. General Approach to Contract Review and Renewal for 2021/22
5.2. Enable New Zealand Annual Reporting Requirements
5.3. External Audit – Engagement Letter and Audit Plan

6. INFORMATION PAPERS 11.05

Information papers for the Board to note

6.1. Board Work Programme – 2021

7. GLOSSARY OF TERMS

8. LATE ITEMS

9. DATE OF NEXT MEETING – Tuesday 6 July 2021

10. EXCLUSION OF THE PUBLIC

Recommendation

That the public be **excluded** from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons stated.

Item	Reason	Reference
'In committee' minutes of the previous Board meeting	For reasons set out in the agenda of 13 April 2021	
Government's Budget 2021	To maintain the effective conduct of public affairs through free and frank expression of opinions	9(2)(g)(i)
Midwifery Workforce Update	To maintain the effective conduct of public affairs through free and frank expression of opinions	9(2)(g)(i)
Nursing Workforce Update	To maintain the effective conduct of public affairs through free and frank expression of opinions	9(2)(g)(i)
Replacement Echocardiography Image Vault	To protect negotiations, including commercial and industrial	9(2)(j)
2021/22 Annual Plan and Budget	To maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials	9(2)(f)(iv)
Fleet Replacement	To protect negotiations, including commercial and industrial	9(2)(j)
Health and Disability System Review	To maintain the effective conduct of public affairs through free and frank expression of opinions	9(2)(g)(i)
Board only time	No decision sought	
'In committee' minutes of the previous Health and Disability Advisory Committee meeting	**For reasons set out in the agenda of the 27 April 2021 meeting held with the public present**	
Serious Adverse Events (SAC 1)	To protect patient privacy	9(2)(a)
Consumer Story	To protect patient privacy	9(2)(a)
'In committee' minutes of the previous Finance, Risk and Audit Committee meeting	**For reasons set out in the agenda of the FRAC meeting held on 4 May 2021**	

Administrative matters

Part 1 and 2 Board Packs

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Apologies

Apology received from Materoa Mar for lateness.

Any other apologies to be noted?

Late items

Opportunity to advise any late items to be discussed at the meeting

Register of Interests: Summary, 27 April 2021

(Full Register of Interests available on Stellar Platform/Board/Board Reference Documents)

Board Members		
Name	**Date**	**Nature of Interest / Company/Organisation**
Browning, Heather	4.11.19	Director – HB Partners Limited
		Member – MidCentral Governance Group Mana Whaikaha
		Board Member and Chair, HR Committee – Workbridge
	26.7.20	Director and Shareholder – Mana Whaikaha Ltd
	23.10.20	Member – Te Aho o Te Kahu (Cancer Control Agency) Consumer Reference Group
	9.2.21	Project Manager to lead Mana Whaikaha out of the Ministry of Health; stood down from appointed role of Deputy Chair of the MidCentral Governance Group for the MidCentral prototype
Duffy, Brendan	3.8.17	Chair and Commissioner – Local Government Commission
		Member – Representation Commission
		Chairperson – Business Kapiti Horowhenua Inc (BKH)
Dennison, Vaughan	4.2.20	Councillor – Palmerston North City Council
	9.2.21	Member of Palmerston North City Council Infrastructure Committee
Findlay, Lew	1.11.19	President, Manawatu Branch and Director Central District - Grey Power
		Councillor – Palmerston North City Council
		Member – Abbeyfield
	16.2.21	Vice President Manawatū Branch and Board Member of Grey Power New Zealand
Gray, Norman	10.12.19	Employee – Wairarapa DHB
		Branch Representative – Association of Salaried Medical Specialists
Hancock, Muriel	4.11.19	Sister is casual employee (Registered Nurse, ICU) – MidCentral DHB
		Volunteer, MidCentral DHB Medical Museum
	30.9.20	Sister-in-law is employed as a registered nurse at Whakapai Hauora
Mar, Materoa	16.12.19	Upoko Whakarae Te Tihi O Ruahine Whānau Ora Alliance
		Chair – EMERGE Aotearoa
		Matanga Mauri Ora MoH Mental Health and Addiction
		Chair, 'A Better Start – E Tipu Rea', National Science Challenge, Liggins Institute, University of Auckland
	11.2.20	Member of MDHB Cluster
		Member of local Child & Youth Mortality Review Group (CYMRG)
	5.8.20	Member of MDHB's Māori Alliance Leadership Team (MALT)
Naylor, Karen	6.12.10	Employee – MidCentral DHB
		Member & Workplace Delegate – NZ Nurses Organisation
	9.10.16	Councillor – Palmerston North City Council
Paewai, Oriana	1.5.10	Member – Te Runanga o Raukawa Governance Group
		Chair – Manawhenua Hauora

Register of Interests: Summary, 27 April 2021 (Full Register of Interests available on Stellar Platform/Board/Board Reference Documents)		
	13.6.17	Co-ordinating Chair – Te Whiti ki te Uru (Central Region DHB MRBs) Member Nga Manu Taiko, a standing committee of the Council – Manawatu District Council Member – Te Tihi o Ruahine Whānau Ora Alliance Board Member – Cancer Society Manawatu
	30.8.18	Appointed Member – Massey University Council
	13.4.21	Trustee – Manawatū/Whanganui Children's Health Charitable Trust Board Member – Governance Board, Mana Whaikaha
Waldon, John	22.11.18	Co-director and co-owner – Churchyard Physiotherapy Ltd Co-director and researcher – 2 Tama Limited Manawatu District President – Cancer Society Executive Committee Central Districts (rep for Manawatu, 1 of 2) – Cancer Society
	9.2.21	Has a contract with UCOL
Warren, Jenny	6.11.19	Team Leader Bumps to Babies – Barnardos New Zealand Consumer Representatives National Executive Committee – National On Track Network Pregnancy & Parenting Education Contractor – Palmerston North Parents' Centre
	12.2.21	Member of Locality Advisory Group for both Tararua and Ōtaki/Horowhenua for the Primary Maternity Project
Committee Members		
Allan, Simon (FRAC)	2.6.20	Deputy Chair – Manawatu Branch of Cancer Society MDHB Rep – THINK Hauora Palliative Care Advisory Panel (MoH advisory body) Director of Palliative Care – Arohanui Hospice Chair of Board – Manawatu Badminton Association
Hartevelt, Tony (FRAC)	14.8.16	Independent Director – Otaki Family Medicine Ltd
	14.8.16	Elder son is Director, Global Oncology Policy based at Head Office, USA – Merck Sharpe & Dohme (Merck) (NZ operations for Global Pharmaceutical Company)
	14.8.16	Younger son is news director for Stuff.co.nz – Fairfax Media
	7.10.19	Independent Chair, PSAAP's Primary Care Caucus – Primary Health Organisational Service Agreement Amendment Protocol (PSAAP)
Munro, Gail (HDAC)	23.3.21	Director – Eastern and Central Trust 2020 Governance Strategies Ltd 2007
Management		
Cook, Kathryn	13.4.21	Nil
Ambridge, Scott	20.8.10	Nil
Amoore, Anne	23.8.04	Nil
Anjaria, Keyur	17.7.17	Wife is a user of the Needs Assessment & Service Co-ordination Service – MDHB

Register of Interests: Summary, 27 April 2021 (Full Register of Interests available on Stellar Platform/Board/Board Reference Documents)		
Bell, Margaret	28.7.20	Nil
Billinghurst, Kelvin	6.8.20	Fellow of the Royal College of Medical Administration (RACMA) Coordinator for the Indigenous Health Programme – RACMA Member of the Rural Policy Advisory Group – RACMA Fellow of the Australasian College of Health Service Managers (ACHSM)
Bradnock, Barb	26.8.10	Nil
Brogden, Greg	16.2.16	Nil
Brown, Jeff		TBA
Caldwell, Vanessa	7.5.18	Nil
Catherwood, Judith	1.5.18	Nil
Davies, Deborah	18.5.18	Member, Alliance Leadership Team – Central PHO Daughter is an employee and works within hospital services – MidCentral DHB
Eves, Celina	14.5.18 20.4.20	Owner personal consulting company, UK – Celina Eves Limited (2020 moved into dormancy) Trustee – Palmerston North Medical Trust
Fenwick, Sarah	13.8.18	Nil
Free, Jennifer	6.8.20	Nil
Hansen, Chiquita	9.2.16 3.3.21	Employed by MDHB and seconded to Central PHO 8/10ths – MidCentral DHB CEO – Central PHO Employed by THINK Hauora as Chief Executive and seconded to MidCentral DHB as Interim General Manager, Strategy, Planning and Performance 6/10ths Husband is employed by MidCentral DHB Executive member of General Practice New Zealand (GPNZ) Executive member of Health Care Home Collaborative
Hardie, Claire	13.8.18 13.8.18 13.8.18	Member – Royal Australian & NZ College of Radiologists Trustee – Palmerston North Hospital Regional Cancer Treatment Trust Inc Member, Medical Advisory Committee – NZ Breast Cancer Foundation
Horgan, Lyn	1.5.17 18.5.18	Sister is Coroner based in Wellington – Coronial Services Member, Alliance Leadership Team – Central PHO
Howe, Jonathon	1.8.19	Nil
Matthews, Rory	20.8.20	Managing Partner, FGI (NZ) Ltd trading as Francis Health Trustee/Director Te Hopai Home and Hospital Ltd

Register of Interests: Summary, 27 April 2021 (Full Register of Interests available on Stellar Platform/Board/Board Reference Documents)		
Miller, Steve	18.4.17 26.2.19 6.3.19 1.10.19	Director. Farming business – Puriri Trust & Puriri Farm Partnerships Board Member, Member, Conporto Health Board Patient's First trading arm – Patients First Member, Alliance Leadership Team, Member, Information Governance Group – Central PHO Chair – National DHB Digital Investment Board
Nwosu, Andrew	10.8.18	Director UK health consulting company – AB Therapy Services
Ratana, Darryl	29.5.19	Nil
Russell, Greig	3.10.16	Minority shareholder – City Doctors Member, Education Committee – NZ Medical Council
Scott, Gabrielle	Dec 19	Son is a permanent MDHB employee and works within Digital Services
Tanner, Steve	16.2.16	Nil
Te Huia, Tracee	19.11.19	Nil
Wanden, Neil	Feb 19	Nil
Williamson, Nicki	Mar 20	Nil
Zaman, Syed	1.5.18	Nil

Resolution

That the Part One minutes of the 13 April 2021 Board meeting be approved as a true and correct record.

MidCentral District Health Board

Board Minutes

Meeting held on 13 April 2021 from 9.00am

PART ONE

Members

Brendan Duffy (Board Chair), Heather Browning, Vaughan Dennison, Lew Findlay, Norman Gray, Muriel Hancock, Materoa Mar, Karen Naylor, Oriana Paewai, John Waldon, Jenny Warren.

In attendance

Kathryn Cook, Chief Executive; Kelvin Billinghurst, Chief Medical Officer; Celina Eves, Executive Director, Nursing and Midwifery; Chiquita Hansen, Interim General Manager, Strategy, Planning and Performance; Rory Matthews, Interim Director, Office of the Chief Executive; Gabrielle Scott, Executive Director, Allied Health; Tracee Te Huia, General Manager, Māori Health; Margaret Bell, Board Secretary.

In attendance (part meeting)

Judith Catherwood, General Manager, Quality and Innovation; Sarah Fenwick, Operations Executive, Te Pā Harakeke; Kelly Isles, Director of Strategy; Clive Martis, Operational Lead for Digital Services; Darryl Ratana, Deputy Chief Financial Officer; Michelle Riwai, Executive Lead for Digital Services and General Manager, Enable NZ; Neil Wanden, General Manager, Finance and Corporate Services; Bronwyn White, Advisor, Strategy and Performance.

Media – 0

Public – 2

1. KARAKIA

The meeting opened with the organisational karakia.

The Board Chair acknowledged the passing of Vivienne Ayres, Manager, DHB Planning and Accountability. Everyone stood for a minute's silence, followed by a karakia.

2. ADMINISTRATIVE MATTERS

2.1. Apologies

Nil.

2.2. Late items

There were no late items.

2.3. Register of Interests Update

The Board Chair advised he had not attended the America's Cup event hosted by Ventia in March 2021.

In relation to agenda item 5.3 Children's Hub, Oriana Paewai noted she was one of three trustees of the Manawatū/Whanganui Children's Health Charitable Trust Board.

2.4. Minutes of the 23 February 2021 meeting, Part One

It was resolved that:

the Part One minutes of the 23 February 2021 Board meeting be approved as a true and correct record.

(Moved Oriana Paewai; seconded Vaughan Dennison; abstention from Karen Naylor)

2.5. Matters arising from previous minutes

No discussion.

2.6. Verbal report from the Board Chair

Zoom meetings had been scheduled for tomorrow with Mayors and Council CEOs, and with iwi CEOs and Chairs to outline details of MidCentral DHB's COVID-19 vaccination programme, to receive their feedback and respond to any concerns.

MidCentral DHB (MDHB) was one of five DHBs who did not have a port, an international airport or managed isolation and quarantine (MIQ) facilities. MDHB's vaccination programme had therefore started later than most other DHBs. Immunisation of frontline health workers was about to commence, with iwi and Māori providers first, followed by Emergency Department staff and other critical workforces in the community. Access issues to vaccination sites, including parking and wheelchair access, had been considered by the planning team. Board members would continue to receive regular updates on the vaccination programme through the Chief Executive's (CEO's) weekly email update.

2.7. Minutes of the HDAC meeting held on 16 February 2021, Part One

It was resolved to:

note the unconfirmed Part One minutes of the Health and Disability Advisory Committee meeting held on 16 February 2021.

(Moved John Waldon; seconded Jenny Warren)

2.8. Minutes of the FRAC meeting held on 23 March 2021, Part One

It was resolved to:

note the unconfirmed Part One minutes of the Finance, Risk and Audit Committee meeting held on 23 March 2021.

(Moved Vaughan Dennison; seconded John Waldon)

2.9. Manawhenua Hauora Chair's Report

The report was taken as read. Board members noted that the 'world café' workshop held at the Board to Board hui in March had been very positive.

It was resolved to:

note the Manawhenua Hauora meeting for February was cancelled due to other iwi commitments

note the report from the Manawhenua Hauora Chair on the Manawhenua Hauora meeting held in March 2021

note the General Manager, Māori Health's response to the Chair's report.

(Moved Oriana Paewai; seconded Muriel Hancock)

3. STRATEGIC FOCUS

Discussion to be held in Part Two of the meeting.

4. PERFORMANCE REPORTING

4.1. Chief Executive's Report for March 2021

The Chief Executive presented this report, which was taken as read. She noted that the early financial results for March were slightly behind budget for the month, but the year to date position was still positive. An update would be included in the weekly email to Board members.

Board members were welcome to attend the acute mental health unit stakeholder workshops and would be advised of workshop dates.

Inquiries for roles as COVID-19 vaccinators were still welcomed and management agreed to ensure that people who already expressed an interest were kept informed of progress with their application.

Board members noted the achievements of Allied Laundry Services Limited and the quantities of laundry they were dealing with. The Finance, Risk and Audit Committee would continue to monitor plans to extend the laundry's facilities.

Regular steering committee meetings were now held between the Chief Executives and their teams from Taranaki, Hawke's Bay and MidCentral DHBs regarding the Linear accelerator (LINAC) project. Discussions included ensuring agreed models of care, the workforce model and the contractual funding arrangements between DHBs. This would extend beyond radiation oncology into a broader model of care across cancer services. Taranaki and Hawke's Bay DHBs were each completing a business case for buildings to accommodate their LINAC.

Consultation on the Integrated Service Model health check was about to close. Management would consider the feedback from staff and make decisions before providing a detailed report to the next Board meeting.

It was resolved that the Board:

note the update of key local, regional and national matters.

(Moved John Waldon; seconded Muriel Hancock)

4.2. Board KPI Dashboard

The Director of Strategy presented this report, which was taken as read.

It was resolved that the Board:

note the areas highlighted in the KPI dashboard and associated commentary.

(Moved Vaughan Dennison; seconded Norman Gray)

4.3. Finance Update – February 2021

The General Manager, Finance and Corporate Services and the Deputy Chief Financial Officer presented this report, which was taken as read.

The General Manager, Finance and Corporate services noted the liability for the Holidays Act remediation was increasing at around $1.2m per year. A national project management office had been established to ensure a consistent approach was used by all DHBs. Before the financial liability could be calculated, definitions needed to be agreed on what constituted a 'working week' and how to treat RMOs who regularly moved between DHBs. The Ministry of Health (the Ministry) had agreed to pay remediation costs, but a decision had not been made on whether the Ministry or individual DHBs would pay for the cost of calculating the remediation and ensuring the payroll system was compliant.

It was resolved that the Board:

note that the operating result for the month of February 2021 is a surplus before one-off items of $1.545m, which is $0.245m favourable to budget

note that the year to date result to February 2021 is a surplus before one-off items of $2.813m, which is $2.737m favourable to budget

note that year to date to February 2021 COVID-19 related costs of $0.036m and unbudgeted Holidays Act related costs of $2.009m have been incurred. Including these one-off costs results in a year to date surplus after exceptional items of $0.769m

note that total available cash and equivalents of $41.6m as at 28 February 2021 is sufficient to support liquidity requirements

note that this is an interim finance report and that a full report will come to the Board for consideration at the May meeting following consideration by the Finance, Risk and Audit Committee.

(Moved Karen Naylor; seconded Muriel Hancock)

4.4. Finance Report – January 2021

The General Manager, Finance and Corporate Services and the Deputy Chief Financial Officer presented this report, which was taken as read. The Chief Executive introduced Chiquita Hansen, the Interim General Manager, Strategy, Planning and Performance, who was also the Chief Executive of THINK Hauora.

It was explained that THINK Hauora had returned $855k of unspent funding to the DHB. THINK Hauora had developed new ways of working and created new roles. This funding had not been used while clinicians were being recruited. Twelve FTEs had now been recruited, and further appointments were planned.

It was resolved that the Board:

note that the Finance, Risk and Audit Committee endorsed this report at their March meeting for Board consideration

note that the month operating result for January 2021 is a surplus before one-off items of $1.317m, which is $0.547m favourable to budget

note that the year to date result for January 2021 is a surplus before one-off items of $1.268m, which is $2.447m favourable to budget

note that year to date for January 2021 COVID-19 related costs of $0.026m and unbudgeted Holidays Act related costs of $1.754m have been incurred. Including these one-off costs results in a year to date deficit after exceptional items of $0.512m

note that total available cash and equivalents of $34.818m as at 31 January 2021 is sufficient to support liquidity requirements

approve the January 2021 financial report.

(Moved Karen Naylor; seconded Muriel Hancock)

The General Manager, Finance and Corporate Services; Director of Strategy; and Deputy Chief Financial Officer left the meeting.

4.5. Sustainability Plan Report

The General Manager, Quality and Innovation presented this report, which was taken as read. She noted the workforce wellbeing project would consider implementation of the Bradford Factor – a tool to assist with sick leave management. This would analyse sick leave patterns and enable managers to have sensitive discussions with their staff to see if they needed support.

It was acknowledged that use of sick leave had been impacted by the COVID-19 requirements for anyone with cough or cold symptoms to stay away from work.

It was resolved that the Board:

note the emerging risks and mitigation plans

note that at its 23 March 2021 meeting, the Finance, Risk and Audit Committee endorsed this report for the Board's approval

approve the approach and progress made to date on the Sustainability Plan for 2020-2023.

(Moved Vaughan Dennison; seconded Muriel Hancock)

The General Manager, Quality and Innovation left meeting.

The Operations Executive, Te Uru Pā Harakeke joined the meeting.

4.6. Non-Financial Performance Measures – Quarter Two

The Advisor, Strategy, Planning and Performance was welcomed by the Board Chair, who also noted she would be leaving the organisation shortly. The report was taken as read.

The General Manager, Māori Health noted the development of Te Ara Angitū, the Māori Health Equity Dashboard, which would be reported to the HDAC meeting. The Te Ara Angitū reports would be presented to the Organisational Leadership Team and Manawhenua Hauora before being included in HDAC meeting papers.

It was agreed that future Non-Financial Performance Measures reports would be streamlined, with a focus on exception reporting. The Ministry's summary report for the quarter would be made available to Board members on the Stellar platform.

It was resolved that the Board:

> *note this report and progress made in delivering MidCentral District Health Board's Annual Plan and performance expectations for the second quarter of 2020/21*
>
> *note the mitigations in place for those performance measures or deliverables that were not meeting expectations for Quarter Two.*
>
> *(Moved Oriana Paewai; seconded Heather Browning)*

The General Manager, Finance and Corporate Services joined meeting.

5. DISCUSSION/DECISION PAPERS

5.1. 2021/22 Annual Plan and Budget

The Interim General Manager, Strategy, Planning and Performance presented this report, which was taken as read. Initial feedback received from the Ministry was positive and identified some work to be done on financial sustainability.

The Board workshop scheduled for 20 April would provide an opportunity to establish priorities. Budget details would be developed after an indication of funding from the Ministry for the next financial year had been received. The expectation of the Minister of Health and the Ministry was that DHBs must submit a break-even budget.

It was resolved that the Board:

> *note this report was discussed at the Finance, Risk and Audit Committee meeting held on 23 March 2021*

note the first submission of the draft 2021/22 Annual Plan has been provided in line with the expectations of the Ministry of Health and with the Board's approval

note that a copy of the draft 2021/22 Annual Plan is available on the Stellar platform

note a Board workshop is scheduled for 20 April 2021 to consider prioritisation of future initiatives and areas of disinvestment for inclusion in the 2021/22 Annual Plan and Budget.

(Moved Jenny Warren; seconded Muriel Hancock; abstention from Karen Naylor)

The Advisor, Strategy, Planning and Performance left the meeting.

5.2. MidCentral DHB and Manawhenua Hauora Joint Work Programme

The General Manager, Māori Health presented this report, which was taken as read. She noted the final draft of the Māori Health Equity Review internal audit conducted by Technical Advisory Services (TAS) had been received. As this was part of the Board's internal audit programme, the report would be presented to the Finance, Risk and Audit Committee meeting. A Board member asked that the report be included on the agenda for the next Board to Board hui.

Board members acknowledged the progress made in strengthening the relationship and understanding between MDHB and Manawhenua Hauora.

It was resolved that the Board:

note the progress made against the MidCentral DHB and Manawhenua Hauora Joint Work Programme 2020/21.

(Moved Oriana Paewai; seconded John Waldon)

5.3. Children's Hub

The Operational Executive of Te Uru Pā Harakeke, Healthy Women, Children and Youth presented this report, which was taken as read. She noted that the feasibility study would consider the relationship between the proposed Trust and MDHB; the model of care and how to reach the entire MDHB district.

Board members offered strong support for the concept and acknowledged the work of former Board member, Barbara Cameron, in establishing the Manawatū/Whanganui Children's Health Charitable Trust Board.

It was resolved that the Board:

note the ongoing discussions with the Manawatū/Whanganui Children's Health Charitable Trust Board and support the Trust progressing to a feasibility study.

(Moved Muriel Hancock; seconded Karen Naylor)

The Operational Executive, Te Uru Pā Harakeke left the meeting.

6. INFORMATION PAPERS

6.1. NZ Health Partnerships – Quarterly Report

The General Manager, Finance and Corporate Services presented this report, which was taken as read.

It was resolved that the Board:

note the update on activities within New Zealand Health Partnerships.

(Moved John Waldon; seconded Heather Browning)

6.2. Board's Work Programme

This report was taken as read.

It was resolved that the Board:

note the Board's annual work programme.

(Moved Vaughan Dennison; seconded Norman Gray)

7. LATE ITEMS

There were no late items.

8. DATE OF NEXT MEETING

Tuesday, 25 May 2021 – Board Room, MidCentral District Health Board, Gate 2 Heretaunga Street, Palmerston North

9. EXCLUSION OF PUBLIC

It was resolved:

that the public be excluded from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons stated:

Item	Reason	Ref
'In committee' minutes of the previous Board meeting	For reasons set out in the agenda of the 23 February 2021 meeting.	
Te Awa Digital Services Work Programme	To maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials	9(2)(f)(iv)
Mediation	To maintain legal professional privilege	9(2)(h)
Midwifery Workforce Update	To maintain the effective conduct of public affairs through free and frank expression of opinions	9(2)(g)(i)
Fleet Replacement	To protect negotiations, including commercial and industrial	9(2)(j)
Minutes of Remuneration Committee meeting held on 23 March 2021	To protect personal privacy	9(2)(a)
Chief Executive's six-monthly self-assessment against performance objectives	To protect personal privacy	9(2)(a)
Professional Work Groups – Nursing Workforce Engagement	To maintain the effective conduct of public affairs through free and frank expression of opinions	9(2)(g)(i)
Board only time	No decision sought	
'In Committee' minutes of the previous HDAC meeting	**For reasons set out in the agenda of the 16 February 2021 meeting held with the public present**	
Midwifery Workforce Report	To maintain the effective conduct of public affairs through free and frank expression of opinions	9(2)(g)(i)
Serious Adverse Events (SAC 1)	To protect patient privacy	9(2)(a)
'In Committee' minutes of the previous FRAC meeting	**For reasons set out in the agenda of the FRAC meeting held on 23 March 2021**	

(Moved Vaughan Dennison; seconded Norman Gray)

Part One of the meeting closed at 11.10am

Confirmed this 25th day of May 2021

……..

Board Chair

MidCentral District Health Board

- Schedule of Matters Arising, 2020/21 as at 16 May 2021

Matter	Raised	Scheduled	Responsibility	Form	Status
Internal audit report – Māori Health Equity Review to be included on the agenda for a future MDHB and Manawhenua Hauora Board hui	April 21	Aug 21	T Te Huia	Report to Manawhenua Hauora	Scheduled
Detailed report on the Integrated Service Model health check to be provided to the next Board meeting	Feb 21	~~April 21~~ ~~May 21~~ July 21	R Matthews	Report	Scheduled
Provide breakdown by service area for incidents of staff shortages, including location, what was being recorded, why it was being recorded and what was being done to address the issue	Feb 21	~~May 21~~ July 21	K Anjaria	Report	Scheduled
Discuss recruitment of a person with lived experience of disability to become a member of HDAC with the Consumer Council chair	Dec 20	~~Feb 21~~ May 21	B Duffy	Report	Commenced
Future six-monthly workforce reports to include an overview of the various contracted services and their staffing numbers; and, if possible, include reporting on employees with a disability	July 20	~~Feb 21~~ July 21	K Anjaria	Report	Scheduled
Review of car parking arrangements PNH, including readdressing all carpark feedback and suggestions (Dec 20: after traffic engineering review completed)	April 17	Ongoing	N Wanden	Report	Scheduled
COMPLETED					
Schedule of Board workshops to be included in the work programme	Feb 21	April 21	M Bell	Report	Completed
Discuss holding a Board to Board workshop with THINK Hauora	Feb 21	Feb 21	K Cook	Meeting	Completed – no longer required
Investigate the possibility of providing a breakdown of nursing and midwifery FTEs in financial reports	Feb 21	April 21	N Wanden	Report	Completed – included in Te Uru Pā Harakeke
Detail on increased Mental Health Client DNAs to be included in next HDAC report	Feb 21	April 21 HDAC	S Ambridge V Caldwell	Report	Completed – on HDAC schedule
Carry out review of register of interests	Feb 21	Feb 21	M Bell	Update	Completed
Review internal audit options and speak with other out of region DHBs	April 20	Feb 21	N Wanden	Report	Completed
Review reference to Te Tiriti o Waitangi as an essential component within the Te Wao nui a Tāne	Dec 20	Feb 21	T Te Huia	Update	Completed

Matter	Raised	Scheduled	Responsibility	Form	Status
ecosystem and check with Hone Morris from Massey University					
Report back with further details on the content and timing of the second of two Te Tiriti o Waitangi training sessions	August 20	~~Nov 20~~ ~~Dec 20~~ Feb 21	T Te Huia	Report	Completed
Report details from CCDM of the monthly variance from each clinical area on a shift-by-shift basis	August 20	Feb 21	C Eves	Report	Completed
Content of kete presented by Rangitāne o Manawatu at hui on 29 September uploaded to SharedNet	Dec 20	Dec 20	T Te Huia and M Bell	Upload to SharedNet	Completed
Meeting invitations to be sent for quarterly 'Board to Board' hui with Manawhenua Hauora in 2021	Dec 20	Dec 20	M Bell	Calendar invitations	Completed
Presentation to Minister of Health to be uploaded to SharedNet after meeting on 16 December 2020	Dec 20	Dec 20	M Bell	Upload to SharedNet	Completed
Write to iwi and Māori providers to thank them for services provided during COVID-19 lockdown	Nov 20	Dec 20	B Duffy	Letters	Completed
Make contact with Te Awa Trust to see if it would be beneficial for the Palmerston North Hospital Foundation to work with them	Sept 20	October 20	R Matthews	Verbal report from Board Chair	Completed
Provide an updated annual work programme	Nov 20	Dec 20	R Matthews	Report	Completed
Provide update on the immunisation register to a future Board meeting	Sept 20	Dec 20	D Davies	CEO Report	Completed
Include a more detailed breakdown of the 'Exceptional Items' category in financial reports	Nov 20	Dec 20 and ongoing	N Wanden	Report	Completed and ongoing
Provide breakdown of staff compensation costs that had been recorded in the draft Annual Report 2019/20	Sept 20	Dec 20	N Wanden	Report	Completed
Review of Board membership, capability and capacity	Feb 20 FRAC Mar 20 Board	~~Nov 20~~ Dec 20	B Duffy	Report	Completed
Board meetings with professional staff groups - scheduling on work programme	Dec 19	~~March 20~~ Nov 20	~~K Cook~~ R Matthews	Included in 2020/21 work programme	Completed
Update Governance Manual Section 18 to clarify how meeting fees calculated if combined meeting of the Board and a Statutory Committee is required	Sept 20	Dec 20	R Matthews	Report	Completed
Load Delegation of Authority Policy onto SharedNet	Nov 20	Nov 20	M Bell	SharedNet	Completed
Ensure the salaries of Spotless workers did not decrease if the supplier changed; find out whether length of service would continue for transferring workers; during tender process, consider what equity providers had around employment opportunities	July 20	Ongoing	N Wanden	Report	Completed as part of contract negotiations; new contract from 1 December 2020

Matter	Raised	Scheduled	Responsibility	Form	Status
Māori health dashboard to be reported to the Board quarterly, with improvement plans reported six-monthly	May 20	~~Sept 20~~ Nov 20 (d/board) Dec 20 (plan)	T Te Huia	Report	Completed – reports will be presented to HDAC
Review of Remuneration Strategy and Policy	Dec 19	Dec 20	K Anjaria	Report	Completed
Advise date for remainder of orientation tour for Board members, including off-site services	Sept 20	Oct 20	R Matthews	Advised tour to follow HDAC 24 November	Completed
Ensure Board induction programme is re-started following interruption due to COVID-19	August 20	Sept 20	R Matthews	Report	Completed – report to 29 Sept meeting
Enable NZ ownership	Dec 18	~~July 19~~ ~~May 20~~ Sept 20	~~D Andrews~~ M Riwai	Report	Completed – presentation to 29 Sept 2020 meeting
Provide information to the board on the number of women who had to be transferred during labour from a primary birthing option; also asked to consider the growth rate of the Horowhenua community	July 20	September 20	S Fenwick	Report	Completed – Reported to HDAC; will now be provided six-weekly. Growth rate consideration is part of project.
Check whether there should be more than two meetings per year of the Remuneration Committee	August 20	September 20	K Cook	Report	Completed – ToR require two meetings per year
Follow up on provision of health and safety training for Board members	August 20	December 20	K Anjaria	Report	Completed – scheduled 10 Nov 20
Provide analysis by age group on incidents of staff bullying	August 20	September 20	K Anjaria	Report	Completed – included in CEO's report Sept 20
Include two additional performance measures for the Chief Executive in 2020/21	August 20	September 20	K Anjaria	Report	Completed
Check whether presentation from NZHP to Board Chairs on the Health System Catalogue Business Case was available to share with Board members	August 20	September 20	N Wanden	Report to be distributed	Completed – emailed 26 August
Provide feedback to NZ Health Partnerships regarding lack of diversity on their Board of Directors; lack of outcomes for Māori and Pacific peoples in the SPE; and that the Health System Catalogue business case did not link to the Treaty of Waitangi or explain how it would benefit Māori health	August 20	September 20	N Wanden	Letter to NZHP	Completed – letter sent 21 August
Internal auditors having difficulties engaging someone with appropriate experience to conduct	April 20	ASAP	T Te Huia	Discussion with internal auditors	Completed – review ToR signed by CEO

Matter	Raised	Scheduled	Responsibility	Form	Status
equity and fairness audit. General Manager, Maori Health to discuss with internal auditors					and auditor started on 10 August
Performance improvement plan – provision of available ethnicity data	Dec 19	~~March 20~~ July 20	J Catherwood	Include in PIP report	Completed
Send a letter of congratulations and recognition to Dr Garry Forgeson for his Queen's Birthday Honour for his services to oncology	July 20	August 20	B Duffy	Letter	Completed
Update financials in the integrated hospital and community pharmacy and improved front of hospital report and return to the Board	July 20	Aug 20	N Wanden	Report	Completed
Advise the Board on the Corporate and Other figures without Enable New Zealand included	July 20	Aug 20	K Anjaria	Report	Completed

Verbal report from the Board Chair

The Board Chair will provide an update on recent activities

Resolution

That the Board note the unconfirmed Part One minutes of the Health and Disability Advisory Committee meeting held on 27 April 2021.

MidCentral District Health Board

Health and Disability Advisory Committee Minutes

Meeting held on 27 April 2021 from 9.00am

PART ONE

Members

John Waldon (Committee Chair), Brendan Duffy (Board Chair), Heather Browning, Vaughan Dennison, Lew Findlay, Muriel Hancock, Materoa Mar (Deputy Committee Chair), Gail Munro, Karen Naylor, Oriana Paewai, Jenny Warren.

In attendance

Kathryn Cook, Chief Executive; Judith Catherwood, General Manager, Quality and Innovation; Celina Eves, Executive Director, Nursing and Midwifery; Chiquita Hansen, Interim General Manager, Strategy, Planning and Performance; Rory Matthews, Interim Director, Office of the Chief Executive; Gabrielle Scott, Executive Director, Allied Health; Margaret Bell, Board Secretary.

In attendance (part meeting)

Scott Ambridge, Operations Executive, Te Uru Rauhī; David Andrews, Acting General Manager, Enable New Zealand; Wayne Blissett, Operations Executive, Pae Ora Paiaka Whaiora; Dr Jeff Brown, Clinical Executive, Te Uru Pā Harakeke; Dr Vanessa Caldwell, Clinical Executive, Te Uru Rauhī; Mariette Classen, Consumer Experience Manager; Debbie Davies, Operations Executive, Te Uru Kiriora; Sarah Fenwick, Operations Executive, Te Pā Harakeke; Pauline Holland, Planning and Integration Lead, Te Uru Whakamauora; Lyn Horgan, Operations Executive, Te Uru Arotau; Kelly Isles, Director of Strategy; Sam Kilmister, Communications and Social Media Advisor; Andrew Nwosu, Operations Executive, Te Uru Whakamauora; Angela Rainham, Locality and Intersectoral Development Manager; Alison Russell, Planning and Integration Lead, Te Uru Kiriora; Lee Welch, Improvement Advisor, Quality and Innovation.

Media – 0; Public – 2

1. KARAKIA

The meeting opened with the organisational karakia.

2. ADMINISTRATIVE MATTERS

2.1. Apologies

An apology from Norman Gray was received and accepted.

2.2. Late items

There were no late items.

2.3. Register of Interests Update

The following updates to the Register of Interests were advised.

Oriana Paewai

Remove

- Chief Executive Officer, Rangitāne o Tamaki nui a Rua
- Coordinating Chair, Te Whiti ki te Uru
- Member, Governance Board, Te Ohu Auahi Mutunga (TOAM)
- Member, Before School Checks (B4SC) Collective
- Committee member, Nga Kaitiaki o Ngāti Kauwhata Inc
- Member, Project Alliance Board, Te Ahu a Turanga Manawatū-Tararua Highway
- Member, Pā Harakeke CAG
- Member, MDHB Māori Alliance Leadership Team (MALT)
- Member, UNISON
- Member, Alliance Leadership Steam (ALT), THINK Hauora

Add

- Member, Governance Board, Mana Whaikaha

Chiquita Hansen

Add

- Employed by THINK Hauora as Chief Executive and seconded to MDHB as Interim General Manager, Strategy, Planning and Performance 6/10ths
- Husband is employed by MDHB
- Executive member of General Practice New Zealand (GPNZ)
- Executive member of Health Care Home Collaborative

2.4. Minutes of the 16 February 2021 meeting, Part One

It was resolved that:

the Part One minutes of the 16 February 2021 Health and Disability Advisory Committee meeting be approved as a true and correct record.

(Moved John Waldon; seconded Muriel Hancock)

2.5. Matters arising from previous minutes

No discussion.

3. STRATEGIC FOCUS

Discussion to be held in Part Two of this meeting.

4. DIRECTORATE WITH CLUSTER FUNCTIONS REPORTING

4.1. Directorate Dashboard

The Operations Executive, Te Uru Arotau presented this report, which was taken as read.

Management offered to provide more detail in future reports about the challenges being faced by MidCentral DHB's (MDHB) workforce. The Health, Safety and Wellbeing reports presented to the Finance, Risk and Audit Committee (FRAC) and the Board already included the number of reported incidents of staff shortages.

The Operations Executive, Te Uru Arotau, explained the 'home warding' principles that would be used to improve acute medical inpatient flow.

4.2. Te Uru Whakamauora – Healthy Ageing and Rehabilitation

The Operations Executive and the Planning and Integration Lead, Te Uru Whakamauora presented this report, which was taken as read.

The Older People's Acute Assessment and Liaison Unit (OPAL) Community Services business case would be re-presented to the July Board meeting. Robust financial data needed to be gathered before the business case was presented to the Organisational Leadership Team (OLT) and FRAC.

The Executive Director, Allied Health noted that community Occupational Therapists (OT) used Ministry of Health guidelines to assess referrals. Non-urgent referrals had been reviewed and it was found that not everyone needed a complex assessment. The Operations Executive advised analysis was being carried out to see whether people on the community OT waiting list were presenting at the Emergency Department.

4.3. Te Uru Rauhī – Mental Health and Addiction Services

The Operations Executive and Clinical Executive, Te Uru Rauhī presented this report, which was taken as read.

The Request for Proposal for the Horowhenua Community step up service was expected to be completed in May or June 2021. This iwi-led service was part of an overall model of care for an acute response that would support alternatives to ward admission if possible.

The Clinical Executive advised that the proportion of Māori engaged with or needing the Opioid Substitution Treatment service was relative to need in the community.

The Acting General Manager, Enable New Zealand, joined the meeting

4.4. Te Uru Arotau – Acute and Elective Specialist Services

The Operations Executive, Te Uru Arotau presented this report, which was taken as read.

Board members noted the increased levels of senior staff in the Emergency Department (ED) and acknowledged the successful recruitment effort. The Operations Executive explained there would now be two Senior Medical Officers (SMOs) in ED on weekend mornings, and that SMOs would work until 2am rather than midnight. Nurse Practitioners provided continuity and were able to support the Resident Medical Officer workforce.

In response to a question, it was confirmed that MidCentral DHB met quarantine costs for clinicians recruited from overseas.

4.5. Te Uru Kiriora – Primary, Public and Community Health

The Operations Executive and the Planning and Integration Lead, Te Uru Kiriora presented this report, which was taken as read.

The Operations Executive advised that MDHB's COVID-19 vaccination programme was at 138 percent of target, and one-third of border workers had received their second dose of the vaccine.

A low number of women took up the cervical screening opportunity at the second Te Whara Tapa Whā Hauora Day held at the Poutu Marae in Shannon. A Committee member noted the numbers were not important, and that reaching any woman who had not previously been screened was a success. It was important to provide mobile services in the community.

4.6. Te Uru Mātai Matengau – Cancer Screening, Treatment and Support

The Operations Executive, Te Uru Mātai Matengau presented this report, which was taken as read.

Committee member, Vaughan Dennison, joined the meeting.

4.7. Te Uru Pā Harakeke – Healthy Women, Children and Youth

The Operations Executive and the Clinical Executive, Te Uru Pā Harakeke presented this report, which was taken as read.

The report on the Midwifery Review carried out by Emma Farmer (Director of Midwifery, Waitemata DHB) had been received and minor factual changes were required. The report would be presented to the Board when finalised.

Board members would receive an invitation to the official opening of the Milk Bank, being held on Wednesday 19 May.

Family violence intervention screening rates had improved over the last six months. Future reports will include data showing the baseline and progress made, including by ethnicity.

The base fee for providing ultrasound scans had risen slightly over the last 10 years. One provider had introduced a $40 surcharge to cover costs, and others were expected to introduce a surcharge from July. This was a national trend. It was noted that the surcharge was not applied to Community Services Card holders.

It was resolved that the Committee:

note the areas highlighted in the dashboard and associated commentary.

(Moved Karen Naylor; seconded Jenny Warren)

The Consumer Experience Manager and the Improvement Advisor, Quality and Innovation joined the meeting.

5. PERFORMANCE REPORTING

5.1. Enable New Zealand Report

The Acting General Manager, Enable New Zealand presented this report, which was taken as read. As Enable New Zealand carries out a lot of housing modifications, discussions had been held with architects and builders to understand the ongoing issues around potential shortages of building materials and labour.

It was resolved that the Committee:

endorse the Enable New Zealand Report to 31 March 2021.

(Moved Materoa Mar; seconded Muriel Hancock)

5.2. Pae Ora Paiaka Whaiora Report

The Operations Executive, Pae Ora Paiaka Whaiora presented this report, which was taken as read. The Pae Ora Team was at capacity, which reflected MDHB's commitment to an authentic Te Tiriti o Waitangi relationship.

It was resolved that the Committee:

note the progress update for the Pae Ora Paiaka Whaiora Directorate.

(Moved John Waldon; seconded Karen Naylor)

5.3. Quality and Safety Dashboard

The Consumer Experience Manager and the Improvement Advisor, Quality and Innovation presented this report, which was taken as read.

In accordance with MDHB's Variance Management Response Guidelines, incidents where harm has occurred or could have occurred should be reported. All incidents were reviewed by the service. As part of the risk review process, the Principal Risk Officer also reviewed all incident reports against risks. Workforce shortages and notifications were included in workforce reports to FRAC and the Board. All Serious Adverse Events were reviewed to see whether any workforce issues were a contributory factor.

A Committee member noted that Figure 4.2.1 'Total Incidents by Month' did not show whether the incidents related to a particular problem area or cluster. The General Manager, Quality and Innovation advised that any trends or 'hot spots' would be identified in the narrative of future reports.

It was resolved that the Committee:

note the content of the Quality and Safety Dashboard

endorse the improvement activities planned for the next quarter.

(Moved Karen Naylor; seconded Jenny Warren)

6. DISCUSSION/DECISION PAPERS

6.1. Regional Services Plan Implementation, Quarter Two 2020/21

The Director of Strategy presented this report, which was taken as read.

It was resolved that the Committee:

note the final draft Regional Services Plan for 2020/21 was submitted to the Ministry of Health in December 2020 and has not yet been formally approved by the Minister of Health

note the progress made on implementing the central region's national and regional priority programmes for the second quarter of 2020/21.

(Moved Muriel Hancock; seconded Vaughan Dennison)

6.2. Locality Health and Wellbeing Plans – Triennial Update

The Locality and Intersectoral Development Manager presented this report, which was taken as read.

Some Committee members commented that the Palmerston North Safety Advisory Board (PNSAB) was not the best organisation to engage with. The Locality and Intersectoral Development Manager provided reassurance that PNSAB was not the only connection with the Palmerston North community.

The Chief Executive noted the recent announcement on the Government's response to the Health and Disability System Review included a focus on understanding the needs of local communities. MDHB was already well advanced with locality planning and this work should continue.

MDHB had asked iwi to develop their own health and wellbeing plans to highlight their wants and needs. MDHB would work with iwi and Pae Ora Paiaka Whaiora to ensure its locality plans complemented and built on the iwi goals. This approach meant that DHB boundaries were not imposed on iwi.

It was resolved that the Committee:

note the progress that has been made through the locality work over the last three years

note the points of interest in each locality

endorse the suggested future direction of the locality work.

(Moved Oriana Paewai; seconded Jenny Warren)

The Director of Strategy and the Locality and Intersectoral Development Manager left the meeting

6.3. Ka Ao, Ka Awatea – Annual Progress Report

The Operations Executive, Pae Ora Paiaka Whaiora presented this report, which was taken as read. He noted the Government's announcement in response to the Health and Disability System Review, which included the establishment of a Māori Health Authority. This meant that future planning for implementation of Ka Ao, Ka Awatea after 2022 may start earlier than planned.

It was resolved that the Committee:

note the report on forward implementation of Ka Ao, Ka Awatea Strategy Refresh 2020-22.

(Moved John Waldon; seconded Karen Naylor)

6.4. Māori Health Equity Dashboard – Adult Health Indicators

The Operations Executives from Te Uru Kiriora, Te Uru Arotau and Te Uru Mātai Matenga presented this report, which was taken as read.

A Committee member asked that all Māori Health Equity Dashboard reports be included in a folder on the Stellar platform.

It was resolved that the Committee:

note the equity position for each of the indicators

note the analysis, discussion and proposed next steps to improve Māori health equity and further strengthen MidCentral District Health Board's commitment to Te Tiriti o Waitangi

endorse the Te Ara Angitū report.

(Moved Vaughan Dennison; seconded Heather Browning)

7. INFORMATION PAPERS

7.1. Locality Plan Progress Report – Palmerston North

The report was taken as read.

It was resolved that the Committee:

note the progress that has been made in relation to the Te Papaioea Te Mahere Hauora (Palmerston North Health and Wellbeing Plan).

(Moved Vaughan Dennison; seconded Materoa Mar)

7.2. Committee's Work Programme

The report was taken as read.

It was resolved that the Committee:

note the update on the Health and Disability Advisory Committee's work programme.

(Moved John Waldon; seconded Vaughan Dennison)

8. GLOSSARY OF TERMS

No discussion.

9. LATE ITEMS

There were no late items.

10. DATE OF NEXT MEETING

Tuesday, 13 July 2021 – Board Room, MidCentral District Health Board, Gate 2 Heretaunga Street, Palmerston North

Lew Findlay asked that his apology for the July meeting be recorded.

11. EXCLUSION OF PUBLIC

It was resolved:

that the public be excluded from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons stated:

Item	Reason	Ref
'In committee' minutes of the previous Health and Disability Advisory Committee meeting	For reasons set out in the agenda of the 16 February 2021 meeting held with the public present	
Health and Disability System Review	To maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials	9(2)(f)(iv)
Serious Adverse Events (SAC 1)	To protect patient privacy	9(2)(a)
Consumer Story – Workshop	To protect patient privacy	9(2)(a)

(Moved Vaughan Dennison; seconded Lew Findlay)

Part One of the meeting closed at 11.08am

Confirmed this 13th day of July 2021

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Committee Chair

Resolution

That the Board note the unconfirmed Part One minutes of the Finance, Risk and Audit Committee meeting held on 4 May 2021.

MidCentral District Health Board

Finance, Risk and Audit Committee Minutes

Meeting held on 4 May 2021 from 9.00am

PART ONE

Members

Oriana Paewai (Committee Chair), Brendan Duffy (Board Chair), Heather Browning, Vaughan Dennison, Tony Hartevelt, (Deputy Committee Chair, Independent), John Waldon.

In attendance

Kathryn Cook, Chief Executive; Neil Wanden, General Manager, Finance and Corporate Services; Darryl Ratana, Deputy Chief Financial Officer; Tracee Te Huia, General Manager, Māori Health; Jared McGillicuddy, Internal Audit Manager, Technical Advisory Services; Rory Matthews, Interim Director of the Office of the Chief Executive; Nicki Williamson, Committee Secretary.

In attendance (part meeting)

Keyur Anjaria, General Manager, People and Culture; Judith Catherwood, General Manager, Quality and Innovation; Chiquita Hansen, Interim General Manager, Strategy, Planning and Performance; Darren Horsley, Principal Risk Officer; Michelle Riwai, General Manager, Enable New Zealand; Bruno Dente, Audit Partner, Deloitte (via Zoom); Lucy Nicol, Associate Director, Deloitte (via Zoom).

1. KARAKIA

The meeting opened with the organisational karakia.

2. ADMINISTRATIVE MATTERS

2.1. Apologies

An apology from Simon Allan was received and accepted.

2.2. Late items

There were no late items.

2.3. Register of Interests Update

There were no changes to the register of interests.

2.4. Minutes of the previous meeting

It was resolved that:

the Part One minutes of the meeting held on 23 March 2021 be approved as a true and correct record.

(Moved Tony Hartevelt; seconded Heather Browning)

2.5. Matters arising from previous minutes

There were no matters arising from the previous minutes.

3. PERFORMANCE REPORTING

3.1. Finance Report – March 2021

The Deputy Chief Financial Officer presented the report, which was taken as read. The February result had been positive, whilst March had been slightly adverse at $67k. The majority of clusters were performing well. Year to date variance to budget was positive. Nursing was adverse to budget.

March had been the first month that training had been adverse to budget. Outsourced services, for example, to Crest and Radiology were offset by the revenue from planned care.

The Interim Director of the Office of the Chief Executive joined the meeting.

The February report covered FTEs, the team was undertaking a thorough analysis into headcount and would report back to the Committee in June. COVID-19 had impacted the FTE by not being able to recruit specialists from overseas.

The following amendments to the report were noted:

- The number in the second recommendation was $0.67m
- The last sentence in the fourth recommendation was amended to read 'Including these one-off costs results in a year to date deficit after exceptional items of $1.390m. This is favourable to budget by $0.307m.'
- Legal fees were $0.146m.

There was discussion about the DHB liquidity. The positive position was largely due to Capex determents.

The General Manager, Quality and Innovation and the General Manager, Enable New Zealand joined the meeting.

Management were able to confirm that the data privacy issue under webPAS SaaS had been resolved.

It was resolved that the Committee:

note that the month operating result for March 2021 is a deficit before one-off items of $1.841m, which is $0.67m adverse to budget

note that the year to date result for March 2021 is a surplus before one-off items of $0.972m, which is $2.670m favourable to budget

note that year to date for March 2021 COVID-19 related net costs of $0.094m and unbudgeted Holidays Act related costs of $2.268m have been incurred. Including these one-off costs results in a year to date deficit after exceptional items of $1.390m. This is favourable to budget by $0.307m

note that total available cash and equivalents of $45.4m as at 31 March 2021 is sufficient to support liquidity requirements

endorse the March financial report.

(Moved Oriana Paewai; seconded John Waldon)

3.2. **Finance Report – February 2021**

The Deputy Chief Financial Officer presented the report, which was taken as read.

It was resolved that the Committee:

note that the month operating result for February 2021 is a surplus before one-off items of $1.545m, which is $0.245m favourable to budget

note that the year to date result for February 2021 is a surplus before one-off items of $2.813m, which is $2.737m favourable to budget

note that year to date for February 2021 COVID-19 related net costs of $0.036m and unbudgeted Holidays Act related costs of $2.009m have been incurred. Including these one-off costs results in a year to date surplus after exceptional items of $0.769m

note that total available cash and equivalents of $41.6m as at 28 February 2021 is sufficient to support liquidity requirements

endorse the February financial report.

(Moved Oriana Paewai; seconded Vaughan Dennison)

3.3. Sustainability Plan

The General Manager, Quality and Innovation presented the report, which was taken as read. Work was ongoing on the benefits realisation of the Sustainability Plan which would include a holistic view of the plan.

Several of the projects would be completed by the end of June.

The two Directorates that were part of the workforce wellbeing pilot were Acute and Elective Services (planned care) and Healthy Ageing and Rehabilitation. Both areas had volunteered to be part of the pilot and contained sizeable workforce groups.

It was resolved that the Committee:

note the emerging risks and mitigation plans

note the 2020/21 benefits realisation reconciliation is currently being progressed

endorse the approach and progress made to date on the Sustainability Plan 2020-2023 for Board consideration.

(Moved Vaughan Dennison; seconded John Waldon)

3.4. Clinical Audits Review Findings – Update April 2021

The General Manager, Quality and Innovation presented the report, which was taken as read. The report included recent audits from the Ombudsman, Ministry of Health as well as Accreditation audits. Most were on track although there had been some challenges with securing suppliers to undertake the calibration work and workforce challenges.

The Ministry of Health's Radiation Safety of Site inspection revealed the dosimeter was out of calibration (November 2020). Calibration was booked for June 2021 and the auditor was aware of the difficulties in getting a calibration booking. The Committee requested that the General Manager, Quality and Innovation check there was no patient risk while the dosimeter was not calibrated.

Equipment servicing and obtaining parts was becoming difficult. Planning and mitigations for asset management were being prepared. The clinical governance group would oversee this.

It was confirmed that the DHB did have mitigations in place that met with the auditors' satisfaction regarding the Child Protection Alert system until the ROC electronic version could be complied with.

The asset register was discussed. This required some work as information was recorded in several places. External resource would be required to assist with the asset management plan. A programme plan for asset management would be prepared.

A finding in the Certification audit – 1.2.8.1 was queried. The General Manager, Quality and Innovation would seek clarity on the corrective action from HealthCERT to determine their requirements. This would be confirmed in the next report, including if compliance would be achieved within the recommended timeframe.

It was resolved that the Committee:

endorse a programme of work showing requirements to complete the Asset Management Plan and register

endorse the progress of the clinical audit recommendations.

(Moved Brendan Duffy; seconded Heather Browning)

3.5. Enablement Programme Quarterly Report

The General Manager, Enable New Zealand presented the report, which was taken as read. Progress had been made over a number of complex projects. The JDE replacement was a bigger project than anticipated and would be broken into smaller pieces to manage.

There was discussion about the opportunities, priorities and future for Enable New Zealand following the Government's health reform announcement. There were options including becoming a full subsidiary of the DHB, becoming a charitable trust or transitioning to Health NZ.

It was resolved that the Committee:

note the Enablement Programme update to 31 March 2021.

(Moved John Waldon; seconded Heather Browning)

The Principal Risk and Resilience Officer joined the meeting.

The General Manager, Quality and Innovation and the General Manager, Enable New Zealand left the meeting.

4. STRATEGY AND PLANNING

4.1. General Approach to Contract Review and Renewal for 2021/22

The Interim General Manager, Strategy, Planning and Performance presented the report, which was taken as read.

The DHB had 160 providers and over 900 contract service lines. All service lines were undergoing a thorough review as this hadn't happened last year due to COVID-19. The team were in the process of developing an outcomes commissioning framework.

It was resolved that the Committee:

note the approach to the review and renewal of contracts

endorse for the Board's consideration the proposal that MidCentral District Health Board enters into national contracts with providers.

(Moved Oriana Paewai; seconded Vaughan Dennison)

The Interim General Manager, Strategy, Planning and Performance left the meeting.

The external auditors from Deloitte joined the meeting via Zoom.

5. DECISION PAPERS

5.1. External Audit Engagement Letter and Audit Plan

The external auditors presented the report, which was taken as read. The audit report had been prepared before the Government's announcement to restructure the sector. They would now await guidance from the Ministry and Auditor-General.

The areas of focus for the next audit were run through and what would be looked for.

The Committee asked if the auditors could spend longer at the next meeting to ensure there was time to allow the discussion to be extended if required.

It was resolved that the Committee:

note the audit planning report

endorse for Board consideration and signing by the Board Chair the audit engagement letter.

(Moved Vaughan Dennison; seconded John Waldon)

The General Manager, People and Culture joined the meeting.

6. INFORMATION PAPERS

6.1. Internal Audit Update

The Internal Auditor presented the report, which was taken as read. Progress continued although slowly. There were now some draft reports with management for feedback.

It was resolved that the Committee:

note the update on the internal audit programme status report.

(Moved Tony Hartevelt; seconded John Waldon)

6.2. Enterprise Risk Update

The Principal Risk and Resilience Officer presented the report, which was taken as read. There were no significant changes or concerns. Information was now captured around Enable New Zealand's strategic risks and reported on. The RiskMan outage had not had an ongoing impact on data integrity. The Chair thanked the Principal Risk and Resilience Officer for the new look reporting.

It was resolved that the Committee:

note the updates of all MidCentral District Health Board (MDHB) enterprise risks that have undergone planned periodic review

note the current status of Enable New Zealand strategic risks

note the unplanned RiskMan outage.

(Moved John Waldon; seconded Heather Browning)

6.3. Health, Safety and Wellbeing

The General Manager, People and Culture presented the report, which was taken as read. The report contained the new look dashboard. There were no significant health and safety issues reported in the reported quarter. The organisation continued to offer wellness programmes, which are well received by staff. There had been overwhelming feedback to the psychosocial wellbeing strategy. This feedback is being consolidated and the strategy will be provided to the Board for approval.

It was resolved that the Committee:

note the quarterly Health, Safety and Wellbeing report

endorse the quarterly Health, Safety and Wellbeing report for submission to the Board.

(Moved Vaughan Dennison; seconded Heather Browning)

The General Manager, People and Culture and the Principal Risk and Resilience Officer left the meeting.

7. GLOSSARY OF TERMS

No discussion required.

8. LATE ITEMS

There were no late items for Part One.

9. DATE OF NEXT MEETING

Tuesday, 15 June 2021 – Board Room, MidCentral District Health Board, Gate 2 Heretaunga Street, Palmerston North

10. EXCLUSION OF PUBLIC

It was resolved:

that the public be excluded from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons stated:

Item	Reason	Ref
'In committee' minutes of the previous meeting	For reasons set out in the agenda of the 23 March 2021 meeting	
Insurance Update 2021/22	To protect negotiations, including commercial and industrial	9(2)(j)
Fleet Replacement	To protect negotiations, including commercial and industrial	9(2)(j)
Replacement Echocardiography Image Vault	To protect negotiations, including commercial and industrial	9(2)(j)
2021/22 Annual Plan and Budget	To maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials	9(2)(f)(iv)

(Moved Vaughan Dennison; seconded John Waldon)

Part One of the meeting closed at 11.00am

Confirmed this 15th day of June 2021

……..

Committee Chair

BOARD REPORT

For:

	Approval
	Endorsement
X	Noting

To	Board
Author	Tracee Te Huia, General Manager, Māori Health
Endorsed by	Kathryn Cook, Chief Executive
Date	7 May 2021
Subject	**Manawhenua Hauora Chair's Report – General Manager, Māori Health's Response**

Key questions the Board should consider in reviewing this paper:

- Is the Board confident that the discussion points of Manawhenua Hauora are being partnered and supported where appropriate?
- Does the Board support that Manawhenua Hauora seeks to find its fit into the reform and lead to shape what that looks like?
- Are there any follow up points the Board has for either the Organisational Leadership Team or Manawhenua Hauora?

RECOMMENDATION

It is recommended that the Board:

- **note** the report from the Manawhenua Hauora Chair on the Manawhenua Hauora hui held in April 2021.
- **note** the General Manager, Māori Health's response to the Chair's report.

Strategic Alignment

This report is aligned to the DHB's 10-year strategy and Ka Ao, Ka Awatea Māori Health Strategy.

1. PURPOSE

To provide the Manawhenua Hauora Chair's report on the April 2021 Manawhenua Hauora meeting and advise the Board of management's responses to issues raised in the Chair's report.

2. SUMMARY

The report covers the following subjects:

- Iwi Updates
- Pae Ora Paiaka Whaiora report
- Ka Ao Ka Awatea looking forward
- Regional Interagency Network
- Mental Health Inpatient Unit Ward 21 development
- Children's Hub
- Joint Board to Board Workplan 2021-2022
- MDHB's Annual Plan 2021-2022
- Māori Equity Review.

3. MDHB'S RESPONSES

Iwi Updates

As the reform progresses with the establishment of the Māori Health Authority and other parts of the system, MDHB will need to consider how it supports Manawhenua Hauora and the Māori Alliance Leadership Team to stabilise and secure the efforts made over the last five or more years.

Iwi are engaging one another at present to ensure they are aligned in their thinking and submissions to the Transition Unit. An initial view of Manawhenua Hauora is that bringing another DHB district into the central region fold will only confuse relationships more. Manawhenua Hauora think the current region is large enough without adding to the numbers of whānau who need to be serviced. Iwi have agreed to keep their agenda tight and focused over the coming months to ensure they have time to discuss how they engage in the reform and how they futureproof the iwi of this district.

Pae Ora Paiaka Whaiora Report

It is fantastic that we have gained the trust and respect of Manawhenua Hauora for the work we do to progress the improvement of Māori health. While we all agree there is still a long way to go to achieving 'Pae Ora', the work programme, plans and effort are well aligned, well committed to and jointly supported. There was a lengthy discussion about how kaupapa contracting will be managed in the reform; how providers will be assured of sustained funding to support retention of staff; and what is the role of the different parts of the system. Manawhenua Hauora are of the view that the MidCentral DHB district is well poised for the changes coming and we are aligned to the structural changes proposed. Pae Ora will continue with is work plan, ensuring we adapt with the changes as and when required.

Ka Ao Ka Awatea – Looking Forward

Pae Ora will lead the development of the next joint Board to Board work plan while keeping abreast of developments. We expect to have the next plan signed off by both Boards and ready for implementation by 1 July 2021. This plan will take MDHB and iwi to the 30 June 2022 in time for the 'go live' date of 1 July 2022 for the reform entities.

Regional Interagency Network

Manawhenua Hauora endorsed the Regional Interagency Network (RIN) priorities, enabling the network to go to the next stage of developing key strategies and a monitoring dashboard for performance. The next quarterly meeting in May will establish teams and workshop actions for the priorities. In addition, a team will be set up to develop the monitoring dashboard. We will be taking into consideration current monitoring frameworks of agencies and local authorities. The future role and function of Manawhenua Hauora is timely given the reform and the overall vision of Whānau Ora. Given the strengthened legislation for iwi partnership in health and other agencies such as Corrections and Oranga Tamariki, engagement will become demanding and time-consuming. Iwi believe it's the right time for them to be thinking about engagement being more conducive, cost-efficient and convenient for them as opposed to agencies.

Mental Health Inpatient Unit Ward 21

The plans and architecture for the new build was well received by iwi. The Operations Executive for Pae Ora has organised meetings for Rangitāne o Manawatū and the Director of Facilities to ensure our engagement is meaningful and respectful to iwi. Ongoing progress reports will be provided to iwi, with the agreement that iwi can engage on all parts of the development to completion.

Board to Board Joint Work Plan 2021-2022

The next plan will be developed and consulted on as a draft before going to the next Board to Board meeting in May. Once the framework for the plan is approved by both Boards, the work plan will be completed for sign off in June ready for implementation in July. This will take iwi and MDHB through to when DHBs will be disestablished and the new reform entities will be 'go live'.

MDHB Annual Plan 2021-2022

Consultation has taken place with Manawhenua Hauora on the draft Annual Plan for 2021-2022. A good level of engagement resulted in some clear feedback for the DHB. This feedback has been considered by Pae Ora and Strategy. Planning and Performance team for inclusion into the plan. Responses to comments are listed below:

- MDHB will look to find better language to describe improving Māori health.
- Recruitment for a Senior Māori Workforce Development Manager role is again being advertised. This is the third time we have advertised this role. We may need to contract with a consultant to fulfil some of the workforce actions currently behind planned timeframes. The way this work could potentially be contracted is being considered as a second option by both Pae Ora and People and Culture.
- Iwi planning is on track, with all plans expected to be provided to MDHB by the end of June. The calibre of plans and level of detail for these has guided commissioning and provider development pathways for MDHB.
- Better engagement between the Māori Health Alliance Team and Directorates is under consideration by Pae Ora.
- Decisions on budgets and investment areas for MDHB will be made following receipt of the funding envelope in June. Māori health investment is a priority for the DHB, alongside workforce and data and digital. We will know more in June about our investments for next year.

Māori Equity Review

The draft report is currently being considered by management and will be finalised in May for sign off by the Finance, Risk and Audit Committee at its June meeting. Once recommendations have been finalised and agreed, the report will be provided to Manawhenua Hauora for information. Implementation of the recommendations will then begin.

IWI UPDATES

It was agreed going forward that because the Manawhenua Hauora agenda is increasing and potentially expanding to other agency developments, all iwi updates which are usually provided at the beginning of hui will be provided by email prior to the meetings to increase time for more agenda items. If anything of urgency needs to be discussed this will be raised in the hui. This new way of working was endorsed by all iwi in attendance.

PAE ORA PAIAKA WHAIORA REPORT

Iwi acknowledged the huge amount of work that Pae Ora is doing and has done for the past five years which demonstrates the level of maturity for both the team and the organisation and its partnerships with iwi. Iwi are satisfied with progress to date in Māori health but reiterate we are yet to see the full benefits. Discussing increased resource more positively with the Chair and CEO of MDHB is promising however we understand DHBs fiscal constraints and the continual perpetuation and lion share of funding going to hospital services. Manawhenua Hauora recommended the Board note its own Board dashboard which highlights the higher numbers of patients seen in primary care versus hospital and the need for the sector to put more of its efforts into community and primary versus hospital which will aid to reduce Maori health inequity.

KA AO KA AWATEA – LOOKING FORWARD

Manawhenua Hauora viewed the direction of travel being described by Pae Ora was valid and endorsed. Discussion arose about the reform and what needed to be considered in this time of change. It was agreed that a workshop be facilitated by Pae Ora at the next Manawhenua Hauora hui and the Board to Board joint meeting in May to develop the next joint work plan. Ensuring we secure the pathway and locking in the good work both DHB and iwi have completed to date, is important. Iwi asked that DHB keep in mind that each iwi has rangatiratanga and therefore should be treated as equal partners when developing and discussing treaty pathways.

REGIONAL INTERAGENCY NETWORK

Current proposed priorities for the RIN were endorsed by iwi, these being Rangatahi/Youth, Mental Health and Addiction and Housing. Iwi suggested there is duplication across different groups working across sectors and recommended that this be considered for improvement and efficiency as we move forward on programmes of work i.e. whānau ora approaches and social impact funded projects. A discussion on how Manawhenua Hauora might expand its role and function to include cross agency development would support the outcomes for whānau ora and projects such as Kainga Whanau Ora. Iwi will be discussing more its thoughts about the changing environment and where we need to place our efforts. We certainly need to find ways to work more efficiently with government agencies and local authorities because the current way of working, is not working for us!

MENTAL HEATH INPATIENT UNIT WARD 21

Manawhenua Hauora was so impressed by the proposed architecture of the Unit that three iwi asked for the consultant's details which was great recognition for their work to date. Manawhenua Hauora would like to be included in the naming of the new building and asked that the project be guided by Manawhenua – Rangitāne o Manawatu moving forward. The land on which the Unit will be established is Rangitāne land and therefore a recommendation by Rangitāne was made, that they become involved in all future planning of the Unit. This was agreed at the hui and a first meeting will be established by Wayne Blissett with Danielle Harris CEO for Rangitāne o Manawatu and the Director of Facilities in May.

CHILDRENS HUB

This report was taken as read and little discussion was had because the development is in its early stages. The principles of the project were endorsed, and Oriana Paewai was agreed to be the conduit between iwi and DHB on this development.

2021-2022 JOINT BOARD TO BOARD WORK PLAN

A suggestion was made that we use the May meeting to discuss the skeleton for the next years joint work programme although it was identified that this work may be useless given the recent announcement for the restructuring of the health system past June 2022. It was decided that we should continue with the great work we have accomplished to date and potentially lead the work for the region once the regional boundaries are announced. Discussions have already begun with some iwi on how they work with others into the future, not just in health but in relationships where social determinants could be better impacted. The draft thinking will be discussed at the Board to Board meeting later in the afternoon on the 25th May to enable the programme development to be progressed through June for sign off at the 6 July DHB Board meeting and 12 July Manawhenua Hauora hui. Both workshops will be facilitated by Wayne Blissett, Operations Executive for Pae Ora.

MDHB ANNUAL PLAN 2021-2022

Manawhenua Hauora provided feedback by email and in the hui, these we the points raised:

- We need to stop using Māori Health Improvement and use Māori Health Mana Motuhake or Māori Health Tino Rangatiratanga in line with Whakamaua. Although we've moved from Māori Health Equity to Māori Health Improvement there's still a connotation that improvement has no kaha (strength) to it.
- The workforce needs for Māori Health is so far behind we're now desperate. This has been magnified with the need for more nurses for COVID immunisations for Māori populations. In line with this is the issue of lack of midwives. It was raised that Iwi have seen many Māori midwife students fall by the wayside because they haven't been well supported to achieve. This must be improved and be of priority to localities.

- Iwi health planning becomes more important in the new system particularly with the elevated responsibilities for Iwi in planning and commissioning. Our district will be streaks ahead of other districts because we have already started the health and wellbeing planning for localities and iwi planning for our six iwi. The trick will be to get other iwi up to speed in the central region quickly.
- The Māori Alliance Leadership Team isn't fully function in its intended role yet. We need all clusters and enablers to present their plans to MALT so that we can engage more effectively on their direction of travel. This is an area for improvement.
- Manawhenua Hauora was impressed that the inclusion for increased resource for kaupapa service delivery was included into the annual plan for next year but note the overall fiscal constraint on the organisation at present. If ever the DHB was going to help Māori health now, it would be in ensuring that the whole $5.3 million that has been included into funding considerations, is funded in the new year and not phased. This is because we believe the new system will cause huge blockage and bureaucracy before it improves. We are under no illusion that if the Māori Health Authority is not independent for Iwi governing and management, there's a risk of us making little progress toward health inequity for Māori.

MAORI EQUITY REVIEW BY TAS

The draft report for the Maori Health Equity Review was tabled for discussion with the internal auditor Jared McGillicuddy. Manawhenua Hauora felt the results were satisfactory and that recommendations were valid. Some comments were provided to the auditor for amending the document i.e. partnership needs to be with iwi and not Māori. Iwi were to feedback any further thoughts to the auditor before the report was finalised for the Financial Risk and Audit committee in June. In the main, iwi were happy to endorse the report for finalising under the General Manager Māori Health's guidance.

Strategic focus

Part 1 and 2 Board Packs

Printed from Stellar by
Margaret Bell <margaret.bell@midcentraldhb.govt.nz>

Strategic focus

Discussion in Part Two of today’s meeting

Performance reporting

Part 1 and 2 Board Packs

Printed from Stellar by
Margaret Bell <margaret.bell@midcentraldhb.govt.nz>

BOARD REPORT

For:

	Approval
	Endorsement
X	Noting

Key questions the Board should consider in reviewing this paper:

- Does the report provide a useful update on local, regional, and national matters?
- Are there any additional matters that should be included as routine items in future updates?

To	Board
Author	Kathryn Cook, Chief Executive
Endorsed by	
Date	19 May 2021
Subject	**Chief Executive's Report**

RECOMMENDATION

It is recommended that the Board:

- **note** the update of key local, regional and national matters.

Strategic Alignment

This report is aligned to the DHB's strategy and key enabler, 'Stewardship'.

1. PURPOSE

To provide the Board with an update of key local, regional, and national matters. No decision is required.

2. LOCAL MATTERS

2.1. Government's Budget 2021

The Government's Budget announcement will be delivered on Thursday 20 May. The Strategic Focus at the meeting will include a presentation on the Budget details for the health sector and the likely impact on MidCentral District Health Board (MDHB).

2.2. Financial performance

The operating result for the month of April was a deficit of $0.793m, which was $0.452m favourable to the budgeted deficit of $1.245m. Absorbing unbudgeted Holidays Act Remediation Project and COVID-19 costs of $0.354m took the reported net result to $1.147m deficit.

For the year to date, the operating result is now a surplus of $0.179m, which is $3.122m favourable to the budgeted deficit of $2.943m. Absorbing unbudgeted Holidays Act Remediation Project and COVID-19 costs of $2.716m takes the reported year to date net result to $2.537m deficit.

2.3. Health and Disability System Review – Staff Forum

A staff forum on the Government's response to the Health and Disability System Review was held at Palmerston North hospital on Wednesday 5 May. There was a good attendance and staff had an opportunity to ask questions of the Chief Executive and members of the leadership team. When asked what would happen to district health board (DHB) staff when Health New Zealand is established, we were able to advise that the Cabinet paper stated that all district health board staff would transfer to Health New Zealand from July 2022, under the same terms and conditions.

A copy of the staff forum PowerPoint presentation is included as Appendix One.

2.4. Health Quality and Safety Commission's 'Zero Seclusion'

The Health Quality and Safety Commission's (HQSC) Zero Seclusion: Privacy and Dignity for All was recently re-launched. The HQSC project team intend to visit each DHB to reconnect and agree on the aims for the next 12 months.

When the HQSC project team visited here on 11 May, the MDHB's project team gave a presentation showing how the target of less than five seclusions and less than 150 hours of seclusion per month had been achieved. The team has achieved periods of up to 30 days seclusion free over the last 12 months.

2.5. Te Papaoiea Birthing Centre

The ongoing midwifery staffing shortages has impacted MidCentral District Health Board's (MDHB) ability to staff all three birthing sites (Palmerston North Hospital, Te Papaoiea Birthing Centre and Horowhenua Birthing Unit). The MDHB leadership team met with core midwives and Lead Maternity Carers (LMCs) to discuss the issues and try to find a solution that would ensure the safety of wāhine, pēpi and staff. Although no immediate solutions were found, several medium and longer-term proposals are being explored.

Since 10 May 2021, Te Papaoiea Birthing Centre has been open to LMCs and their clients. The DHB continues to support LMCs by staffing the Birthing Centre between 8am and 4pm Monday to Friday. Outside of these hours, the facility is available to all LMCs with agreement that a second LMC midwife must always be present and that any graduate LMC midwife must always be supported by a senior LMC midwife.

MDHB remains fully committed to primary birthing and the situation is being reviewed each week. The new arrangements will remain in place until safe staffing can be assured at all three sites. Until that time, the Birthing Centre will not be available for inpatient stays.

Six emails have been received from women concerned about the reduced service and individual responses have been provided. Questions raised on social media have been answered. A set of Frequently Asked Questions is now available on MDHB's website.

2.6. Annual Plan 2021/22

The Ministry of Health's (the Ministry) feedback on the first draft submission of MDHB's 2021/22 Annual Plan noted this was a good response to the Minister of Health's priorities. A few areas needed to be clarified before the second draft was submitted on 7 May 2021.

The Minister sent a second Letter of Expectations to all district health boards on 21 April, outlining the role of district health boards relating to the Government's response to the Health and Disability System Review, effective stewardship of DHB operations during the transition to the new health sector structure, and the Government's COVID-19 response.

An update on the 2021/22 Annual Plan and Budget was discussed at the Finance, Risk and Audit Committee (FRAC) meeting held on 4 May and is included in these meeting papers. This includes feedback from the Board workshop held on 20 April to discuss annual planning and prioritisation.

The final draft 2021/22 Annual Plan needs to be submitted to the Ministry on 25 June. In order to meet this deadline, Board and FRAC members have been asked to attend a conjoint meeting on 15 June to endorse and approve the final draft Annual Plan and Statement of Performance Expectations.

2.7. Long Service Awards

The inaugural Long Service Awards ceremony was held on 29 April. Fifteen people were acknowledged for their contribution and service to the community. The awards are provided on the anniversary of 20, 25, 30, 40 and 50 years of cumulative service to the DHB and its predecessor organisations. Each staff member receives a pin and a certificate of service from the Board Chair and Chief Executive.

Awards were made to staff from across the organisation, including four from Te Uru Kiriora, Primary, Public and Community Health; one from Te Uru Mātai Matengau, Cancer Treatment, Screening and Support; four from Te Uru Arotau, Acute and Elective Specialist Services; one from Allied Health; one from Enable New Zealand; and four from Te Uru Pā Harakeke, Healthy Women, Children and Youth.

Three more awards ceremonies are planned for this year, to acknowledge the service of another 150 staff members.

2.8. Meetings with iwi, councils and MPs

The Board Chair and I have been meeting with iwi, council representatives and MPs from throughout the MDHB district to discuss our shared priorities and plans for the district and their community/constituents.

Meetings with the Wairarapa and Te Hau Hauauru MPs have been held in May. We will also be meeting with Rangitāne o Tamaki Nui a Rua, Muaūpoko and Ngāti Kauwhata in June.

Dates have yet to be confirmed for a further meeting with Ngāti Raukawa ki te Tonga's new leadership team and to meet with the MP for Ikaroa-Rawhiti. A meeting with the Mayor and Chief Executive of Manawatū District Council will be scheduled later in the year, after their new Chief Executive has been appointed.

2.9. Major Projects

2.9.1. SPIRE (Surgical Procedural Interventional Recovery Expansion)

The developed design process is well underway and user groups are working with the professional design team with the aim of completing this by the end of May. Concurrently, the project programme (timeline) is being reviewed and it is expected construction will begin before the end of 2021.

Enabling works for the SPIRE project continues. The Renal Clinic is the only function of the Renal Unit that has not been relocated and this will relocate to the STAR Ward before the end of May.

The fitout and reconfiguration of the former clinical records building is on track to be completed by mid-June. A decanting plan is in place to support the transfer of services to this area.

2.9.2. Emergency Department Observation Area (EDOA)/Medical Assessment and Planning Unit (MAPU) Pods

The architects, WSP, have commenced work and are developing the detailed design. This is expected to be completed by the end of July and a construction firm will then be sought. A modular approach to the construction of the unit will be undertaken.

Detailed fitout requirements have been developed by the services involved and will inform the design process.

2.9.3. Fluoroscopy

A preferred vendor for the provision of a fluoroscopy machine and a preferred provider of design and construction services has been identified. After the approval process has been completed, final contract negotiations will take place. An implementation timeline will be agreed with all parties to enable to work to commence as soon as possible.

2.9.4. Acute Mental Health Unit

The preliminary design process has begun. The service is doing further work on the model of care within the acute inpatient unit, as well as the patient flow for various patient groupings. From this information, a functional brief will be developed. This work is due to be completed by 14 June and will enable the architects to complete the drawing process.

The business case for this project includes the ability to expand the unit in the future if required. The architects are working through options.

3. REGIONAL MATTERS

3.1. Regional Services Plan

The region has agreed five priority work programmes as integral to this year's Regional Service Plan.

- Developing Regional Single Systems of Care Prototyping Orthopaedics
- Planning for Sustainable Complex Care (Tertiary) Sustainability
- Developing a Plan for Regional Specialist Mental Health and Addiction Services
- Implementing the Regional Cardiology Plan
- Developing a Regional Frailty Model of Care.

3.1.1. Regional Complex Care Sustainability Update

Existing information and available data is being collated to provide current state information. Further work is being done to finalise the scope.

3.1.2. Single System of Care Update

The Orthopaedic Clinical Network is well established and making good progress. Regional workshops are underway, with a specific workshop scheduled to focus on equity for Māori and Pacific. The workshop facilitated by Synergia at Palmerston North Hospital on 12 May was well attended by representatives from clinical leadership, service management, nursing, allied health, hospital operations and Māori health.

3.1.3. Regional Cardiology Plan Update

The Regional Cardiac Network has reviewed and revised the cardiac KPI indicators. Work has commenced in primary care to progress an Atrial Fibrillation initiative. A review of clinical risk and solutions regarding the development of a total cardiology service in MidCentral and Hawke's Bay DHBs has begun.

3.1.4. Frailty Model of Care Update

Over 50 representatives of providers from throughout the central region were invited to attend a frailty forum on Wednesday 5 May. Francis Health have released the forum outputs to participants. Further focus group discussions will be held with stakeholders to review the outcomes of the forum and identify, propose or co-design potential opportunities and improvements.

3.1.5. Mental Health and Addictions Services Update

Extensive engagement has been undertaken across the central region, with DHBs, NGO providers, whānau and consumer groups to develop a current state analysis. This was presented to the Regional Partnership Group, and highlighted key points of qualitative insights, positive aspects, current challenges and gaps. Francis Health presented draft findings and recommendations to Te Koro Matua ki Ikaroa and are now developing the first draft of the final report.

3.2. TAS Board membership

Due to the potential for conflict in being a member of the TAS Board as well as lead Chief Executive for the central, region, I have stepped down from the TAS Board. The terms of three TAS Board members, Catherine Law, Sir Paul Collins and Wendy McPhail, were due to end of 30 June 2021. It has been agreed to roll their terms over for 12 months to provide some continuity during the transition period for changes following the Health and Disability System Review.

4. NATIONAL MATTERS

4.1. COVID-19 Vaccination Planning

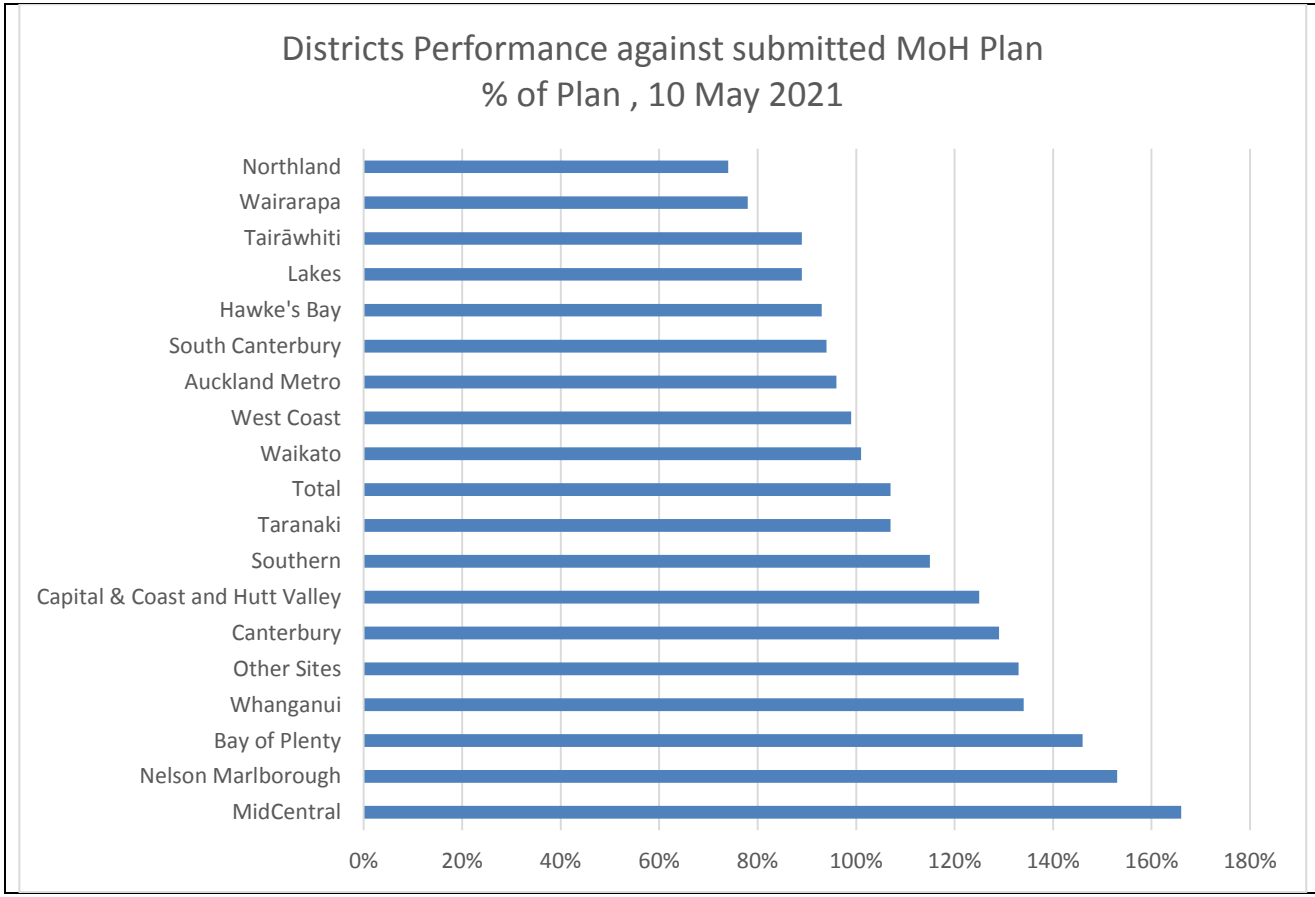
COVID-19 vaccination continues to pick up pace across the rohe, working towards fully vaccinating 145,000 individuals. Against the plans submitted to the Ministry, MDHB remains on target for delivery as to the tiers and total numbers. At the last publication of results by the Ministry (accessed 16 May 2021), MDHB was sitting 166%1 above target. While this is encouraging, an additional 2400 vaccines need to be administered to catch up to the regional average. This is due to the later start compared with other districts (because there are no international borders or Managed Isolation and Quarantine facilities in the MDHB district).

Several inquiries have been received about the perceived delay for commencing Tier 3. The Ministry is setting parameters around these inquiries and Official Information Act requests. Communications from the DHB and Ministry continue. Tier 3 vaccinations are on target to commence formally in June. At MDHB, the focus will be on over-65s, people with relevant underlying health conditions and people who have a disability aged under 65 years.

The MDHB's vaccinator and administrative workforce continues to be developed to respond to the increasing delivery volumes and sites. Identification of a third workforce (non-regulated) is pending, contingent on national approval and plan.

The vaccination scene is continually changing. At short notice MDHB, has been asked to pick up the vaccinations for Corrections Department staff. These will be provided at the current vaccination sites. Regular engagement with the Ministry and other DHBs continues.

[1] COVID-19: Vaccine data | Ministry of Health NZ – figures applicable 10 May 2021, accessed 16 May 2021



Currently 5.3% of the eligible MDHB population has received their first vaccination. This remains focused on Tier 2a & 2b (health care workers, Māori frontline and aged residential care).

Second dose vaccinations are at 2.1% with 3.7% of the 290,000 (sum of dose 1 and 2 vaccines at 100% uptake) target reached.

The Ministry is currently undertaking an audit of the doses received per vial. MDHB has a high frequency of seven doses. This is a challenge as many sites are having to put out short notice requests for end-of-day vaccinations.

The capacity of the district to deliver COVID-19 vaccinations has been substantially increased as iwi, Māori and primary health care practices are registered. There are now 18 active delivery sites registered with the Ministry, with nine sites delivering vaccinations each week. The range here is from one to five days.

With a clear focus on Te Tiriti o Waitangi principles, Māori and iwi vaccinator sites comprise 30 percent of the current registered sites. This has been supported by ongoing iwi engagement at the locality level. Fixed vaccination sites are being established alongside delivery in places where people work and live. Pae Ora Paiaka Whaiora is leading the iwi and Māori engagement stream.

A national invitation and booking system is expected to be available for use in June 2021. Nationally planning for vaccinations in the event of local COVID-19 resurgence has commenced and will require MDHB-specific plans.

Communications to the public are providing information regarding eligibility to receive vaccinations and general information on its importance.

Current challenges and risks include the ability to mobilise the necessary workforce to meet the increasing requirements of Tier 3 and transitioning personnel through the required vaccinator and administration training. There is an emerging concern and uncertainty related to vaccination hesitancy, as seen in other DHBs.

4.2. NZ Nurses Organisation (NZNO) Strike

NZNO has issued DHBs with notice of intended strike action after its members rejected the recent bargaining offer. Nursing, midwifery and health care assistants covered by the NZNO Multi-Employer Collective Agreement (MECA) will withdraw their labour on Wednesday 9 June 2021 between 11am and 7pm. This action will cover all NZNO members working at Palmerston North Hospital, Horowhenua Health Centre and other MDHB facilities.

The DHBs' negotiating team is committed to working with the NZNO to agree on a settlement that would avoid any disruption to services. Negotiations are ongoing and mediation is planned.

MDHB has an obligation to keep patients and staff safe, so contingency planning has begun to prepare for the proposed industrial action. This includes submitting an application to NZNO to agree on a plan for Life Preserving Services during any period of strike action.

4.3. Pay Equity and Multi-Employer Collective Agreement (MECA)/Single Employer Collective Agreement (SECA) Bargaining Update

The following process has been made by the District Health Board (DHB) negotiating team across various workforces and unions with the following progress:

- The agreement reached between DHBs and the Public Service Association (PSA) in November last year included a commitment to pay an interim adjustment amount to clerical and administrative employees covered by the claim in the first quarter of 2021. The Ministry of Health has released funding to DHBs to pay the adjustment of up to $2500 as an increase to base salary from 30 November 2020. MDHB actioned the increase and back payments in April. The remaining work associated with this claim is expected to be completed by the middle of 2021.
- Negotiations with the NZ Nurses Organisation (NZNO), Association of Professional and Executive Employees (APEX), PSA (Allied and Scientific, and Nursing roles) and the Midwifery Employee Representatives and Advisory Services (MERAS) unions continue on pay equity claims.
- The DHB bargaining team, supported by Technical Advisory Services, tabled a pay offer for the NZNO MECA which was rejected by its members. Remuneration has been identified as the most significant issue, followed by safe staffing. NZNO will hold

meetings in early May to provide their members with an update on bargaining matters and seek input regarding further action. Mediation between the parties has been confirmed for mid-May.

- Bargaining continues for the Resident Doctors' Association (junior doctors), PSA Allied, Public Health and Scientific, PSA Nurses Mental Health, PSA Genetic Counsellors, and APEX Psychologists MECAs.
- Bargaining between DHBs and the Association of Salaried Medical Specialists (ASMS, the union covering senior doctors), the parties continues.

4.4. National Chairs and Chief Executives meeting – 12 and 13 May

The Health and Disability System Review reform featured strongly in last week's meeting in Wellington, which was attended by Ministers Little, Henare and Hipkins. They took the opportunity to emphasise key features of the Minister of Health's Letter of Expectations which had been reissued following the reform announcement and to discuss priorities in a reforming system.

Stephen McKernan and some members of the Transition Unit team provided a presentation on the approach and work programme of the Transition Unit in the coming months. This has been uploaded to the Stellar platform for Board members *(MDHB/Board/ Reports and Documents/2021 Documents/Health and Disability System Reforms/DHB CEs and Chairs Meeting May 2021).* Please note that this is provided in confidence. Any queries the Board has about this information can be discussed at the meeting. National lead Chief Executives will be working with the Transition Unit and the Ministry of Health to support the final work programme and engage appropriate DHB resources in these areas. I am the national lead in the Digital Programme and one of four leads in the Infrastructure space (representing the central region). In addition to the Transition Unit lead work programme, regions are exploring opportunities for greater regionalisation. This will be discussed further at the next regional Chief Executives meeting.

The Board will be updated on the reforms at each Board meeting. Given the strong interest in the Hauora Māori work stream, including the establishment of the Māori Health Authority, the Transition Unit has been invited to join the joint Board and Manawhenua Hauora meeting following the Board meeting to discuss this work stream.

5. ORGANISATIONAL LEADERSHIP TEAM AND STAFFING MATTERS

5.1. Integrated Service Model – Health Check

In late March, following the Integrated Service Model (ISM) health check, the DHB released a consultation document on proposed changes to the directorates with cluster functions. Submissions closed on 13 April. The proposed changes were not significant and related primarily to changed service reporting lines.

Having considered all feedback and the Government's response to the Health and Disability System Review, a change decision document was released on 17 May. The following three changes were confirmed:

- Transition of the Child and Adolescent Oral Health Service from Te Uru Kiriora to Te Uru Pā Harakeke
- Transition of the Sexual Health Service from Te Uru Kiriora to Te Uru Arotau
- Transition of the Integrated Operations Centre from Executive Director of Nursing and Midwifery to Te Uru Arotau.

The proposed change to transfer the District Nursing Service from Te Uru Kiriora to Te Uru Arotau was not progressed. The District Nursing team will continue to refine and progress the Hospital in the Home nursing model of care within the current structure.

Executive leads for relevant directorates will communicate transition and implementation plans for each of the changes that have been adopted. The aim is to ensure a smooth implementation at the earliest practicable opportunity. Impacted staff and unions have been informed of these changes.

The final decision document is available on Stellar for Board members *(MDHB/Board/Reports and Documents/2021 Documents/ Health Check Clusters Decision Paper Final).*

Appendix One

Background to the review

- The Government commissioned the HDSR in 2018 to identify how we could reform our complex and fragmented health system.

- Of particular concern were the significant issues in delivering equity and consistency for all. With an ageing population, the demand for services will inevitably grow, as will the need to support our workforce to manage this demand.

- The Final Report was released in mid-2020. Recommendations included: Creating a Māori Health Authority and Health NZ, reducing DHBs from 20 to 8-12, appointing all DHB board members and adopting a locality-based approach to community planning.

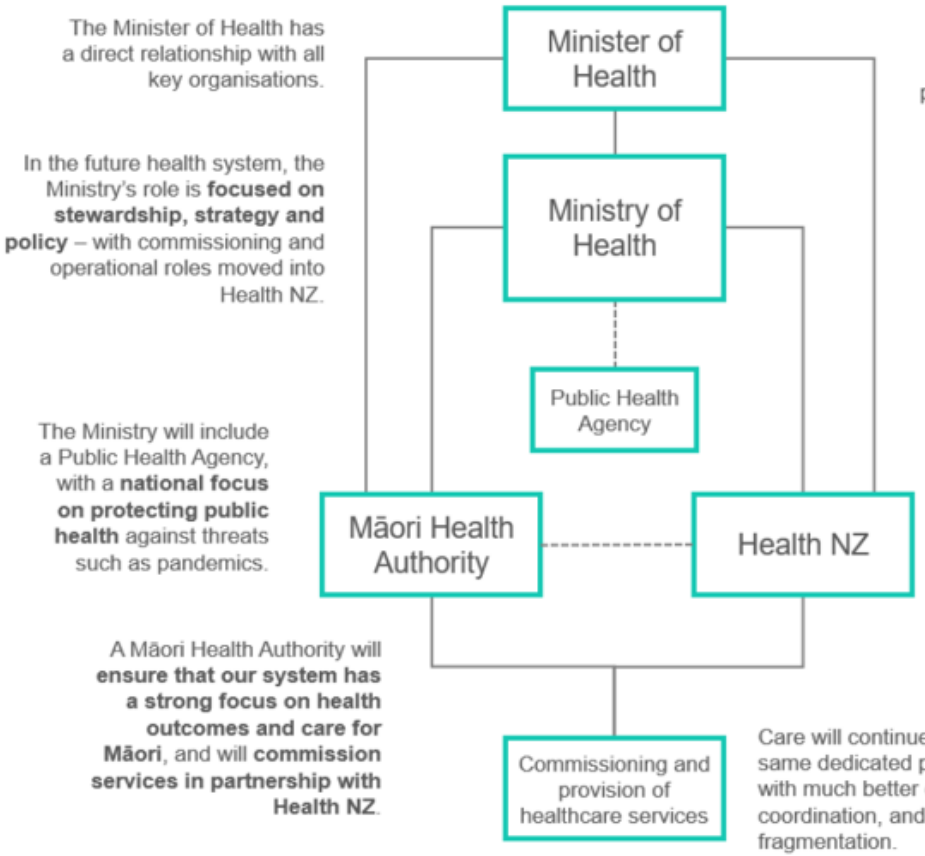
The Government's HDSR response

The Government released its response to the HDSR on 21 April 2021, which included a range of proposals.

Key proposals included:

- Creation of Health NZ
- Creation of Māori Health Authority
- Consolidation of all 20 DHBs into a single entity (Health NZ). Creation of four regional divisions and 4 to 5 district offices within each division.
- Dissolution of all DHB Boards and Committees
- Establishment of a new national Public Health Agency
- Reorganization of primary and community services
- Specifying the role of the MoH

Proposed structural change



The Minister of Health has a direct relationship with all key organisations.

In the future health system, the Ministry's role is **focused on stewardship, strategy and policy** – with commissioning and operational roles moved into Health NZ.

The Ministry will include a Public Health Agency, with a **national focus on protecting public health** against threats such as pandemics.

A Māori Health Authority will **ensure that our system has a strong focus on health outcomes and care for Māori**, and will **commission services in partnership with Health NZ**.

Most of the wider ring of agencies will not be changing as part of these reforms – however, **the Health Promotion agency will become a business unit** as part of our core health agencies to make sure our whole system is oriented towards helping people live well.

- Health Quality and Safety Commission
- Operational health agencies (e.g NZ Blood Service)
- Health and Disability Commissioner

The national operational roles of the Ministry of Health and the 20 DHBs will merge into Health NZ, a new entity **responsible for day-to-day running of our whole health system**. Health NZ will include a **unified public health service**, bringing together all 12 Public Health Units.

Care will continue to be provided by the same dedicated people as today – but with much better consistency and coordination, and much less fragmentation.

Transition Unit: Our health and disability system, April 2021

What does this mean for staff?

- Our services and the people delivering and supporting them remain vital to the functioning of our future health system.
- Changes are not immediate. It is essential we continue to deliver high quality care to people and whānau.
- We expect the structure to start taking effect from July 2022. The first steps are likely to be:

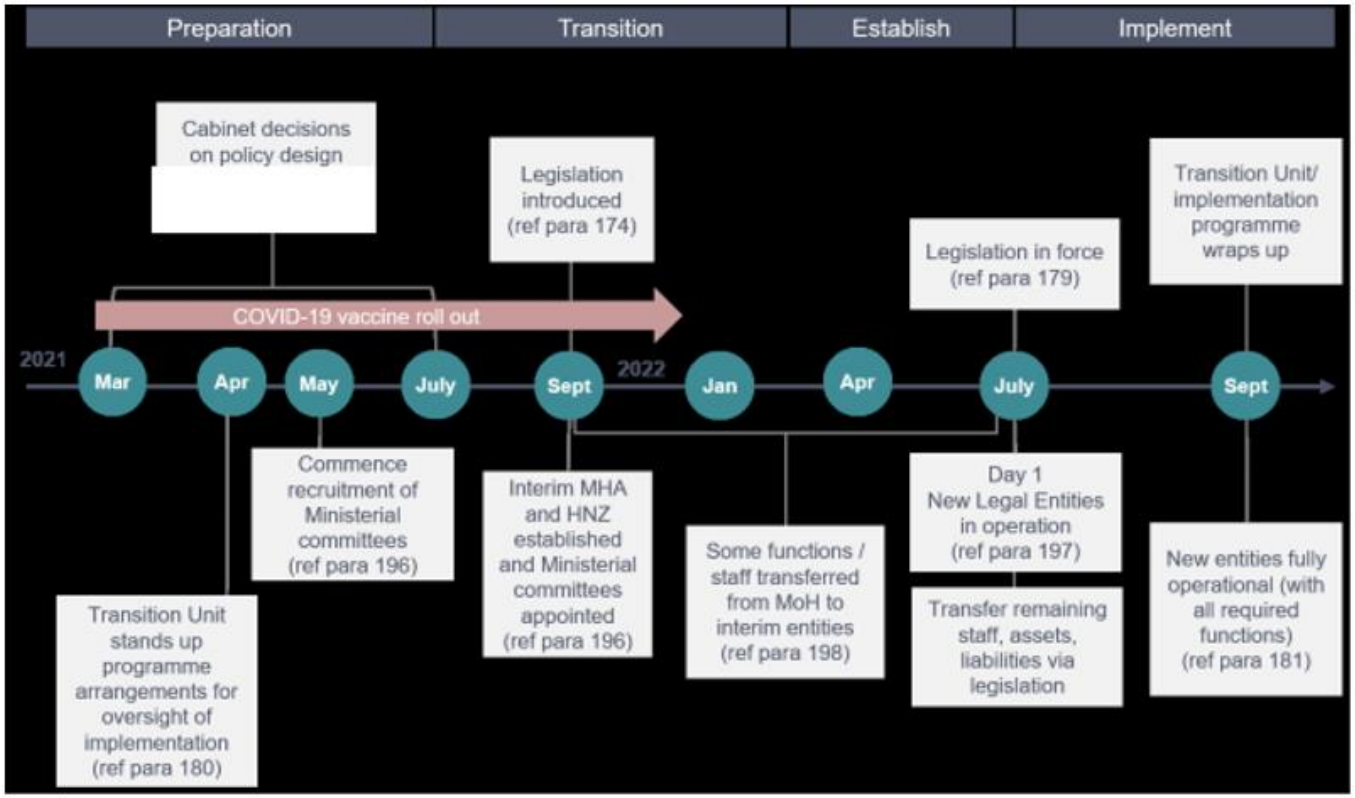
    a) Formation and scoping of Health NZ

    b) New legislation being passed

    c) Staff transitions from DHB to Health NZ

- MoH and DHB operational contracts will automatically transfer to Health NZ.
- Health NZ will retain a range of district offices.
- All current capital projects, including SPIRE and the Mental Health Inpatient Unit, continue as planned.

Timeline of events



Department of the Prime Minister and Cabinet

Areas of interest

It is early days so we are awaiting more detail as to how these proposed changes might be implemented.

Some questions of interest include:

- How will the new entities (Health NZ and Māori Health Authority) work together in the planning and commissioning of services?
- What will the new regional divisions and district level offices look like?
- How will the sector ensure clinical and consumer voices are being heard in health planning and projects?
- What will the change in structure mean for our managerial and enabler functions?

What happens next?

- Staff and the public should have many opportunities to provide feedback about the design of the future system, including on the NZ Health Plan, NZ Health Charter, locality planning and the operation of Māori Health Authority and iwi-Māori partnership boards.
- We will ensure updates are communicated to MDHB staff as they emerge via email, MDHB intranet and forums.
- A national communications plan is being formed and the HDSR is high priority at the NZ DHBs Communication Managers hui this month.
- A Transition Unit has been formed to guide the process. Feedback or questions can be sent to them on enquiries.tu@dpmc.govt.nz

BOARD REPORT

For:

	Approval
	Endorsement
X	Noting

Key questions the Board should consider in reviewing this paper:

- Does the dashboard provide insight on key areas of performance for the Board in an easy-to-understand format?
- How often would the Board like to receive these dashboards?

To	Board
Author	Kelly Isles, Director of Strategy Chiquita Hansen, Interim General Manager, Strategy, Planning and Performance
Endorsed by	Kathryn Cook, Chief Executive
Date	4 May 2021
Subject	**Board KPI Dashboard**

RECOMMENDATION

It is recommended that the Board:

- **note** the areas highlighted in the KPI dashboard and associated commentary.

Strategic Alignment

This report is aligned to the District Health Board's (DHB's) strategy and key enabler, 'Stewardship'.

1. INTRODUCTION

This report provides a regular overview of key performance metrics, applying a Māori health equity perspective to all measures (as appropriate) and highlighting where there are significant changes in trends. It is intended to complement the quarterly non-financial Board reports. Given the frequency of Board meetings, it is anticipated that significant changes to trends are less likely to occur between reporting periods. Narrative is provided on areas of concern, difference or non-performance to explain why this has occurred and work being undertaken or planned to address this. Some of these key metrics are reported to the Health and Disability Advisory Committee, including a more in-depth description on the key drivers and activities.

Based on feedback from the Board, the report will be improved to better identify trends and areas of priority.

2. GUIDE

The metrics follow the format outlined below. Green or red trend arrows are used to indicate favourable and unfavourable trends. Where a target exists for a particular metric, the 'Current performance' is colour coded as per the key below.

The underlying data for some metrics will change over time, due to a clinical coding lag. This is particularly relevant for recent data.

3. SERVICE VIEW

Primary & Community Care

Primary Health Care Consultations

All Patients		Māori Patients	
Trend	Jul 2020 - Mar 2021	Trend	Jul 2020 - Mar 2021
→ 20,946 4%	513,236 contacts	↑ 5,989 8%	79,617 contacts

Primary Health Care Consultations (After hours)

6.00 pm to 7.59 am weekdays, weekends and public holidays

All Patients		Māori Patients	
Trend	Jul 2020 - Mar 2021	Trend	Jul 2020 - Mar 2021
→ 831 3%	34,009 contacts	↓ -435 -8%	5,196 contacts

Unplanned Care

Emergency Department

Non-Māori Patients		Māori Patients	
Trend	Jul 2020 - Mar 2021	Trend	Jul 2020 - Mar 2021
→ 630 2.3%	27,747 attends	→ 184 2%	7,879 attends

Acute Admissions

Non-Māori Patients		Māori Patients	
Trend	Jul 2020 - Mar 2021	Trend	Jul 2020 - Mar 2021
↓ -550 -6%	9,444 admissions	↓ -219 -8%	2,400 admissions

Planned Care

Outpatient Appointments

Non-Māori Patients		Māori Patients	
Trend	Jul 2020 - Mar 2021	Trend	Jul 2020 - Mar 2021
↑ 29,972 23%	160,199 contacts	↑ 1955 7%	29,777 contacts

Planned Care Discharges

Non-Māori Patients		Māori Patients	
Trend	Jul 2020 - Mar 2021	Trend	Jul 2020 - Mar 2021
↑ 356 9%	4,133 discharges	↑ 50 8%	640 discharges

Mental Health

Mental Health Contacts

Non-Māori Patients		Tangata Whai Ora	
Trend	Jul 2020 - Mar 2021	Trend	Jul 2020 - Mar 2021
→ 869 3%	29,818 contacts	↑ 891 9%	10,429 contacts

Mental Health Discharges

Non-Māori Patients		Tangata Whai Ora	
Trend	Jul 2020 - Mar 2021	Trend	Jul 2020 - Mar 2021
↓ -108 -30%	247 discharges	↓ -143 -58%	104 discharges

Trend Key: ↑ Increase > 5% → Within 5% ↓ Decrease > 5%

Trend is based on the same period in the previous year unless otherwise specified

3.1. Service View Commentary

3.1.1. Primary Health Care Consultations (PHC Consultations)

THINK Hauora is implementing an updated methodology to enhance the accuracy and breakdown of consultation numbers. This will be shown in the next report.

When New Zealand moved into Level 4 lockdown on 25 March 2020, there was a large surge in people collecting repeat prescriptions and this resulted in large consultation numbers for March 2020. New Zealand (excluding Auckland) has been in Level 1 from July 2020, sporadically jumping to Level 2 but not exceeding that as the country continues its response against the virus. It is important to keep this context in mind when looking at the increased number of primary care consultations from this year to last.

3.1.2. Unplanned Care

Acute admissions show no significant change from the last reporting period. Acute admissions remain lower by six and eight percent for Non-Māori and Māori patients respectively. This is largely a result of the COVID-19 lockdown. However, acute cost-weighted discharges (CWDs) have increased year to date by 663 from 2019/20.

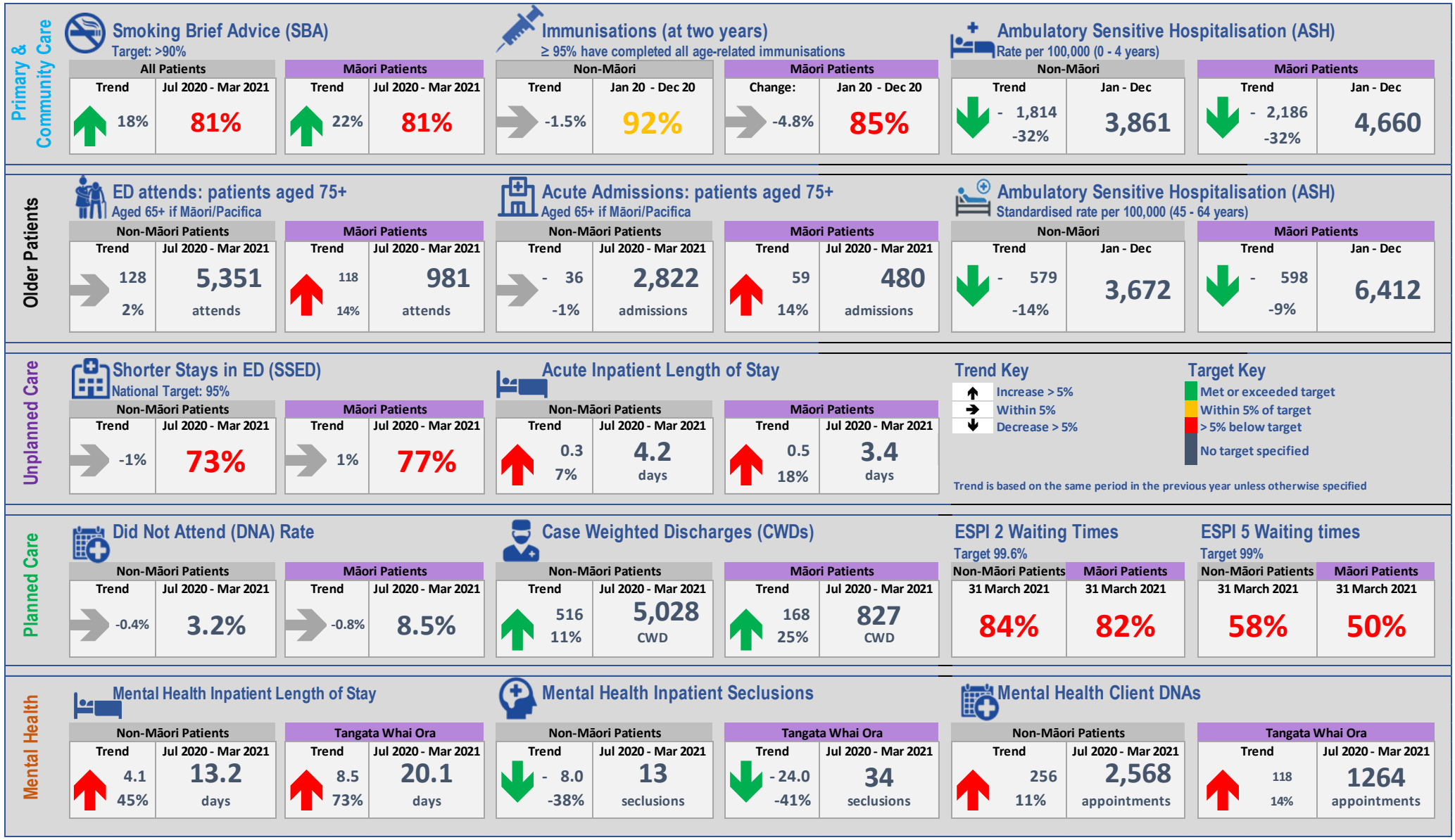
3.1.3. Planned Care

Planned care discharges have increased by nine percent over the same period last year. This is the result of both the partnership with Crest Hospital and reduced Continuing Medical Education (CME) leave for Senior Medical Officers (SMOs). COVID-19 travel restrictions allowed additional surgical lists to be carried out. Planned care CWDs have increased year to date by 712 from 2019/20.

3.1.4. Mental Health

The average length of stay is currently being affected by three individuals (one non-Māori, two Māori) who have been inpatients for over 100 days. A further three patients are approaching 100 days. Of the three individuals exceeding 100 days, one is on leave as part of a transition plan awaiting legal proceedings to conclude; one is anticipated to be discharged within the next four to six weeks; and the other is awaiting formalisation of a supported accommodation option in the community. There has been a recent appointment to ensure oversight and facilitation of discharge of patients who are delayed in their discharge due to social issues rather than mental unwellness. The Operations Lead will also have oversight to ensure that patients who remain in the ward are there because they are unwell and need to be an inpatient. Discharges from Mental Health Services have reduced significantly, which is consistent with the increased length of stay seen in the inpatient metrics.

4. PERFORMANCE VIEW



4.1. Performance View Commentary

4.1.1 Primary and Community

THINK Hauora continues work to improve Smoking Brief Advice (SBA) statistics. There has been no significant change from the last reporting period.

4.1.2 Older Patients

The increase in Emergency Department (ED) attendances for Māori aged over 65 years, though important, relate to small volumes and small shifts often result in large percentage movement. Older patients' trends show no significant change from the last reporting period.

4.1.3 Unplanned Care

ED attendances show no significant change from the last reporting period. Overall performance in ED continues to be impacted by high occupancy in inpatient wards (at over 100 percent). This is due to the increased acute inpatient length of stay.

A refreshed plan is in place. Bed availability to move patients out of ED is a major factor. A new model for acute admissions is being piloted for medical services. A process review will also be carried out to look at ED flow. Processes for discharge planning have also been identified as a key bottleneck. These issues are inter-related. Consideration is being given on how to work collectively with the DHB's partners on preventable presentations to ED.

4.1.4 Planned Care

Planned Care trends show no significant change from the last reporting period.

There are 636 non-Māori patients waiting longer than four months; 257 have been booked for a First Specialist Assessment (FSA); and 121 of these patients were allocated an appointment to be seen before the end of April 2021. There are currently 127 Māori patients waiting longer than four months who have been prioritised to receive a FSA. Out of these, 69 patients have already been allocated an appointment to be seen, and 56 were seen by the end of April 2021.

4.1.5 Mental Health

The Health, Quality and Safety Commission's Zero Seclusion project has recently been refreshed. The Ward has been focused on its work to reduce and eventually end seclusion, with the number of seclusion rooms being reduced to one. The Ward is consistently seeing five or fewer seclusions per month, which is a significant reduction. The duration of seclusion (or hours spent in seclusion) has been greatly reduced. The Ward continues to strive towards the zero seclusion goal by identifying patterns and addressing these. Further improvements and reductions in seclusion are anticipated over the next 15 months of the project.

Access to and choice of appointments are stated as the most common reason for Did Not Attends (DNAs). Service users who miss appointments are followed up by the clinical teams and where possible, another appointment is immediately offered. Analysis of the data shows disproportionately high rates of DNAs for Māori when compared to non-Māori. Anecdotal feedback suggests this is related to a lack of cultural options available for Māori when accessing secondary mental health and addictions services.

5. METRIC DEFINITIONS

The underlying data for some metrics will change over time, due to a clinical coding lag. This is particularly relevant for recent data.

5.1. Service View Metric Definitions

Metric	Definition	Exclusions
Primary Care consultations (All)	All primary care consultations that occur in general practice/ IFHC settings (incl. virtual, casual).	COVID-19 testing centres; community and marae-based clinics; primary care consults at THINK Hauora; community based mental health; ACC, Immunisations and Maternity. Excludes Masonic Medical, 1 July 2019 to 13 October 2019 only. Data is missing for Tararua Medical Centre and Village Medical (i.e. 5,300 patients) for 2019 due to these practices refusing to sign data sharing Schedules. They are included for 2020.
Primary Care Consultations (after hours)	Subset of consultations that are 6.00 pm to 7.59 am weekdays, weekends and observed public holidays	As above
People in Aged Residential Care	TBC	
Emergency Department	Number of presentations to the emergency department	
Acute Admissions	Number of patients admitted acutely to the DHB (admission type 'AC')	M05 - Emergency Department specialty
Outpatient Appointments	Outpatient appts attended - based on Booking Date between parameters	
Planned Care Discharges	Planned care discharges between the reporting period - includes local and IDF inflow	
Mental Health Contacts	The number of client-related activities (as per MoH definition) that involved client participation (DNAs, Family without Client and Service co-ordination activities omitted, written correspondence and SMS messages sent to clients omitted).	

Mental Health Discharges	Mental health ward discharges	

5.2. Performance View Metric Definitions

Metric	Definition	Exclusions
Smoking Brief Advice (SBA)	Percentage of current smokers (or recent ex-smokers) who have received brief advice to quit smoking or an offer of cessation support in the last 15 months	Patients not enrolled with THINK Hauora; non-coded smoking status and SBA; smokers under 16 years of age
Immunisations (at two years)	As per the Ministry definition used in the non-financial metrics	
Ambulatory Sensitive Hospitalisation (ASH)	As per the Ministry definition used in the non-financial metrics	
Ambulatory Sensitive Hospitalisation (ASH)	As per the Ministry definition used in the non-financial metrics	
Shorter Stays in ED (SSED)	Ministry definition - patients discharged from the emergency department within 6 hours of arrival in the department	
Acute Inpatient Length of Stay	The average length of stay for acutely admitted patients discharged during the reporting period with an admission type of (AC)	
ESPI 2 Waiting Times	As per the Ministry definition used in the non-financial metrics	
Did Not Attend (DNA) Rate	Patients who did not attend their booked outpatient appointment	
ESPI 5 waiting times	As per the Ministry definition used in the non-financial metrics	
Case Weighted Discharges (CWDs)	The case weight derived from eligible coded planned care inpatient discharges	
Mental Health Inpatient Length of Stay	The average length of stay for mental health admitted patients discharged during the reporting period	
Mental Health Inpatient Seclusion rate	The number of seclusion events in the reporting	
Mental Health Client DNAs	The number of unattended booked appointments	
ED attends: patients aged 75+	Presentations at the ED for patients aged over 75 years or Māori and Pacific patients aged over 65 years	
Acute Admissions: patients aged 75+	Acute inpatient admissions for patients aged over 75 years or Māori and Pacific patients aged over 65 years	

BOARD REPORT

For:

	Approval
	Endorsement
X	Noting

To	Board
Author	Darryl Ratana, Deputy Chief Financial Officer
Endorsed by	Neil Wanden, General Manager, Finance and Corporate Services
Date	11 May 2021
Subject	**Financial Update – April 2021**

Key questions the Board should consider in reviewing this paper:

- Is the current financial performance and trend in performance sustainable?
- Is there critical financial information that you need for governance that is not included in this report?
- Is the DHB sufficiently able to trade solvently?

RECOMMENDATION

It is recommended that the Board:

- **note** that the month operating result for April 2021 is a deficit before one-off items of $0.793m, which is $0.452m favourable to budget
- **note** that the year to date result for April 2021 is a surplus before one-off items of $0.179m, which is $3.122m favourable to budget
- **note** that year to date for April 2021 COVID-19 related net costs of $0.100m and unbudgeted Holidays Act related costs of $2.616m have been incurred. Including these one-off costs results in a year to date deficit after exceptional items of $2.537m, which is $0.406 favourable to budget
- **note** that total available cash and equivalents of $48.7m as at 30 April 2021 is sufficient to support liquidity requirements
- **note** that this is an interim finance report and that a full report will come to the Board for consideration at its July meeting.

Strategic Alignment This report is aligned to the DHB's strategy and key enabler 'Stewardship'.

1. PURPOSE

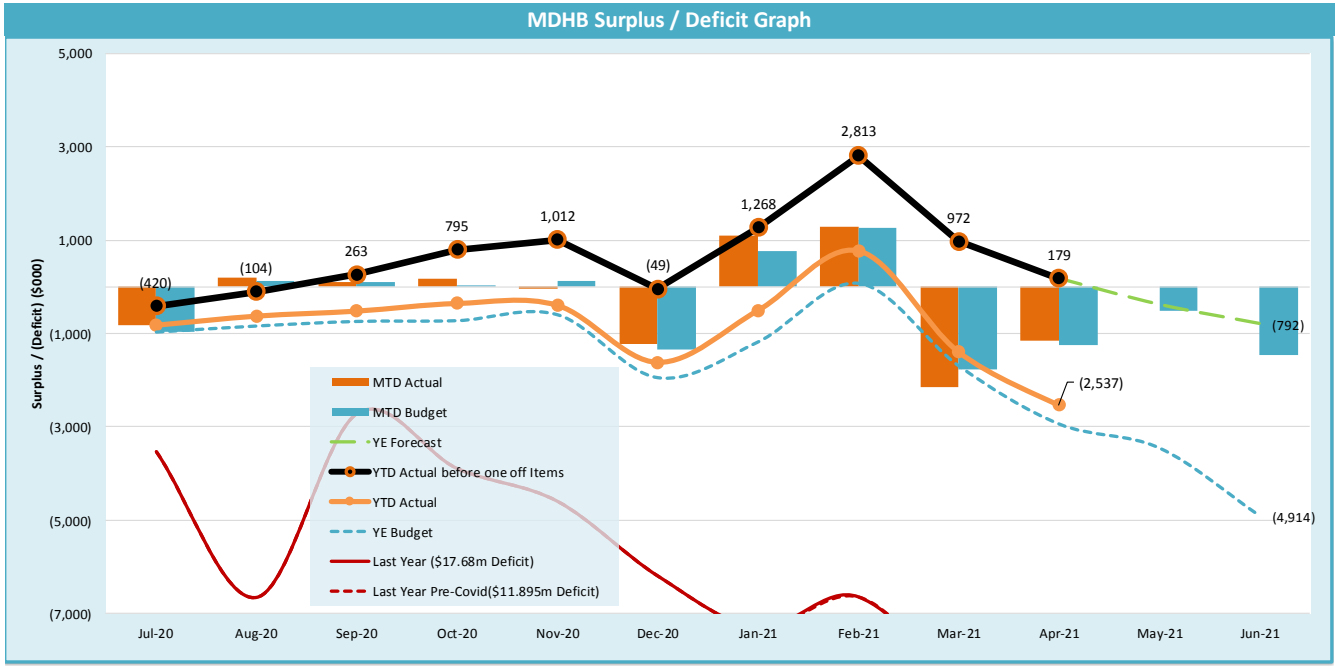
To provide information for consideration by the Board. No decision is required. This is an update paper and a full finance report will be provided to the June 2021 meeting of the Finance, Risk and Audit Committee.

2. FINANCIAL PERFORMANCE

The MidCentral District Health Board (MDHB) result for April 2021 is a deficit before one-off items of $0.793m and is $0.452m favourable to budget. Net revenue for the month is $2.040m favourable to budget and is partially offset by expenditure which is $1.620m unfavourable to budget. The year to date result is a surplus of $0.179m, which is $3.122m favourable to budget.

Year to date COVID-19 related net costs of $0.100m and unbudgeted Holidays Act related costs of $2.616m have been incurred. This results in a year to date deficit of $2.537m when these one-off costs are included.

The financial performance to date and projected trends is consistent with out-performing budget at an operating level, excluding the impact of the Holidays Act Remediation Project, COVID-19 and any year-end valuations. The current forecast suggests a year-end deficit before one-off items of $0.792m, which is $4.122m favourable to budget. The following chart shows the progress of monthly performance against budget.



The Statement of Financial Performance is shown in the following table. Note that unbudgeted costs relating to the Holidays Act Remediation Project and COVID-19 are separately disclosed so that the underlying performance can be identified.

$000	March 2021			Year to date			Year End		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Net Revenue	**62,163**	**60,123**	**2,040** ✓	**613,006**	**603,395**	**9,611** ✓	**735,838**	**724,207**	**11,631** ✓
Expenditure									
Medical	7,136	7,461	325 ✓	63,255	68,562	5,308 ✓	76,477	82,828	6,351 ✓
Nursing	9,230	8,735	(496) ✗	87,744	84,322	(3,421) !	105,906	101,337	(4,569) !
Allied Health	3,258	3,354	96 ✓	29,737	31,646	1,908 ✓	36,102	38,251	2,149 ✓
Support	168	159	(9) ✗	1,445	1,533	88 ✓	1,760	1,848	88 ✓
Management / Admin	3,309	3,145	(163) ✗	29,707	30,535	828 ✓	36,220	36,921	702 ✓
Personnel	23,102	22,855	(247) !	211,888	216,599	4,711 ✓	256,466	261,186	4,721 ✓
Outsourced Personnel	848	292	(556) ✗	9,492	3,145	(6,347) ✗	10,985	3,788	(7,197) ✗
Sub -Total Personnel	23,950	23,147	(803) !	221,380	219,744	(1,637) !	267,450	264,974	(2,476) !
Other Outsourced Services	2,624	1,956	(668) ✗	23,254	20,409	(2,845) ✗	27,949	24,540	(3,409) ✗
Clinical Supplies	5,366	4,647	(719) ✗	51,506	49,464	(2,041) !	62,209	59,539	(2,670) !
Infrastructure & Non-Clinical	6,200	5,900	(300) ✗	58,786	58,906	119 ✓	71,141	70,889	(252) !
Provider Payments	24,950	25,820	870 ✓	260,128	259,250	(878) !	310,385	310,890	506 ✓
Total Operating Expenditure	**63,089**	**61,469**	**(1,620)** !	**615,055**	**607,773**	**(7,282)** !	**739,133**	**730,831**	**(8,301)** !
Operating Surplus/(Deficit)	**(926)**	**(1,346)**	**420** ✓	**(2,049)**	**(4,378)**	**2,329** ✓	**(3,295)**	**(6,624)**	**3,329** ✓
Enable Contribution	133	101	33 ✓	2,228	1,435	793 ✓	2,503	1,710	793 ✓
Surplus/(Deficit) Before One-Off Items	**(793)**	**(1,245)**	**452** ✓	**179**	**(2,943)**	**3,122** ✓	**(792)**	**(4,914)**	**4,122** ✓
Holidays Act	(348)	0	(348) ✗	(2,616)	0	(2,616) ✗	(3,399)	0	(3,399) ✗
Covid-19	(6)	0	(6) ✗	(100)	0	(100) ✗	(100)	0	(100) ✗
Surplus/(Deficit)	**(1,147)**	**(1,245)**	**99** ✓	**(2,537)**	**(2,943)**	**406** ✓	**(4,291)**	**(4,914)**	**623** ✓

Favourable revenue primarily relates to both Planned Care activity and Inter-District Flow (IDF) revenue in Te Uru Arotau – Acute and Elective Specialist Services and Te Uru Mātai Matengau – Cancer Screening, Treatment and Support Services.

Significant variances in operating expenditure for the month are highlighted below.

- The variance in Personnel costs (excluding Outsourced Personnel) was $0.247m adverse for the month. The trend of monthly unfavourable variances in Nursing continued, and Administration staff costs were also adverse for the month. The Nursing variance is mostly in Te Uru Rauhī – Mental Health and Addictions Services and Te Uru Arotau. Administration staff costs also feature in these two Directorates in addition to Corporate and Professional Services. This reflects pay equity payments which are offset by corresponding revenue.
- Overtime is 3.5 percent of total payroll costs for the month, and while this is above the budget of 2.7 percent of payroll costs, it is below the year to date average of 3.9 percent.
- FTEs are 2,408 for the month, which is an increase of 19 when compared to March but below the budget by 16 FTE. The FTE variance pattern mirrors personnel cost variances with nursing FTEs that are above budget (by 36 FTE) offset by other categories. The forecast predicts that the DHB will end the year on 2,433 FTEs.
- Adverse Outsourced Personnel costs of $0.556m are primarily due to locums and includes outsourced medical in Te Uru Rauhī that is largely offset by favourable medical staff in the same cluster. The remaining variance is in Outsourced Administration (Digital Services) and to a lesser degree, Outsourced Allied and Outsourced Nursing. Specialling costs for the month are well below the average experienced this year.
- Other Outsourced Services are adverse to budget mainly due to Outsourced Radiology expenditure of $0.151m and Crest Hospital expenditure of $0.325m in Te Uru Arotau.
- Treatment supplies ($0.305m), implants and prostheses ($0.199m) and pharmaceuticals ($0.245m) are the sources of adverse Clinical Supplies. The majority of the adverse variance is in Te Uru Arotau.
- Infrastructure and Non-Clinical costs are $0.300m adverse to budget, with the fundamental cause of this variance being the unbudgeted costs of goods sold in the Hospital Pharmacy. This is offset by unbudgeted trading income.

One-off items include the Holidays Act Remediation Project and COVID-19 expenditure.

- Unbudgeted Holidays Act expenditure for the month includes a $0.100m increase in the provision, with the remainder being project costs. The liability estimate undertaken by Ernst Young will result in a substantial increase in the current provision, and this adjustment will be made at year-end. While not included in the forecast presented in this interim report, the updated provision will be reflected in the full April report.
- The minor change in net COVID-19 expenditure includes $0.474m of total COVID-19 costs for the month mostly offset by reimbursing revenue.

3. YEAR-END FORECAST

The current year-end forecast projection before one-off items is for a deficit of $0.792m. This is a $4.122m improvement on the budget approved by the Board.

This report indicates a forecast after one-off items is for a deficit of $4.291m and is $0.623m better than budget. This deficit does not incorporate the required year-end adjustment for the updated Holidays Act liability estimate as this is currently being finalised.

The projected year-end cash and deposit balances are $22.939m, which is better than the budget by $15.273m.

BOARD REPORT

For:

X	Approval
	Endorsement
	Noting

To	Board
Author	Darryl Ratana, Deputy Chief Financial Officer
Endorsed by	Finance, Risk and Audit Committee Neil Wanden, General Manager, Finance and Corporate Services
Date	4 May 2021
Subject	**Finance Report – March 2021**

Key questions the Board should consider in reviewing this paper:

- Is the current financial performance and trend in performance sustainable?
- Are the unfunded risks from COVID-19 and Holidays Act compliance manageable in the near term?
- Are the variations from budget sufficiently well explained and reasonable?
- Is there key financial information which you need for governance that is not included in this report?
- Is the DHB sufficiently able to trade solvently?

RECOMMENDATION

It is recommended that the Board:

- **note** that the Finance, Risk and Audit Committee endorsed this report at their May meeting for Board consideration
- **note** that the month operating result for March 2021 is a deficit before one-off items of $1.841m, which is $0.67m adverse to budget
- **note** that the year to date operating result for March 2021 is a surplus before one-off items of $0.972m, which is $2.670m favourable to budget
- **note** that year to date for March 2021 COVID-19 related net costs of $0.094m and unbudgeted Holidays Act related costs of $2.268m have been incurred. Including these one-off costs results in a year to date deficit after exceptional items of $1.390m. This is favourable to budget by $0.307m
- **note** that the total available cash and equivalents of $45.4m as at 31 March 2021 is sufficient to support liquidity requirements
- **approve** the March financial report.

Strategic Alignment This report is aligned to the DHB's strategy and key enabler 'Stewardship'.

BOARD REPORT

1. REPORT AT A GLANCE

The result for March 2021 is a deficit before one-off items of $1.841m and is $0.067m adverse to budget.

Favourable to Budget | Close to, or on Budget | Adverse to Budget

Month to Date

Surplus/(Deficit)
($1.8m)
Budget Variance
($0.067m)
3.8%

FTEs
2,390
Budget Variance
26
1.1%

Capex
$1.5m
Budget Variance
$1.5m
50.0%

Cash & Deposits Movement
$3.8m
Budget Variance
$1.1m
(41.2%)

Month Successes

* Medical Staff on budget with adverse Outsourced offset by own staff vacancies
* Strong results in Cancer STS and Enable NZ
* FTEs within budget but gap is closing

Month Challenges

* Adverse nursing costs - Outsourced and own staff
* Recruitment of Allied Health Staff
* High Acute and Elective and High Ward 21 demand
* Adverse Treatment supplies, instrument & pharmaceuticals
* Adverse Infrastructure costs due to pharmacy Cost of Goods Sold

Forecast Accuracy

Actual result for March close to the forecast anticipated for the month.

Year to Date

Surplus/(Deficit)
$1.0m
Budget Variance
$2.670m
(157.2%)

FTEs
2,345
Budget Variance
58
2.4%

Capex
$16.7m
Budget Variance
$18.5m
52.5%

Cash & Deposits
$45.4m
Budget Variance
$26.3m
(137.5%)

Current Ratio
0.97
Budget Variance
0.20

Year to Date Trends

* Favourable Planned Care The current level of activity is unlikely to continue.
* Personnel Costs adverse to budget due to nursing. Year end forecast suggests this will continue. FTE gap to budget is closing.
* Positive Cluster (WC&Y, PPCH, CSTS) and Enable NZ contributions.
* Adverse IT depreciation that is offset by favourable depreciation else where.
* Adverse Acute and Elective and Mental Health and Addictions Service (MHAS).

Potential Budget Risks

Eight Risks in Total. No change since last month

Four Low Risks (no change)
Four Tolerable Risks (No change)
Nil Emerging Risk (no change)
Nil Risk Materialised (no change)

Year End Forecast

Surplus/(Deficit)
($1.5m)
Budget Variance
$3.42m
69.5%

FTEs
2,363
Budget Variance
47
2.0%

Capex
$28.8m
Budget Variance
$24.7m
46.2%

Cash & Deposits
$23.9m
Budget Variance
$15.7m
190.7%

Current Ratio
0.85
Budget Variance
0.20

Year End Forecast

This forecast was provided to the MoH in April and includes March year to date actuals.

A year end deficit before one off items that is $3.4m favourable to budget is projected. This is prior to absorbing an estimated $3.7m of unbudgeted Holidays Act and Covid-19 costs.

Significant challenges include, Acute and Elective and MHAS, HAR (Healthy Ageing) and IT depreciation. MHAS has identified savings which have been incorporated into the forecast and IT depreciation is offset by favourable depreciation else where.

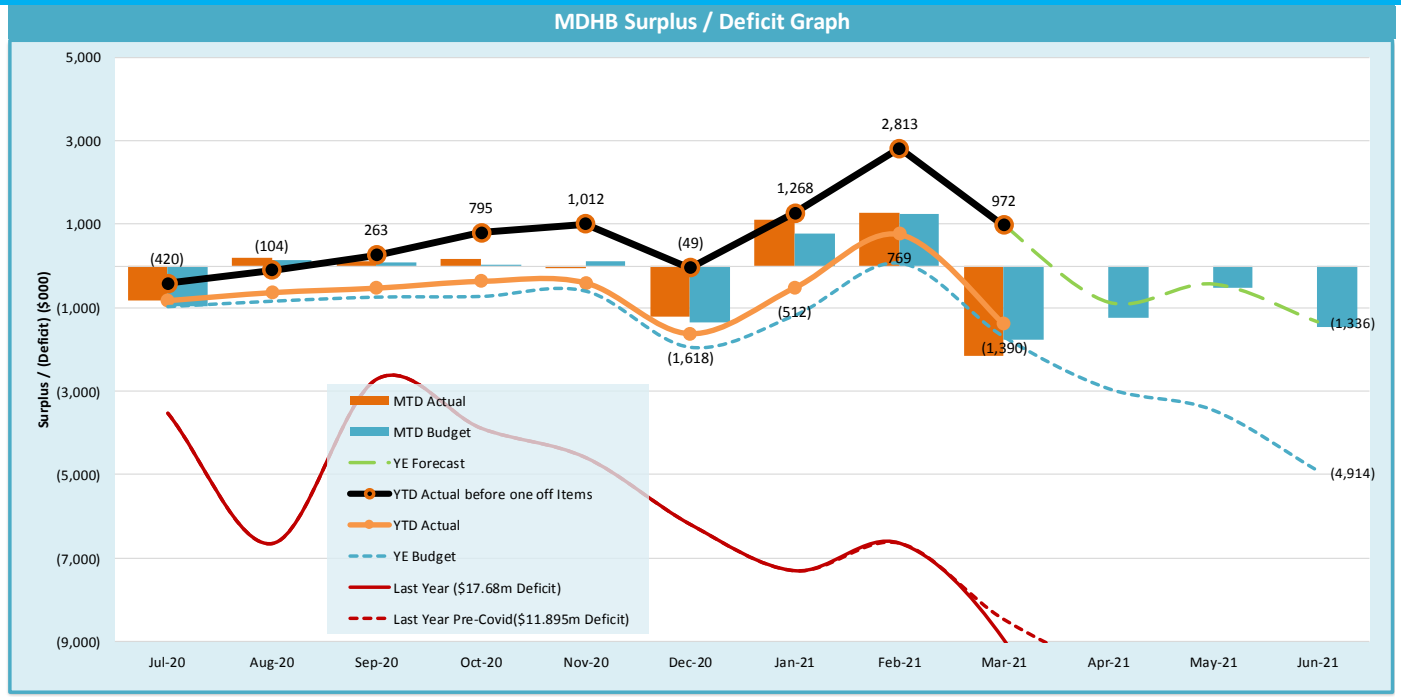
While projected employed FTEs are lower than budget, this is offset by outsourced staff. Note that June 2021 FTEs are anticipated to be at 2,420. This is 30 more FTE than the current month.

The current forecast for capital expenditure and cash balances reflects delays in capital projects leading to a positive year to date cash position.

The Current Ratio is a measure of liquidity. It is defined by the Ministry of Health as current assets over current liabilities (excluding employee entitlement provisions). As a comparison, the latest reported average for peer DHBs is 0.6

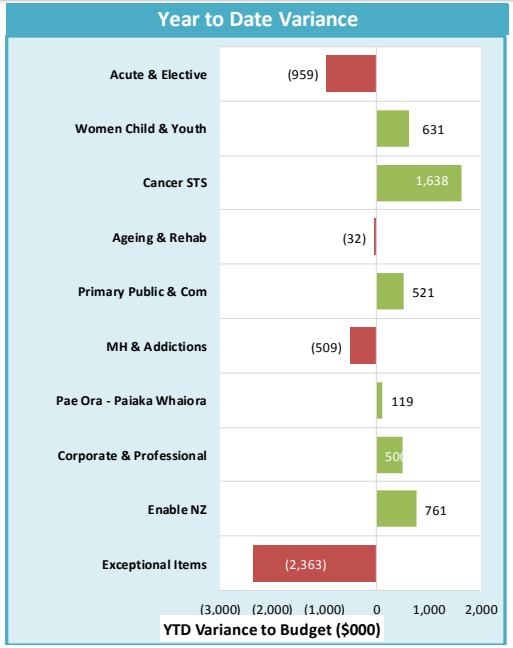
BOARD REPORT

MDHB Surplus / Deficit Graph

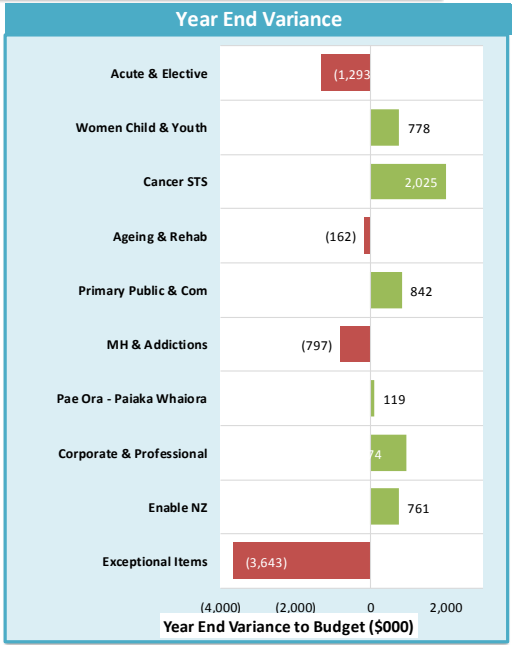


Month to Date Variance

Year to Date Variance



Year End Variance



2. FINANCIAL COMMENTARY

Adverse variances are in brackets unless stated otherwise.

2.1 Financial Performance

The MidCentral District Health Board (MDHB) result for March 2021 is a deficit before one-off items of $1.841m and is $0.067m adverse to budget. Net revenue for the month is $1.396m favourable to budget but is offset by expenditure which is $1.604m adverse to budget. The year to date operating result is a surplus of $0.972m, which is $2.670m favourable to budget.

Year to date COVID-19 related net costs of $0.094m and unbudgeted Holidays Act related costs of $2.268m have been incurred. This results in a year to date deficit of $1.390m when these one-off costs are included.

The financial performance to date and projected trends are consistent with outperforming budget at an operating level excluding the impact of Holidays Act, COVID-19 and any year-end valuations. The current forecast suggests a year end deficit before one-off items of $1.497m which is $3.418m favourable to budget. Management's objective is to seek ways to improve this forecast.

The Statement of Financial Performance is shown in the following table. Unbudgeted costs relating to the Holidays Act and COVID-19 are separately disclosed so the underlying performance can be easily viewed.

BOARD REPORT

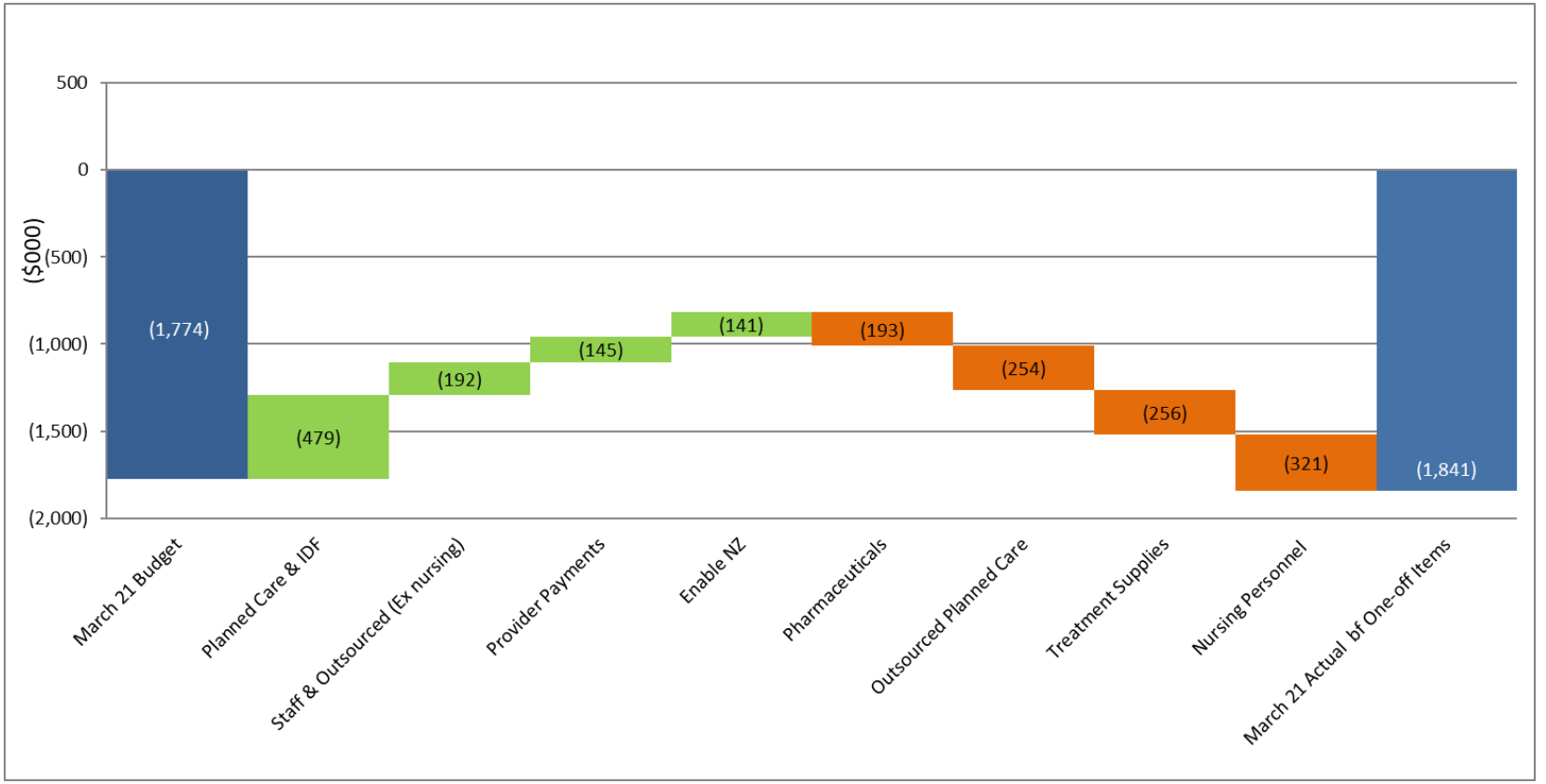
$000	March 2021			Year to date			Year End		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Net Revenue	**61,897**	**60,501**	**1,396** ✓	**550,843**	**543,272**	**7,571** ✓	**732,905**	**724,207**	**8,698** ✓
Expenditure									
Medical	7,017	7,424	407 ✓	56,119	61,101	4,983 ✓	75,852	82,828	6,976 ✓
Nursing	8,721	8,502	(219) !	78,513	75,588	(2,926) !	105,657	101,337	(4,320) !
Allied Health	3,304	3,519	215 ✓	26,479	28,291	1,812 ✓	35,799	38,251	2,452 ✓
Support	134	164	29 ✓	1,277	1,374	97 ✓	1,751	1,848	97 ✓
Management / Admin	3,234	3,281	47 ✓	26,398	27,389	991 ✓	36,131	36,921	790 ✓
Personnel	22,410	22,890	479 ✓	188,786	193,744	4,958 ✓	255,189	261,186	5,997 ✓
Outsourced Personnel	932	335	(597) ✗	8,644	2,853	(5,791) ✗	10,963	3,788	(7,175) ✗
Sub -Total Personnel	23,342	23,225	(118) !	197,431	196,597	(833) !	266,152	264,974	(1,178) !
Other Outsourced Services	2,550	2,108	(442) ✗	20,631	18,453	(2,177) ✗	27,501	24,540	(2,961) ✗
Clinical Supplies	5,787	5,220	(567) ✗	46,140	44,817	(1,323) !	61,710	59,539	(2,171) !
Infrastructure & Non-Clinical	6,614	5,991	(623) ✗	52,586	53,006	420 ✓	71,012	70,889	(123) !
Provider Payments	25,675	25,820	145 ✓	235,179	233,430	(1,748) !	310,670	310,890	220 ✓
Total Operating Expenditure	**63,968**	**62,364**	**(1,604)** !	**551,966**	**546,304**	**(5,662)** !	**737,044**	**730,831**	**(6,212)** !
Operating Surplus/(Deficit)	**(2,071)**	**(1,863)**	**(208)** ✗	**(1,123)**	**(3,032)**	**1,909** ✓	**(4,139)**	**(6,624)**	**2,486** ✓
Enable Contribution	230	89	141 ✓	2,095	1,335	761 ✓	2,642	1,710	932 ✓
Surplus/(Deficit) Before One-Off Items	**(1,841)**	**(1,774)**	**(67)** !	**972**	**(1,698)**	**2,670** ✓	**(1,497)**	**(4,914)**	**3,418** ✓
Holidays Act	(260)	0	(260) ✗	(2,268)	0	(2,268) ✗	(3,643)	0	(3,643) ✗
Covid-19	(59)	0	(59) ✗	(94)	0	(94) ✗	(94)	0	(94) ✗
Surplus/(Deficit)	**(2,159)**	**(1,774)**	**(385)** ✗	**(1,390)**	**(1,698)**	**307** ✓	**(5,234)**	**(4,914)**	**(320)** ✗

FTE									
Medical	356.4	382.3	25.9 ↓	341.1	377.0	35.9 ↓	344.2	378.4	34.1 ↓
Nursing	1,118.1	1,084.6	(33.6) →	1,102.6	1,084.4	(18.2) →	1,107.6	1,085.7	(21.9) →
Allied Health	426.6	431.8	5.2 ↓	414.0	426.7	12.6 ↓	414.8	428.8	13.9 ↓
Support	29.2	32.4	3.2 ↓	29.8	32.2	2.4 ↓	30.4	32.3	1.8 ↓
Management / Admin	459.2	484.1	24.9 ↓	457.7	482.9	25.2 ↓	465.5	484.7	19.3 ↓
Total FTE	**2,389.5**	**2,415.1**	**25.7** ↓	**2,345.2**	**2,403.2**	**58.0** ↓	**2,362.6**	**2,409.8**	**47.3** ↓

✓ Favourable to Budget
! Unfavourable to Budget but within 5%
✗ Unfavourable to Budget outside 5%
↓ FTE Below Budget
→ FTE Higher than Budget but within 5%
↑ FTE Higher than Budget

Major variances to budget for the month drove the result as indicated in the graph below:

MAJOR VARIANCES TO BUDGET FOR THE MONTH



Revenue variances of significance for the month are as follows:

- Favourable revenue is due to both Planned Care ($0.183m), Inter-District Flows ($0.296m) and to a lesser extent, ACC revenue. Year to date, planned care activity remains strong with elective case weighted discharges running 16 percent higher than the same period last year.
- In addition, Ministry of Health funding of $0.271m was received for the Outpatient and Imaging Improvement Action Plan.
- ACC revenue was favourable to budget for the month by $0.049m and is now $0.194m favourable for the year to date. The trend of favourable ACC revenue is expected to continue for the remainder of the year.

Personnel variances of significance and points to note are identified below:

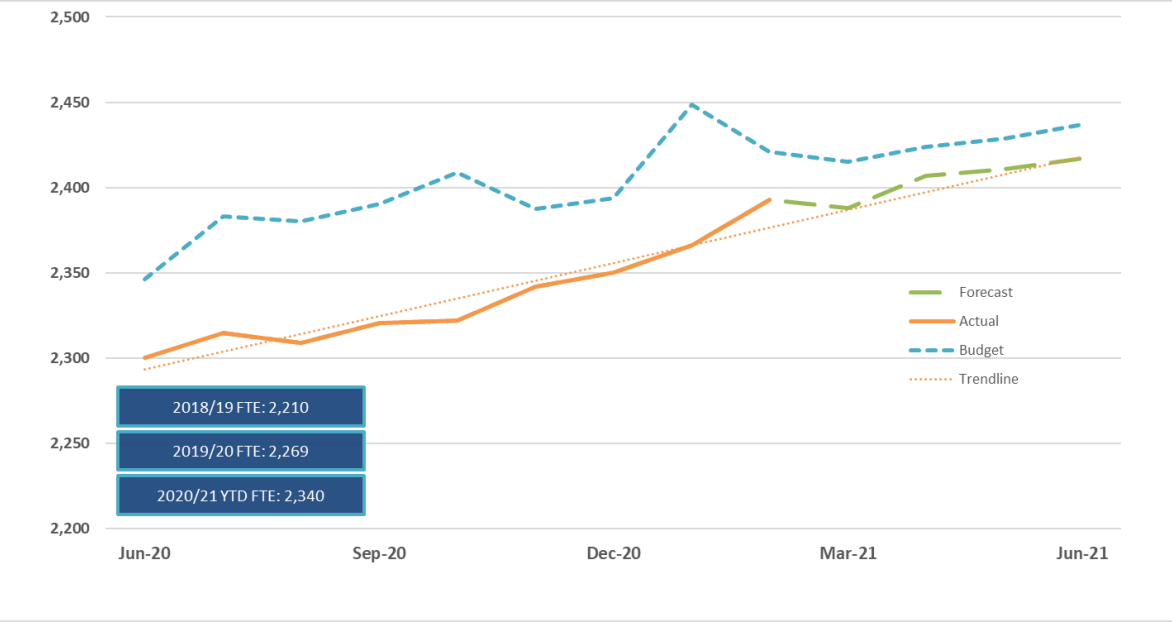
- Favourable personnel costs of $0.407m are largely driven by FTEs and more than offset by Outsourced personnel that are $0.597m adverse.

- Employed FTEs were below budget by 26 for the month while employed personnel costs were on budget. All major job types were below budget with the exception of nursing, which was 34 FTE (three percent) above budget. There has been a noticeable increase of 19 FTE in nursing during the last three months, although there was a slight decrease in March. The increases can be seen in Te Uru Arotau – Acute and Elective Specialist Services and Te Uru Pā Harakeke – Healthy Women, Children and Youth Services.

- The majority of vacancies for the month related to medical staff that were 26 FTE below budget. This resulted in a favourable medical personnel payroll related expenditure of $0.407m and was offset by outsourced locum expenditure which was $0.320m adverse for the month.

- The table below shows the total FTEs by month for this year. Note that the FTE forecast, represented in the graph as a green dotted line, suggests a trend towards budget. While this reflects management's desire to fill roles, ongoing difficulties in filling some types of vacancies constrains that. Bridging this gap is likely to take longer than expected and some reliance on outsourced staff will continue.

TOTAL EMPLOYED FTES BY MONTH



- Employed personnel costs were $0.479m favourable for the month. This is despite expenditure on overtime that was $0.163m over budget. Year to date, overtime is $1.718m greater than budget with almost half of this in Te Uru Rauhī – Mental Health and Addictions Services. Both sick leave and penal payments are close to budget.

- Outsourced personnel was $0.597m adverse to budget. This was largely due to Te Uru Rauhī locum costs ($0.259m) that are offset by favourable employed medical staff ($0.228m). Outsourced nursing costs, which largely represent specialling of patients, was adverse to budget for the month ($0.093m adverse). Despite a dip in February, the reliance on specialling has increased to previous levels and increased focus is being applied to address this.

- Expenditure on courses, conferences and professional staff fees was adverse in March by $0.133m. This is the first monthly adverse variance in training in 12 months.

Other variances of significance for the month are outlined as follows:

- Other Outsourced Services are adverse to budget due to Outsourced Radiology expenditure of $0.0150m and Crest Hospital for outsourced planned care, both of which impact Te Uru Arotau – Acute and Elective Specialist Services.
- Adverse Clinical Supplies largely relate to Te Uru Arotau. The variances are in treatment supplies ($0.270m), instruments and equipment used in theatre ($0.064m) and pharmaceuticals ($0.217m), where infliximab features heavily again this month. Favourable equipment depreciation continues ($0.027m favourable) due to timing of asset purchases.
- Infrastructure and Non-Clinical costs are $0.623m adverse to budget. The key causes of this variance are consultancy and legal fees ($0.146m), and the cost of Pharmacy stock which is offset by sales and facility costs. Legal fees relate to resolving legacy issues with Spotless Services. Consultancy largely relates to the review of Regional Cancer contract delivery. This is partially offset by financing charges which is due to the rate for the capital charge changing from 6.0 percent to 5.0 percent, and is offset by decreased Ministry of Health revenue to fund the charge.

2.2 Financial Performance by Service

The statement of 'Net Revenue and Expenditure by Service' is shown in the table below.

$000	March 2021			Year to date			Year End		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Acute & Elective Specialist Services	(14,308)	(14,155)	(152) !	(121,286)	(120,327)	(959) !	(162,975)	(161,682)	(1,293) !
Healthy Women, Children and Youth	(2,843)	(2,897)	54 ✓	(24,229)	(24,860)	631 ✓	(32,797)	(33,575)	778 ✓
Cancer Screening, Treatment & Support	(3,496)	(3,766)	270 ✓	(30,972)	(32,610)	1,638 ✓	(41,788)	(43,813)	2,025 ✓
Healthy Ageing & Rehabiliation	(9,127)	(9,140)	14 ✓	(81,362)	(81,331)	(32) !	(108,854)	(108,692)	(162) !
Primary, Public & Community	(6,088)	(6,139)	50 ✓	(53,725)	(54,246)	521 ✓	(71,649)	(72,492)	843 ✓
Mental Health & Addictions	(4,081)	(4,101)	20 ✓	(37,117)	(36,608)	(509) !	(49,095)	(48,298)	(797) !
Pae Ora - Paiaka Whaiora	(570)	(570)	0 ✓	(5,010)	(5,129)	119 ✓	(6,719)	(6,838)	119 ✓
Corporate & Professional Services	38,490	38,955	(465) !	353,029	352,529	500 ✓	470,340	469,366	974 ✓
Enable NZ	180	39	141 ✓	1,645	885	761 ✓	1,871	1,110	761 ✓
Surplus/(Deficit) Before One-Off Items	**(1,841)**	**(1,774)**	**(67)** !	**972**	**(1,698)**	**2,670** ✓	**(1,497)**	**(4,914)**	**3,418** ✓
Exceptional Items	(318)	0	(318) ✗	(2,363)	0	(2,363) ✗	(3,738)	0	(3,738) ✗
Surplus/(Deficit)	**(2,159)**	**(1,774)**	**(385)** ✗	**(1,390)**	**(1,698)**	**307** ✓	**(5,234)**	**(4,914)**	**(320)** ✗

✓ Favourable to Budget ! Unfavourable to Budget but within 5% ✗ Unfavourable to Budget outside 5%

Items of note that impacted service financial performance for the month are outlined below. Further details are provided in Appendix One – Financial Performance by Service.

- Te Uru Arotau – Acute and Elective Specialist Services Planned Care revenue and Inter-District Flows (IDF) were respectively $0.183m and $0.296m favourable to budget for the month. Despite this, the overall result for the service was $0.330m adverse to budget. Several expenditure items were adverse to budget, with the most noticeable being clinical supplies ($0.543m) and Outsourced Services. Unfavourable clinical supply variances are in treatment supplies ($0.256m) and pharmaceuticals ($0.193m). The increased complexity in acute demand with increased acuity in cardiac, delirium and stroke patients continues. Both Radiology and Crest Hospital are driving the Outsourced Services variance.

- Te Uru Pā Harakeke – Healthy Women, Children and Youth Services is $0.054m favourable to budget for the month. Favourable personnel costs ($0.147m) have been partially offset by adverse planned care revenue ($0.064m) and blood costs ($0.038m).

- The favourable month result for Te Uru Mātai Matengau – Cancer Screening, Treatment and Support Services was due to many factors. The most significant include lower levels of study leave than expected, lower equipment depreciation, reduced blood and pharmaceutical expenditure, and a correction to an overcharge for subcontracted services.

- The favourable variance in Te Uru Whakamauora – Healthy Ageing and Rehabilitation Services is on budget for the month. Favourable community provider expenses ($0.177m) for the month continues an ongoing monthly trend. This is offset by adverse specialling ($0.049m), patient transport ($0.028m) and pharmaceutical costs ($0.022m).

- Te Uru Kiriora – Primary, Public and Community Services was favourable to budget for the month by $0.050m with vacancies in Allied Health and Nursing, which are 10 FTE lower than budget. Allied Health vacancies occur in both Dental and Public Health and District Nursing accounts for the nursing vacancies. Attempts to recruit to positions continue. There is recognition of national shortages in some occupations such as Dental Therapists.

- Te Uru Rauhī – Mental Health and Addictions Services was on budget for the month. Adverse personnel costs (including outsourced personnel) of $0.048m are driven by nursing costs in both Ward 21 and in the STAR ward. A combination of high bed numbers and increased specialling resulted in a high level of ordinary time and overtime. Ward 21 continues to run over its resourced bed numbers due to demand. Provider payments were favourable to budget for the month by $0.106m as a result of savings from provider contract rationalisation. While the year-end forecast for this service is for a $0.797m adverse variance to budget, this is before $0.855m of unspent funding recently returned by THINK Hauroa following a contract review process with them. This amount is currently held on the Balance Sheet.

- Corporate and Professional Services comprises all executive and enabler functions. The $0.465m adverse month result was due to the timing of bulk invoicing received for postgraduate nurse training ($0.191m), consultancy and legal fees ($0.146m) and outsourced digital services ($0.129m).

- Exceptional Items contains organisation wide costs of COVID-19 and Holidays Act, both of which are unbudgeted. The budget assumption is that the Ministry of Health will fund any reasonable and actual COVID-19 expenditure. In addition, the Ministry required all DHBs to remove Holidays Act costs from 2020/21 budgets.

- The March 2021 result for Enable New Zealand is due to favourable income from trading activities and procurement rebates. Trading activities include direct sales, equipment hire, equipment refurbishment and freighting of complex equipment.

A Statement of Net Revenue and Expenditure by Division is shown in the table below.

$000	March 2021			Year to date			Year End		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Funding Division	2,308	1,808	500 ✓	17,899	16,972	928 ✓	25,352	22,522	2,830 ✓
MidCentral Provider	(4,372)	(3,621)	(751) ✗	(20,507)	(19,554)	(953) !	(31,526)	(28,546)	(2,980) ✗
Enable NZ	180	39	141 ✓	1,645	885	761 ✓	1,871	1,110	761 ✓
Governance	(275)	(0)	(275) ✗	(428)	0	(428) ✗	(931)	0	(931) ✗
Surplus/(Deficit)	**(2,159)**	**(1,774)**	**(385)** ✗	**(1,390)**	**(1,698)**	**307** ✓	**(5,234)**	**(4,914)**	**(320)** ✗

✓ Favourable to Budget ! Unfavourable to Budget but within 5% ✗ Unfavourable to Budget outside 5%

2.3 Holidays Act

Year to date expenditure on the Holidays Act totals $2.268m. This is made up of expenditure on the compliance project of $1.168m and increases to the provision of $1.100m for this financial year. The provision is being increased each month and totals $12.097m as at March 2021. Year-end expenditure is forecast to be $3.643m.

Note that Ernst Young has completed an initial liability estimate which, once finalised, will require a substantial increase in the current provision and as a consequence, an increase in Holidays Act expenditure that is not captured within the current forecast. That adjustment will be taken up at year-end.

2.4 COVID-19

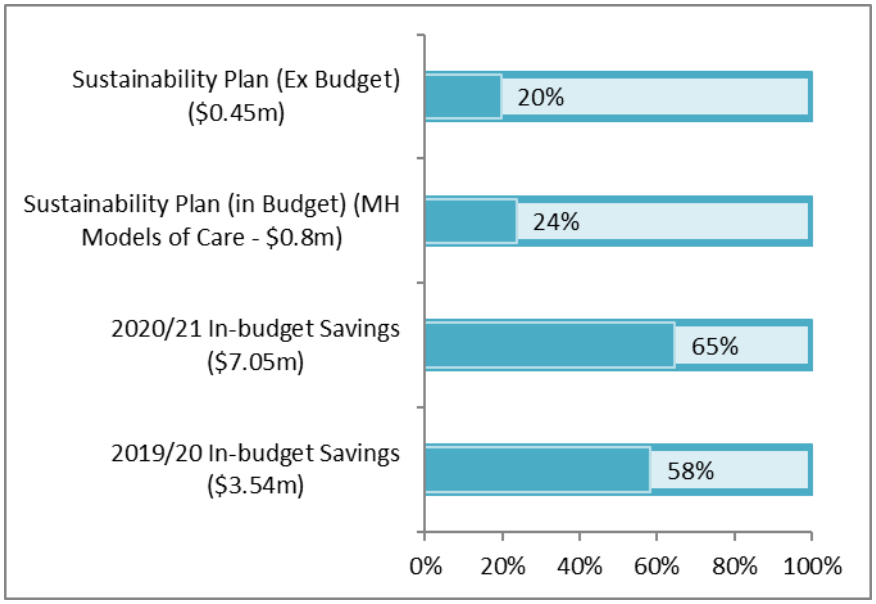
Expenditure during March was the result of the initial planning of immunisation activity that is reimbursable and the fit testing of N95 masks for clinical staff. The year to date unbudgeted net expenditure totals $0.095m, with the month movement related to fit testing. Assuming no further escalation of pandemic events and matching funding for the immunisation programme, the expectation is that the year to date net expenditure will remain unchanged for the remainder of the year.

The Ministry of Health has provided initial advice on the funding model for the immunisation programme. At this stage, indicative advice for the immunisation programme appears to be in line with MDHB expectations.

2.5 Sustainability and Savings Plan

The table below shows the year to date progress against the year-end target. Overall progress against the target is at 58 percent year to date. While it is unlikely the overall savings targets will be achieved, the DHB is operating well within budget when one off items are excluded.

SUSTAINABILITY AND SAVINGS PLAN PROGRESS TO DATE



The year to date pace of in-budget savings suggest that these are slightly behind if the year-end target is to be achieved. In-budget savings for 2020/21 includes a full year saving in specialling costs of $0.50m.

2.6 Year-end Forecast

The current forecast is that MDHB will end the year with an operating deficit of $1.5m, which is favourable to the budgeted deficit of $4.9m by $3.4m. This suggests unbudgeted Holidays Act and COVID-19 costs, currently forecast to be $3.7m, can be absorbed within the overall budget. However, adjustments reflecting an increase in the historical valuation of Holidays Act costs are expected at year-end, which will exceed our ability to absorb within the budget. It is important to note that the Ministry separates Holidays Act issues from the measurement of DHB performance. The Holidays Act is a national issue faced by all DHBs, and the expectation is that this will require separate funding in order to remediate. The Government has signalled that it will provide this funding once all DHBs are in a position to remediate. It is most likely that this will come as an equity injection.

The projected year-end cash and deposit balances is $23.9m, which is better than budget by $15.7m.

A number of potential risks were identified and communicated during the budget process. If realised, these will affect our ability to achieve this year's budget targets. These risks are outlined in the table below and are given the following ratings:

BOARD REPORT

	Low Risk No concerns to date		Risk Unknown No evidence of risk to date. Keep in view		Risk Emerging		Risk likely to Materialise

Status	Potential Budget Risk	Current Status
	Achieving Sustainability and Saving Plan Objectives	
	While the financial impacts of some sustainability initiatives are not specifically budgeted, it is important that these are achieved to help absorb any unplanned shocks to the DHB.	Overall savings are on target. While sustainability plan items are behind target, these are being offset by other savings that are ahead of target. An executive management lead has been assigned to each initiative to ensure they receive the appropriate level of attention and accountability. Regular reporting and monitoring of progress is in place.
	Ongoing Impacts of COVID-19	
	The impact of a second outbreak would be disruptive to the DHB and its budget. Staff annual leave will need to be carefully managed from both a staff wellbeing and financial perspective.	There have been no significant unfunded COVID-19 costs year to date. The DHB is now better prepared for further outbreaks due to investments in facilities, clinical and digital equipment during the first outbreak. This will lessen the impact of initial expenditure if/when further outbreaks occur. While further outbreaks have occurred across New Zealand, the impact on MDHB has been minor to date. At this stage, indicative MoH funding advice for the immunisation programme appears to be in-line with MDHB cost expectations.
	Timing of staff recruitment	
	The budget reflects average vacancy levels based on the assumption that not all positions will be able to be recruited. It also includes phasing adjustments on the basis that the need to fill positions will occur gradually throughout the year.	The year to date FTE variance is below budget by 24 FTE when all personnel costs (outsourced and employed) are taken into account. This trend is forecast to continue, although the gap is reducing as the year proceeds.
	Future MECA settlements	
	The budget assumption is for a modest 1.5 percent increase in wage settlements based on Governments expectation of restraint in the Public Sector given COVID-19 and its impact on the economy.	Year to date, overall average salary costs remain below budget expectations and this trend is forecast to continue for the remainder of the year.

	Achieving Planned Care targets	
	MoH proposed targets require an increase in output from MidCentral in order to achieve similar revenue levels as in 2019/20.	Planned Care activity has resulted in elective revenue that is favourable to budget year to date.
	Hospital Capacity	
	Hospital bed capacity was increased during 2019/20 in order to accommodate growing demand. For 2020/21, a number of projects will commence being the SPIRE and EDOA / MAPU PODS projects. While the long-term benefit is an increase in future capacity, the short-term impact will lead to some disruption.	High bed occupancy has been experienced throughout the year to date. An experienced Project Director has been employed to help manage these projects and planning is well underway. The PODs project is currently in the design phase and not expected to have an impact on operations this year. SPIRE is further ahead. While some construction has commenced, only minor disruption is expected in this financial year.
	Holidays Act	
	Work to further define the financial impact is ongoing and will be revised as the project comes to a better understanding of the liability. The risk is that the liability will move because of that work, thereby affecting the planned deficit.	Year to date unbudgeted Holiday Act costs are currently being absorbed within the budget. While the current forecast suggests this will continue, significant year-end adjustments are to be expected that will not be able to be absorbed. Ernst Young has completed an initial liability estimate which, once finalised, would require an increase in the current provision. While this will impact the overall result, Holidays Act costs will be funded centrally by the Ministry of Health. For this reason, the risk rating has been changed to tolerable.
	WebPAS SaaS	
	A proposal to move from the current regional instance of WebPAS to a Software as a Service (SaaS) offering is being developed for consideration. Any move away from the current instance may trigger the need to consider impairment.	The business case has experienced delays due to a number of issues including data privacy. While work continues, the outcome of any proposal is uncertain at this point. It is unlikely to impact this financial year.

2.7 **Financial Position**

The main budget variances in the Balance Sheet at 31 March 2021 relate to timing differences in contractor payments resulting in a higher than budgeted level of current liabilities, and the timing of capital expenditure being later than anticipated resulting in lower than budgeted non-current assets. Overall, this has resulted in higher than budgeted cash on hand and deposits in current assets.

$000	Jun-20	Mar-21		
	Actual	Actual	Budget	Variance
TOTAL ASSETS				
Non Current Assets	213,669	213,394	233,021	(19,627)
Current Assets	58,699	71,776	50,607	21,169
Total Assets	**272,368**	**285,170**	**283,628**	**1,542**
TOTAL EQUITY AND LIABILITIES				
Equity	158,340	162,676	170,208	7,532
Non Current Liabilities	7,713	7,169	7,385	216
Current Liabilities	106,315	115,325	106,036	(9,289)
Total Equity and Liabilities	**272,368**	**285,170**	**283,628**	**(1,542)**

As at 31 March 2021 the total available cash and deposit balances were $45.372m. Significant capital expenditure is budgeted for the 2020/21 year, and the timing of this expenditure is currently running later than planned. The projected year-end cash and deposit balances has been revised to $21.440m, which is $13.774m favourable to the year-end cash and deposit balances budget of $7.666m.

2.8 Cash Flows

Overall cash flows reflect a favourable variance to budget of $26.269m as at 31 March 2021. Operating cash flows are favourable due to the net impact of working capital movements. Investing cash flows are favourable due to the timing of capital expenditure being later than budgeted. Financing activities are unfavourable due to equity injections for the SPIRE and mental health projects being required later than budgeted.

$000	Jun-20	Mar-21			
	Actual	Actual	Budget	Variance	
Net Cash Flow from Operating Activities	15,541	29,527	16,111	13,416	✓
Net Cash Flows from Investing Activities	(19,204)	(16,604)	(37,301)	20,697	✓
Net Cash Flows from Financing Activities	1,632	5,465	13,309	(7,844)	✗
Net increase / (decrease) in cash	**(2,031)**	**18,388**	**(7,881)**	**26,269**	✓
Cash at beginning of year	29,015	26,984	26,984	-	✓
Closing cash	**26,984**	**45,372**	**19,103**	**26,269**	✓

2.9 Cash, Investments and Debt

Cash and Investments

Trust and Special Funds are held in a separate BNZ account. These fall outside the shared banking arrangement with the BNZ that NZ Health Partnerships Limited sweeps daily. Surplus liquidity from the Enable NZ operating account is channelled through the main DHB accounts to obtain those benefits.

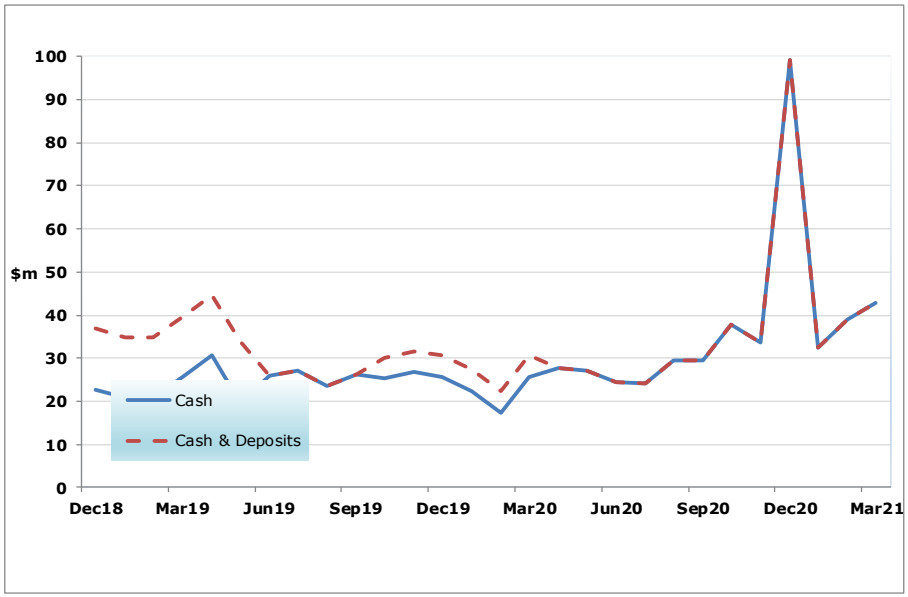
Mar-21	Rate	Value $000
NZHP Sweep Balance	0.68%	42,137
Cash in Hand and at Bank		2
Trust Accounts		2,483
Enable New Zealand		750
Total Cash Balance		45,372

Cash reconciliation tables below show how cash has moved during the month.

Cash Reconciliation	Mar-21 $000	Year to date $000
Cash at February 2021	41,621	26,984
Surplus / (Deficit) for mth	(2,159)	(1,390)
Depreciation / Amortisation	1,965	17,091
Sale of fixed assets	-	30
Working capital movement	3,997	14,204
Share of associate net surplus/deficit	-	(126)
Capital expenditure	(1,507)	(16,720)
Loan/finance lease repayments	(16)	(205)
Trusts movement	(33)	(220)
Equity injections - capital	1,504	5,724
Cash Balance at month end	45,372	45,372

The chart below indicates the DHB's cash balance, excluding investment and Trust Accounts. The spike in the December cash balance reflects the early payment of January revenue by the Ministry of Health due to the timing of the Christmas holiday period.

CASH BALANCES



The DHB sector is experiencing liquidity pressure due to the continuation of operating deficits. New Zealand Health Partnerships, on behalf of all DHBs, has been in ongoing discussion with the Ministry and Treasury on ways to resolve this and the need for urgent deficit support equity injections to those DHBs who are insolvent. That resulted in an equity injection to the sector last October to accommodate payment timing. These pressures have not affected MDHB's operations to date. However, a resolution is necessary to enable the collective treasury management and optimisation to remain viable.

The Ministry has provided reassurance to the sector on the liquidity impacts of COVID-19. Despite this, COVID-19 will influence the ability to fund other initiatives in the sector in the near term.

Net MDHB liquidity continues to be sufficient in the near term with steady levels. However, continuing operating deficits and planned capital investments are reducing the overall liquidity.

The Treasury and Ministry of Health are providing a funding allocation of $30m towards the $35m budget for the Mental Health Unit replacement and $27.5m for an expanded perioperative suite (SPIRE programme). The increased funding commenced this financial year with the bulk of the draw-downs as major construction occurs over the next two years.

Treasury Policy and Ratios

There are currently no arrangements that necessitate monitoring against Treasury Policy parameters.

Debt and Leases

Debt is held with the Energy and Efficiency Conservation Authority, which has a Crown Efficiency Loan Scheme for the purposes of assisting Government funded organisations in taking measures to reduce their energy expenditure. The loans are for the purchase and installation of equipment in this regard and are interest free.

Lender	Maturity	$'000	Rate	Type
EECA		13	0.00%	Fixed

The MRI finance lease is held with MCL Capital which is a New Zealand owned and operated company offering leasing solutions to New Zealand public sector organisations.

Finance Leases	Start Date	Maturity	$'000	Equipment
MCL Capital	Jun-19	May-26	1,169	MRI Scanner

The finance lease allows the DHB to spread the cost of an asset over the term of the lease and preserves capital, minimises the draw on cash reserves and provides budget certainty with ownership at the expiry of the lease.

2.10 Statement of Capital Expenditure

Capital expenditure is at a level below the overall budget, a trend that has continued from last year. Expenditure in March totalled $1.50m and largely related to several digital projects and the SPIRE project. Year to date, expenditure on capital is $16.72m. Note that year to date depreciation is $16.713m against a budget of $17.337m.

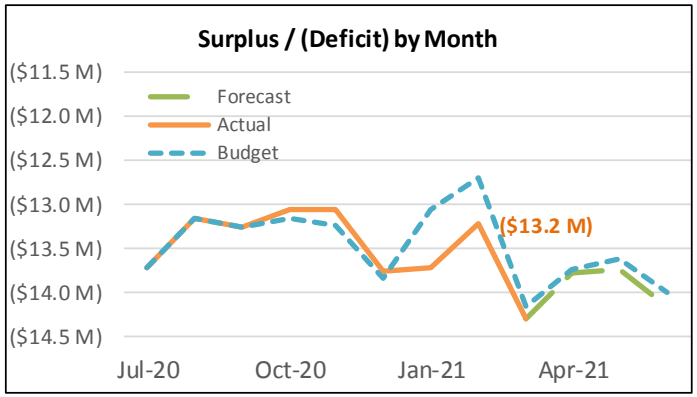
Further detail is provided in Appendix Two – Capital Expenditure.

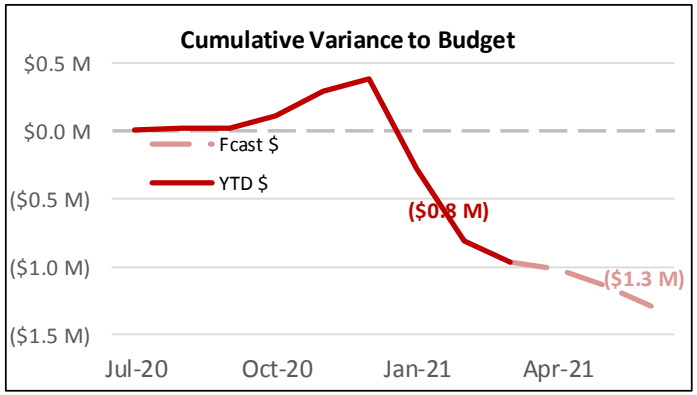
APPENDIX ONE – FINANCIAL PERFORMANCE BY SERVICE

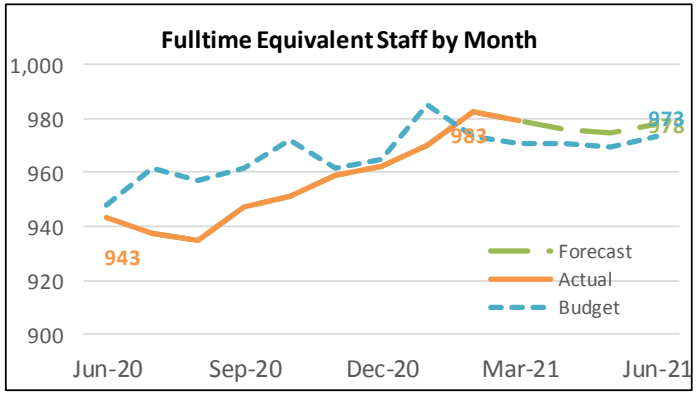
Te Uru Arotau – Acute and Elective Specialist Services

$000	March 2021		Year to date		Year End	
	Actual	Variance to Budget	Actual	Variance to Budget	Forecast	Variance to Budget
Net Revenue	**2,525**	**1,173**	**17,514**	**5,423**	**23,160**	**7,096**
Expenditure						
Personnel	9,759	33	83,062	(291)	112,071	(330)
Outsourced Personnel	188	(109)	2,447	(1,775)	3,057	(2,165)
Sub -Total Personnel	9,948	(76)	85,509	(2,066)	115,128	(2,495)
Other Outsourced Services	1,486	(397)	11,406	(1,865)	15,080	(2,394)
Clinical Supplies	3,669	(543)	28,693	(1,889)	38,214	(2,608)
Infrastructure & Non-Clinical	819	(311)	4,998	(571)	6,784	(901)
Total Operating Expenditure	**15,921**	**(1,326)**	**130,606**	**(6,392)**	**175,207**	**(8,399)**
Provider Payments	28	0	231	27	317	27
Corporate Services	883	0	7,962	(18)	10,611	(18)
Surplus/(Deficit)	**(14,308)**	**(152)**	**(121,286)**	**(959)**	**(162,975)**	**(1,293)**

FTE						
Medical	226.1	11.0	217.4	15.5	219.3	14.6
Nursing	487.0	(16.2)	479.5	(7.6)	481.6	(10.0)
Allied Health	133.1	(11.0)	124.8	(3.2)	124.1	(2.4)
Support	16.0	3.0	16.7	2.2	17.3	1.7
Management / Admin	116.9	5.2	119.8	2.4	120.4	1.8
Total FTE	**979.2**	**(8.1)**	**958.2**	**9.3**	**962.7**	**5.7**





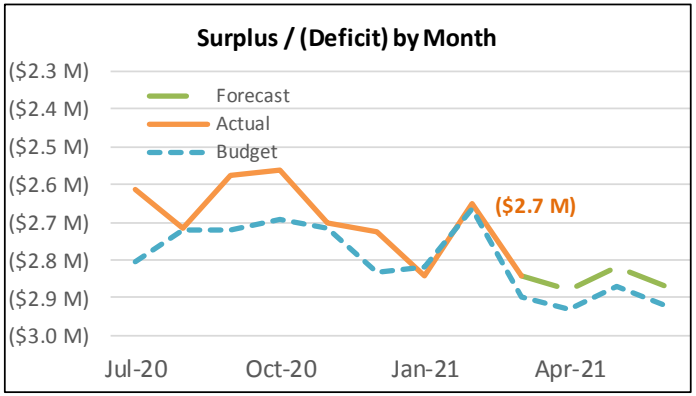


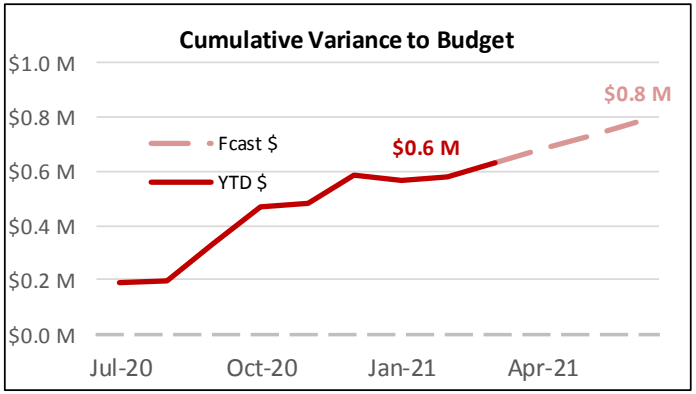
BOARD REPORT

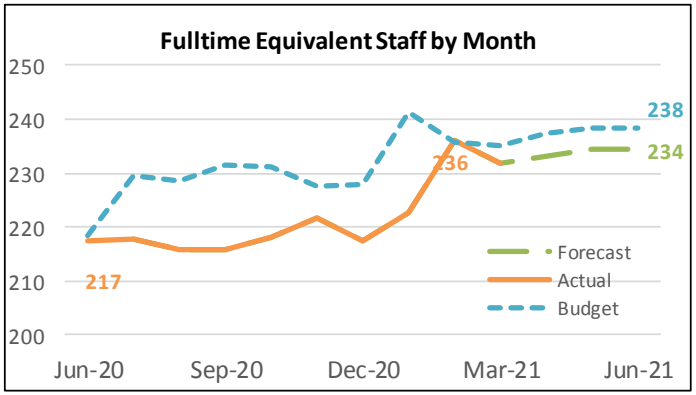
Te Uru Pā Harakeke – Healthy Women, Children and Youth Services

$000	March 2021		Year to date		Year End	
	Actual	Variance to Budget	Actual	Variance to Budget	Forecast	Variance to Budget
Net Revenue	**404**	**(57)**	**4,205**	**107**	**5,648**	**188**
Expenditure						
Personnel	2,236	116	19,042	1,042	25,943	1,282
Outsourced Personnel	(9)	30	579	(396)	684	(441)
Sub -Total Personnel	2,227	147	19,622	646	26,628	841
Other Outsourced Services	74	(2)	819	(187)	1,132	(292)
Clinical Supplies	338	(54)	2,593	(143)	3,458	(201)
Infrastructure & Non-Clinical	143	17	1,250	153	1,677	187
Total Operating Expenditure	**2,782**	**108**	**24,284**	**469**	**32,895**	**534**
Provider Payments	451	3	4,028	56	5,389	56
Corporate Services	14	0	122	0	162	0
Surplus/(Deficit)	**(2,843)**	**54**	**(24,229)**	**631**	**(32,797)**	**778**

FTE						
Medical	45.0	0.0	41.5	3.3	41.8	2.9
Nursing	118.0	(3.5)	112.8	1.4	87.7	27.4
Midwives	33.6	4.5	32.4	4.1	35.3	1.6
Allied Health	15.0	1.6	14.9	0.7	15.4	0.5
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	20.3	0.5	20.4	0.6	20.5	0.4
Total FTE	**231.9**	**3.1**	**222.0**	**10.1**	**200.7**	**32.8**





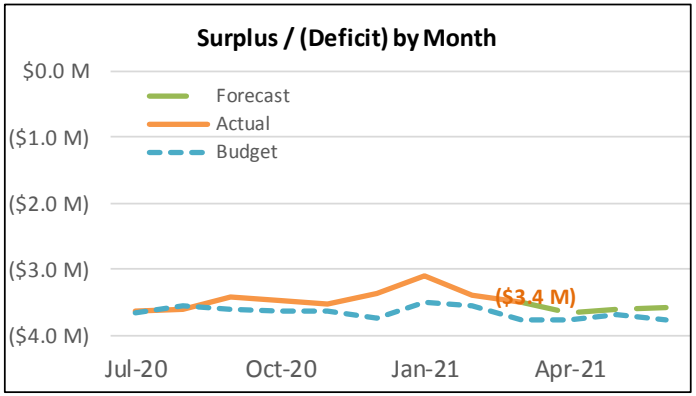


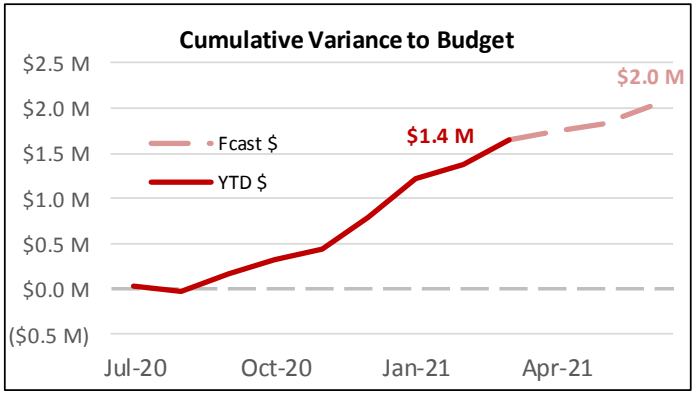
BOARD REPORT

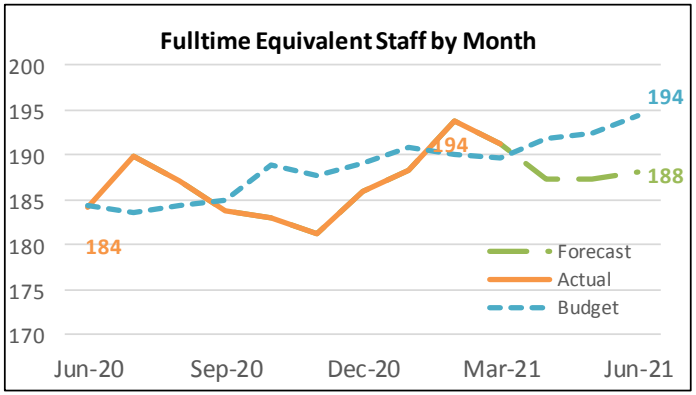
Te Uru Mātai Matengau – Cancer Screening, Treatment and Support Services

$000	March 2021		Year to date		Year End	
	Actual	Variance to Budget	Actual	Variance to Budget	Forecast	Variance to Budget
Net Revenue	**1,014**	**55**	**7,693**	**(188)**	**10,245**	**(188)**
Expenditure						
Personnel	1,918	138	16,448	765	21,969	1,318
Outsourced Personnel	0	3	72	(42)	82	(42)
Sub -Total Personnel	1,918	142	16,520	723	22,051	1,276
Other Outsourced Services	637	(28)	5,138	165	6,998	54
Clinical Supplies	1,138	177	10,229	1,063	13,987	1,015
Infrastructure & Non-Clinical	205	(78)	1,288	(151)	1,668	(158)
Total Operating Expenditure	**3,899**	**213**	**33,175**	**1,799**	**44,704**	**2,186**
Provider Payments	391	3	3,518	27	4,700	27
Corporate Services	219	0	1,972	0	2,629	0
Surplus/(Deficit)	**(3,496)**	**270**	**(30,972)**	**1,638**	**(41,788)**	**2,025**

FTE						
Medical	38.5	2.0	39.2	0.9	39.2	1.2
Nursing	58.9	(3.4)	55.4	(0.8)	55.3	(0.3)
Allied Health	63.0	1.4	62.8	1.1	62.9	1.4
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	31.0	(1.7)	29.8	(0.7)	29.8	(0.6)
Total FTE	**191.3**	**(1.7)**	**187.1**	**0.5**	**187.2**	**1.8**





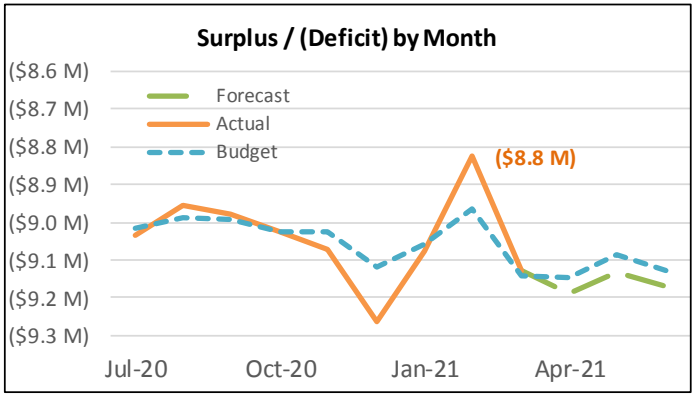


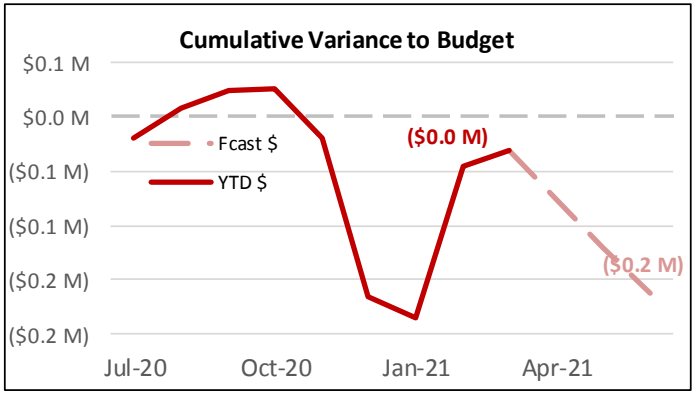
BOARD REPORT

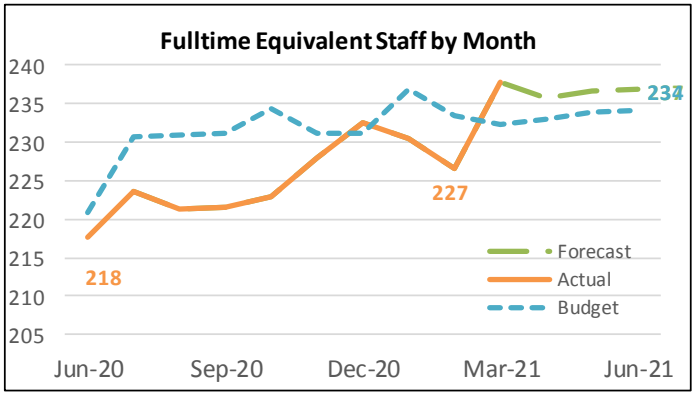
Te Uru Whakamauora – Healthy Ageing and Rehabilitation Services

$000	March 2021 Actual	March 2021 Variance to Budget	Year to date Actual	Year to date Variance to Budget	Year End Forecast	Year End Variance to Budget
Net Revenue	**448**	**(5)**	**3,998**	**147**	**5,260**	**147**
Expenditure						
Personnel	1,859	24	15,636	301	21,213	281
Outsourced Personnel	111	(71)	801	(460)	989	(536)
Sub -Total Personnel	1,971	(48)	16,437	(160)	22,202	(255)
Other Outsourced Services	62	(11)	536	(98)	680	(98)
Clinical Supplies	214	(60)	1,511	(200)	1,963	(222)
Infrastructure & Non-Clinical	150	(38)	1,083	(117)	1,413	(130)
Total Operating Expenditure	**2,396**	**(158)**	**19,567**	**(574)**	**26,258**	**(705)**
Provider Payments	7,089	177	64,994	396	86,791	396
Corporate Services	89	0	799	0	1,066	0
Surplus/(Deficit)	**(9,127)**	**14**	**(81,362)**	**(32)**	**(108,854)**	**(162)**

FTE						
Medical	15.8	2.5	15.0	2.8	15.0	2.9
Nursing	112.7	(8.7)	109.0	(4.1)	110.1	(5.3)
Allied Health	94.7	0.6	89.4	5.5	90.3	4.9
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	14.7	0.1	13.7	1.1	14.0	0.8
Total FTE	**237.8**	**(5.5)**	**227.2**	**5.3**	**229.5**	**3.3**





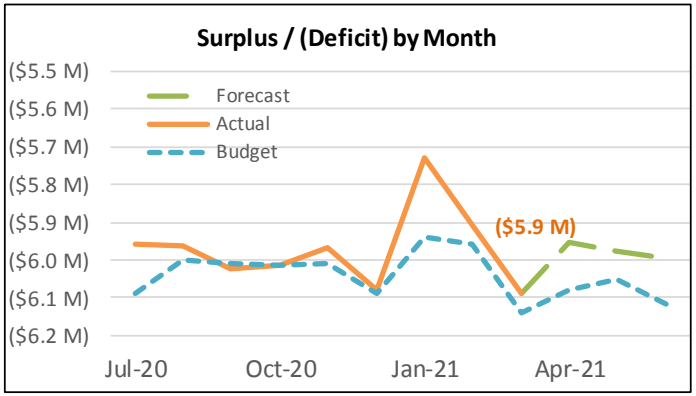


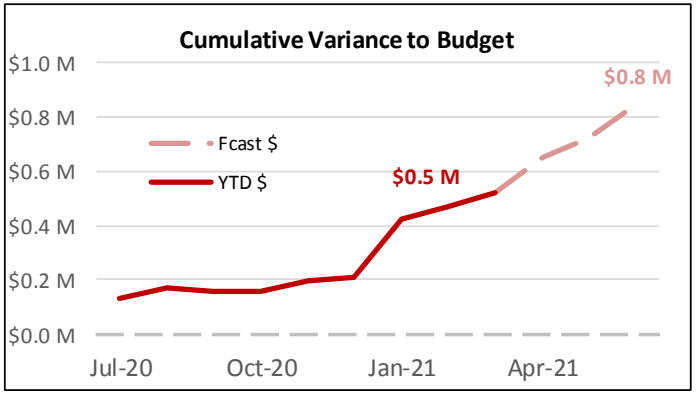
BOARD REPORT

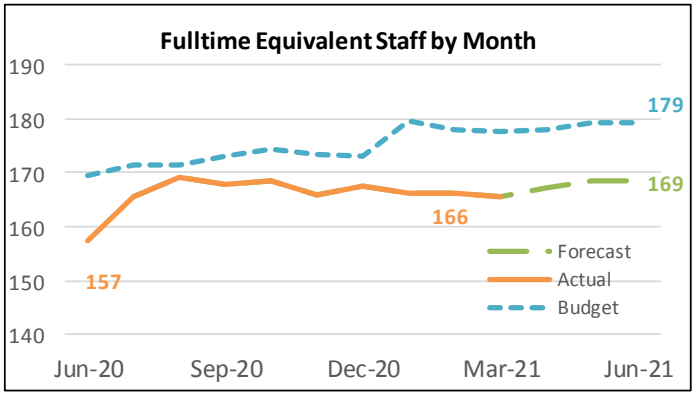
Te Uru Kiriora – Primary, Public and Community Services

$000	March 2021 Actual	March 2021 Variance to Budget	Year to date Actual	Year to date Variance to Budget	Year End Forecast	Year End Variance to Budget
Net Revenue	**704**	**(24)**	**6,433**	**(99)**	**8,616**	**(99)**
Expenditure						
Personnel	1,280	103	10,962	570	14,660	901
Outsourced Personnel	0	0	7	(4)	8	(4)
Sub -Total Personnel	1,280	104	10,970	566	14,669	897
Other Outsourced Services	59	12	596	23	798	23
Clinical Supplies	301	(60)	2,188	(100)	2,875	(100)
Infrastructure & Non-Clinical	148	19	1,394	109	1,902	100
Total Operating Expenditure	**1,788**	**75**	**15,147**	**598**	**20,243**	**920**
Provider Payments	4,901	(1)	44,093	5	58,792	5
Corporate Services	104	0	919	18	1,231	18
Surplus/(Deficit)	**(6,088)**	**50**	**(53,725)**	**521**	**(71,649)**	**842**

FTE						
Medical	3.7	0.2	3.5	0.3	3.6	0.2
Nursing	80.3	3.6	79.7	3.5	79.6	3.8
Allied Health	63.4	6.0	65.8	1.2	65.9	1.9
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	18.3	2.4	18.0	2.6	18.2	2.5
Total FTE	**165.6**	**12.2**	**167.0**	**7.7**	**167.3**	**8.5**





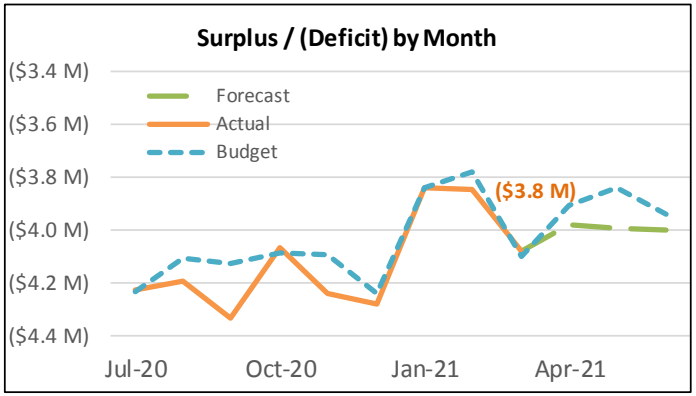


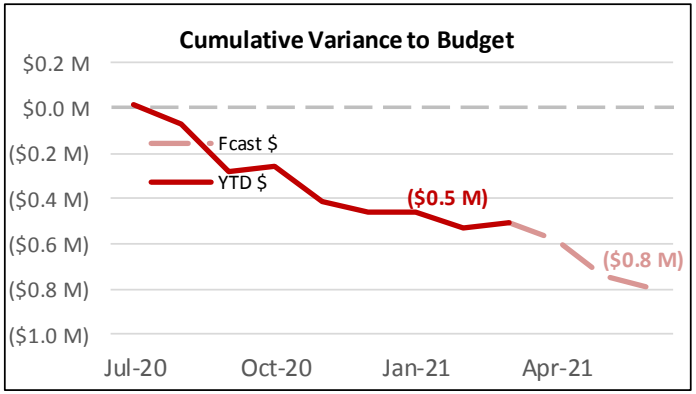
BOARD REPORT

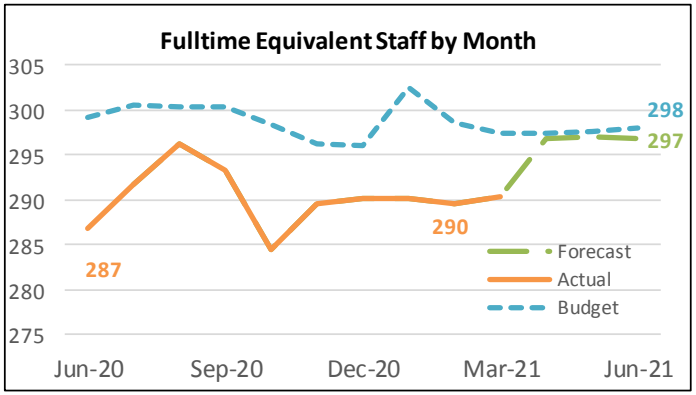
Te Uru Rauhī – Mental Health and Addictions Services

$000	March 2021 Actual	March 2021 Variance to Budget	Year to date Actual	Year to date Variance to Budget	Year End Forecast	Year End Variance to Budget
Net Revenue	**32**	**0**	**312**	**37**	**406**	**37**
Expenditure						
Personnel	2,408	241	20,779	1,808	27,982	1,989
Outsourced Personnel	421	(289)	3,674	(2,553)	4,875	(3,386)
Sub -Total Personnel	2,829	(48)	24,453	(745)	32,857	(1,397)
Other Outsourced Services	54	(12)	531	(164)	691	(203)
Clinical Supplies	28	(7)	189	(10)	248	(10)
Infrastructure & Non-Clinical	204	(19)	1,591	54	2,159	27
Total Operating Expenditure	**3,115**	**(86)**	**26,764**	**(865)**	**35,955**	**(1,583)**
Provider Payments	984	106	10,542	319	13,383	748
Corporate Services	14	0	123	0	164	0
Surplus/(Deficit)	**(4,081)**	**20**	**(37,117)**	**(509)**	**(49,095)**	**(797)**

FTE						
Medical	18.1	8.0	15.5	10.6	16.3	9.8
Nursing	185.5	(11.9)	187.0	(11.7)	187.3	(12.5)
Allied Health	46.2	9.6	47.6	7.9	47.6	8.0
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	40.5	1.3	40.5	1.6	41.0	1.1
Total FTE	**290.4**	**7.0**	**290.6**	**8.3**	**292.2**	**6.4**





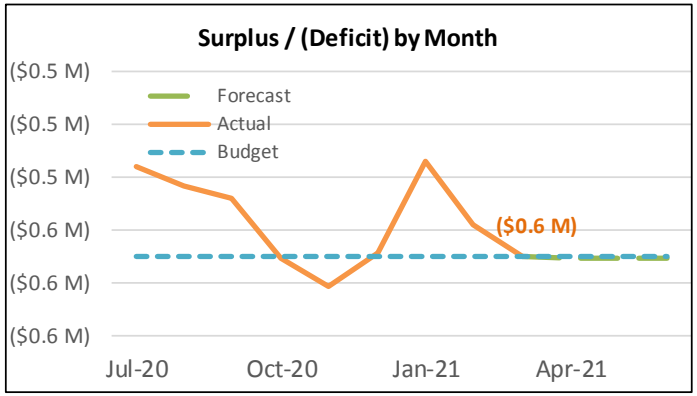


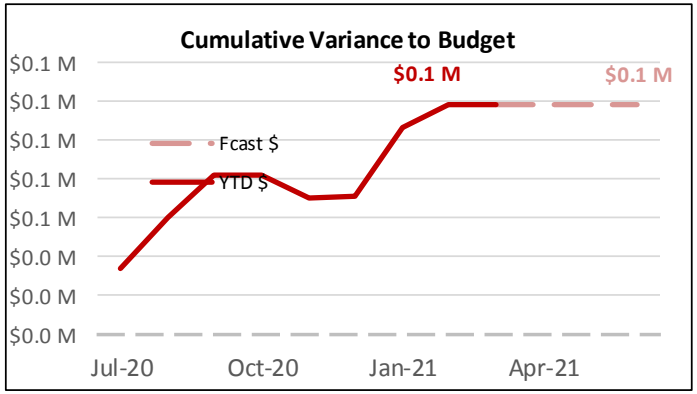
BOARD REPORT

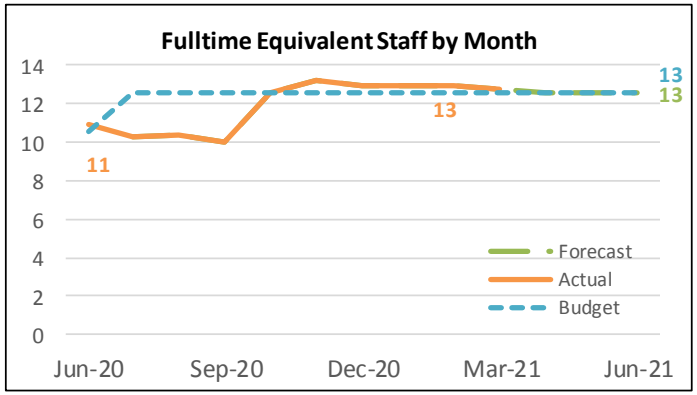
Pae Ora – Paiaka Whaiora Directorate

$000	March 2021 Actual	March 2021 Variance to Budget	Year to date Actual	Year to date Variance to Budget	Year End Forecast	Year End Variance to Budget
Net Revenue	**130**	**0**	**1,084**	**1**	**1,455**	**1**
Expenditure						
Personnel	110	8	854	120	1,190	120
Outsourced Personnel	0	0	0	0	0	0
Sub -Total Personnel	110	8	854	120	1,190	120
Other Outsourced Services	0	0	0	(0)	0	(0)
Clinical Supplies	0	(0)	2	0	2	0
Infrastructure & Non-Clinical	20	(8)	117	(9)	152	(9)
Total Operating Expenditure	**130**	**(1)**	**972**	**111**	**1,344**	**111**
Provider Payments	569	1	5,122	7	6,831	7
Corporate Services	0	0	0	0	0	0
Surplus/(Deficit)	**(570)**	**0**	**(5,010)**	**119**	**(6,719)**	**119**

FTE						
Medical	0.0	1.2	0.3	0.9	0.5	0.7
Nursing	2.0	0.0	1.7	0.3	1.7	0.2
Allied Health	4.3	(1.7)	3.8	(1.2)	3.5	(0.9)
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	6.4	0.3	6.2	0.5	6.4	0.4
Total FTE	**12.8**	**(0.2)**	**12.0**	**0.6**	**12.1**	**0.4**



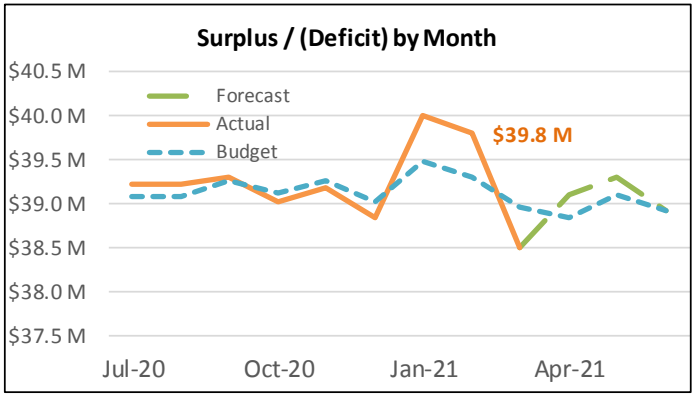


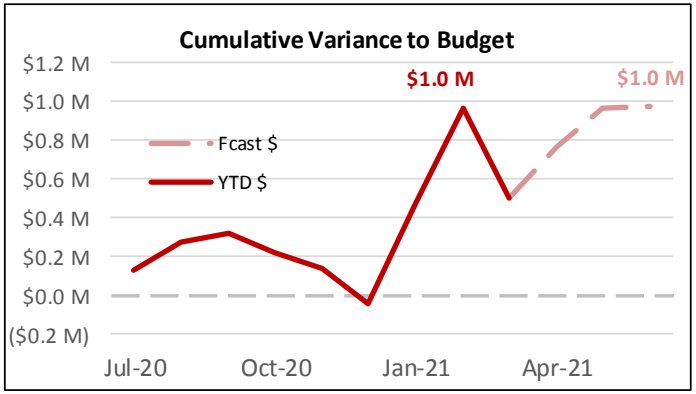


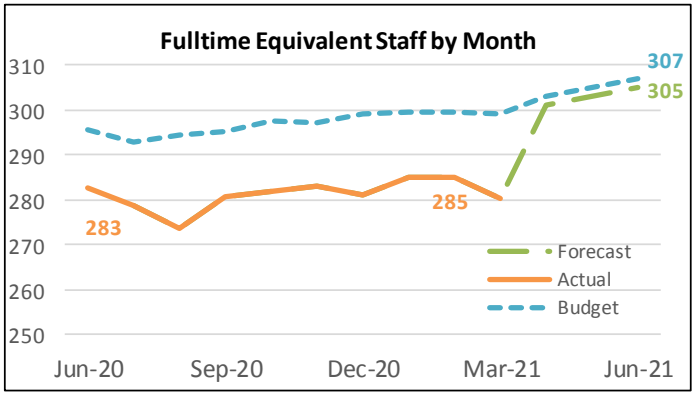
Corporate and Professional Services

$000	March 2021 Actual	March 2021 Variance to Budget	Year to date Actual	Year to date Variance to Budget	Year End Forecast	Year End Variance to Budget
Net Revenue	**56,641**	**253**	**509,604**	**2,144**	**678,113**	**1,517**
Expenditure						
Personnel	2,841	(184)	22,004	643	30,162	435
Outsourced Personnel	220	(161)	1,062	(560)	1,267	(600)
Sub -Total Personnel	3,060	(345)	23,066	83	31,429	(165)
Other Outsourced Services	178	(4)	1,604	(51)	2,122	(51)
Clinical Supplies	98	(20)	734	(44)	963	(44)
Infrastructure & Non-Clinical	4,925	(205)	40,866	952	55,255	762
Total Operating Expenditure	**8,261**	**(575)**	**66,271**	**940**	**89,768**	**502**
Provider Payments	11,262	(143)	102,651	(2,585)	134,467	(1,046)
Corporate Services	(1,372)	0	(12,346)	0	(16,462)	0
Surplus/(Deficit)	**38,490**	**(465)**	**353,029**	**500**	**470,340**	**974**

FTE						
Medical	9.2	1.1	8.7	1.6	8.6	1.7
Nursing	40.1	1.9	45.2	(3.4)	44.6	(2.5)
Allied Health	6.9	(1.3)	4.9	0.6	5.1	0.5
Support	13.1	0.2	13.1	0.2	13.2	0.2
Management / Admin	211.1	16.9	209.2	17.1	215.1	12.8
Total FTE	**280.5**	**18.8**	**281.0**	**16.2**	**286.5**	**12.6**





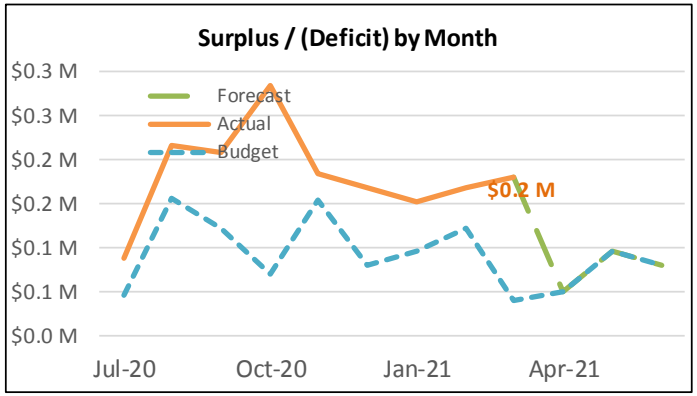


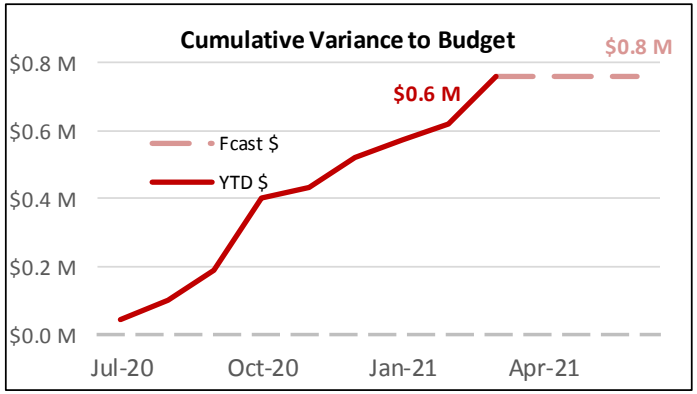
BOARD REPORT

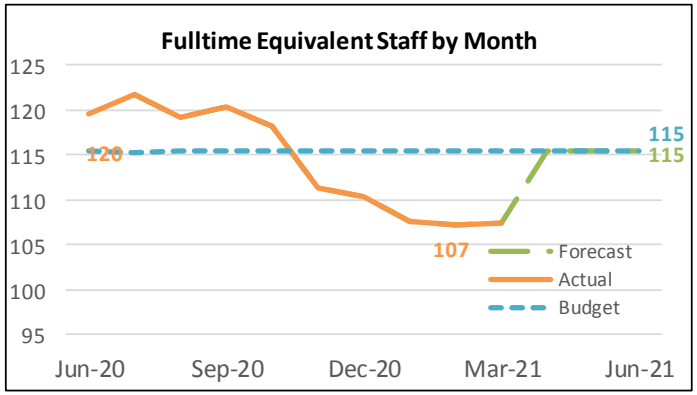
Enable New Zealand

$000	March 2021 Actual	March 2021 Variance to Budget	Year to date Actual	Year to date Variance to Budget	Year End Forecast	Year End Variance to Budget
Net Revenue	**3,675**	**681**	**28,430**	**1,477**	**37,411**	**1,477**
Expenditure						
Personnel	755	50	6,603	228	8,879	228
Outsourced Personnel	45	(16)	273	(29)	353	(29)
Sub -Total Personnel	799	34	6,875	198	9,232	198
Other Outsourced Services	8	1	41	36	67	36
Clinical Supplies	6	(0)	53	1	69	1
Infrastructure & Non-Clinical	2,632	(575)	19,365	(952)	25,572	(952)
Total Operating Expenditure	**3,445**	**(540)**	**26,335**	**(716)**	**34,941**	**(716)**
Provider Payments	0	0	0	0	0	0
Corporate Services	50	0	450	0	600	0
Surplus/(Deficit)	**180**	**141**	**1,645**	**761**	**1,871**	**761**

FTE						
Medical	0.0	0.0	0.0	0.0	0.0	0.0
Nursing	0.0	0.0	0.0	0.0	0.0	0.0
Allied Health	22.8	8.3	21.7	9.4	24.0	7.1
Support	16.5	(0.5)	17.7	(1.7)	17.3	(1.3)
Management / Admin	68.3	0.0	74.3	(6.0)	72.8	(4.5)
Total FTE	**107.5**	**7.9**	**113.7**	**1.7**	**114.1**	**1.3**







Holidays Act

$000	March 2021 Actual	March 2021 Variance to Budget	Year to date Actual	Year to date Variance to Budget	Year End Forecast	Year End Variance to Budget	Life to date Actual Since May 2010
Expenditure							
Personnel	119	(119)	1,150	(1,150)	1,504	(1,504)	12,147
Outsourced Personnel	27	(27)	225	(225)	554	(554)	225
Sub -Total Personnel	146	(146)	1,376	(1,376)	2,058	(2,058)	12,373
Infrastructure & Non-Clinical	113	(113)	893	(893)	1,585	(1,585)	893
Total Operating Expenditure	**260**	**(260)**	**2,268**	**(2,268)**	**3,643**	**(3,643)**	**13,265**
Surplus/(Deficit)	**(260)**	**(260)**	**(2,268)**	**(2,268)**	**(3,643)**	**(3,643)**	**(13,265)**

COVID-19

$000	March 2021 Actual	March 2021 Variance to Budget	Year to date Actual	Year to date Variance to Budget	Year End Forecast	Year End Variance to Budget	Life to date Actual Since March 2010
Net Revenue	**344**	**344**	**2,570**	**2,570**	**3,180**	**3,180**	**3,280**
Expenditure							
Personnel	119	(119)	696	(696)	952	(952)	3,906
Outsourced Personnel	3	(3)	101	(101)	156	(156)	171
Sub -Total Personnel	121	(121)	797	(797)	1,108	(1,108)	4,077
Other Outsourced Services	94	(94)	1,236	(1,236)	1,374	(1,374)	2,114
Clinical Supplies	28	(28)	51	(51)	72	(72)	394
Infrastructure & Non-Clinical	160	(160)	581	(581)	721	(721)	2,575
Total Operating Expenditure	**403**	**(403)**	**2,665**	**(2,665)**	**3,274**	**(3,274)**	**9,160**
Surplus/(Deficit)	**(59)**	**(59)**	**(94)**	**(94)**	**(94)**	**(94)**	**(5,880)**

APPENDIX TWO – CAPITAL EXPENDITURE

($000)		Budget	Year to Date Approvals	Year to Date Expenditure	Remaining Approved Expenditure	Remaining Unapproved Budget Available	Year End Expenditure Forecast	Forecast Variance to budget
Board Approvals								
SPIRE Project	Infrastructure, Clinical Equipment, IT	9,266	9,038	**1,921**	7,117	0	**4,562**	4,704
Mental Health Redevelopment	Infrastructure, Clinical Equipment, IT	8,290	8,186	**35**	8,151	0	**435**	7,855
EDOA / MAPU PODS	Infrastructure, Clinical Equipment, IT	4,000	6,000	**200**	5,800	0	**1,200**	2,800
Sub Station Project	Infrastructure	2,281	2,281	**1,527**	754	0	**1,727**	554
Acute Services Block	Infrastructure Planning	700	700	0	700	0	**700**	0
Linear Accelerator Replacement	Clinical Equipment	4,344	4,344	**3,502**	842	0	**4,302**	42
Fluoroscopy	Clinical Equipment	1,540	1,540	**0**	1,540	0	**400**	1,140
Clinical-Monitors	Clinical Equipment	1,100	88	**90**	(2)	1,012	**90**	1,010
Laparoscopic Equipment	Clinical Equipment	670	670	**91**	579	0	**670**	0
RHIP	Information Technology	1,623	1,623	**754**	869	0	**1,254**	369
RiskMan	Information Technology	1,097	0	0	0	1,097	**0**	1,097
Programme of Change Mental Health & Addictions	Information Technology & Furniture and Fittings **(Approval $2.802k split 20/21 $0.89m & 21/22 $1.905m)**	897	897	**34**	863	0	**384**	513
Health System Catalogue	Information Technology	600	1,031	**337**	694	0	**487**	113
TOTAL Board Approvals		**36,408**	**36,398**	**8,491**	**27,907**	**2,109**	**16,211**	**20,197**
Management Approvals - Specific Items								
Medical Imaging Equipment - Various	Clinical Equipment	500	0	0	0	500	300	200
Anaesthetic Machines & Monitor Replacement	Clinical Equipment	360	0	0	0	360	0	360
Fundus Camera & Microscope	Clinical Equipment	350	45	0	45	305	350	0
Cardiograph Image Vault	Clinical Equipment	250	0	0	0	250	0	250
Decarbonisation Project	Infrastructure	414	414	**208**	206	0	414	0
Children's Pressure Room	Infrastructure	400	0	0	0	400	400	0
Front Door Project	Infrastructure	314	150	**126**	24	0	126	188
Digital Workplace Programme	Information Technology	1,850	922	**925**	(3)	0	1,225	625
Integration Strategy Implementation (IPaaS)	Information Technology	850	0	0	0	850	250	600
Planned Care - Scope	Information Technology	596	0	0	0	596	350	246
eReferrals (Triage)	Information Technology	585	0	0	0	585	150	435
Digitisation of Clinical Records	Information Technology	452	0	0	0	452	150	302
Website Upgrade	Information Technology	425	0	0	0	425	200	225
WebPASaaS Design & Implementation	Information Technology	400	16	**39**	(23)	384	0	400
Covid Testing Van	Vehicles		195	0	195	0	195	(195)
Planned Care - Production Planning	Information Technology/Clinivcal Equipment	300	0	0	0	300	150	150
Management Approvals - Specific Items		**8,046**	**1,742**	**1,298**	**444**	**5,407**	**4,260**	**3,786**
Management Approvals - Pooled Items								
Clinical & Other Equipment	Clinical Equipment	2,790	1,165	829	336	(375)	1,229	1,561
Facilities & Infrastructure	Infrastructure	4,159	2,111	936	1,175	48	1,186	2,973
Information Technology	Information Technology	1,583	1,905	**2,214**	(309)	0	2,348	(765)
Covid-19	Various	714	930	**930**	0	0	930	(216)
Enable NZ	Various	1,000	25	**28**	(3)	975	228	772
Management Approvals - Pooled Items		**10,246**	**6,136**	**4,937**	**1,199**	**648**	**5,921**	**4,325**
TOTAL Against 2020/21 Capex Plan		**54,700**	**44,276**	**14,726**	**29,550**	**8,164**	**26,392**	**28,308**
Approvals against Prior Year Capex Plans			4,681	1,994	2,687	0	2,399	2,282
TOTAL		**54,700**	**48,957**	**16,720**	**32,237**	**8,164**	**28,791**	**30,590**
20/21 Budgeted Depreciation		24,053						
Capital Funding Support		24,538						
		48,591						

BOARD REPORT

For:

X	Approval
	Endorsement
	Noting

To	Board
Author	Darryl Ratana, Deputy Chief Financial Officer
Endorsed by	Finance, Risk and Audit Committee Neil Wanden, General Manager, Finance and Corporate Services
Date	4 May 2021
Subject	**Finance Report – February 2021**

Key questions the Board should consider in reviewing this paper:

- Is the current financial performance and trend in performance sustainable?
- Are the unfunded risks from COVID-19 and Holidays Act compliance manageable in the near term?
- Are the variations from budget sufficiently well explained and reasonable?
- Is there key financial information which you need for governance that is not included in this report?
- Is the DHB sufficiently able to trade solvently?

RECOMMENDATION

It is recommended that the Board:

- **note** that the Finance, Risk and Audit Committee endorsed this report at their May meeting for Board consideration
- **note** that the month operating result for February 2021 is a surplus before one-off items of $1.545m, which is $0.245m favourable to budget
- **note** that the year to date result for February 2021 is a surplus before one-off items of $2.813m, which is $2.737m favourable to budget
- **note** that year to date for February 2021 COVID-19 related net costs of $0.036m and unbudgeted Holidays Act related costs of $2.009m have been incurred. Including these one-off costs results in a year to date surplus after exceptional items of $0.769m
- **note** that the total available cash and equivalents of $41.6m as at 28 February 2021 is sufficient to support liquidity requirements
- **approve** the February financial report.

Strategic Alignment This report is aligned to the DHB's strategy and key enabler 'Stewardship'.

BOARD REPORT

1. REPORT AT A GLANCE

The result for February 2021 is a surplus before one-off items of $1.545m and is $0.245m favourable to budget.

Favourable to Budget | Close to, or on Budget | Adverse to Budget

Month to Date

Surplus/(Deficit)
$1.5m
Budget Variance
$0.290m
23.1%

FTEs
2,393
Budget Variance
28
1.2%

Capex
$1.4m
Budget Variance
$3.5m
72.1%

Cash & Deposits Movement
$6.8m
Budget Variance
$13.4m
203.1%

Month Successes

* Medical Staff on budget with adverse Outsourced offset by own staff vacancies
* Strong results in Cancer STS, Healthy Ageing, PPCH, Finance & Corp and People & Saftey
* FTEs within budget by gap has closed

Month Challenges

* Adverse nursing costs - Outsourced and own staff
* Recruitment of Allied Health Staff
* High Acute and Elective and High Ward 21 demand
* Adverse Treatment supplies, instrument & pharmaceuticals
* Capex well behind budget but has a positive impact on cash

Forecast Accuracy

Actual result for February was a $254K improvement on what the forecast anticipated for the month.

Year to Date

Surplus/(Deficit)
$2.8m
Budget Variance
$2.737m
3589.8%

FTEs
2,340
Budget Variance
62
2.6%

Capex
$15.2m
Budget Variance
$17.0m
52.8%

Cash & Deposits
$41.6m
Budget Variance
$27.4m
(193.4%)

Current Ratio
1.01
Budget Variance
0.20

Year to Date Trends

* Favourable Planned Care The current level of activity is unlikely to continue.
* Personnel Costs adverse to budget due to nursing. Year end forecast suggests this will continue. FTE gap to budget is closing.
* Positive Cluster (WC&Y, PPCH, CSTS) and Enable NZ contributions.
* Adverse IT depreciation that is offset by favourable depreciation else where.
* Adverse Mental Health and Addictions Service (MHAS).

Potential Budget Risks

Eight Risks in Total. One change since last month

Four Low Risks (no change)
Four Tolerable Risks (No change)
Nil Emerging Risk (no change)
Nil Risk Materialised (no change)

Year End Forecast

Surplus/(Deficit)
($1.2m)
Budget Variance
$3.71m
75.6%

FTEs
2,362
Budget Variance
48
2.0%

Capex
$44.6m
Budget Variance
$10.1m
18.5%

Cash & Deposits
$17.7m
Budget Variance
$10.1m
131.1%

Current Ratio
0.85
Budget Variance
0.20

Year End Forecast

This forecast was provided to the MoH in March and includes February year to date actuals. This forecast has improved by $0.7m since the previous months forecast.

A year end deficit before one of items that is $3.7m favourable to with budget is projected. This is prior to absorbing an estimated $3.5m of unbudgeted Holidays Act and Covid-19 costs.

Significant challenges include, Acute and Elective and MHAS, HAR (Health Ageing) and IT depreciation. MHAS has identified savings which have been incorporated into the forecast and IT depreciation is offset by favourable depreciation else where.

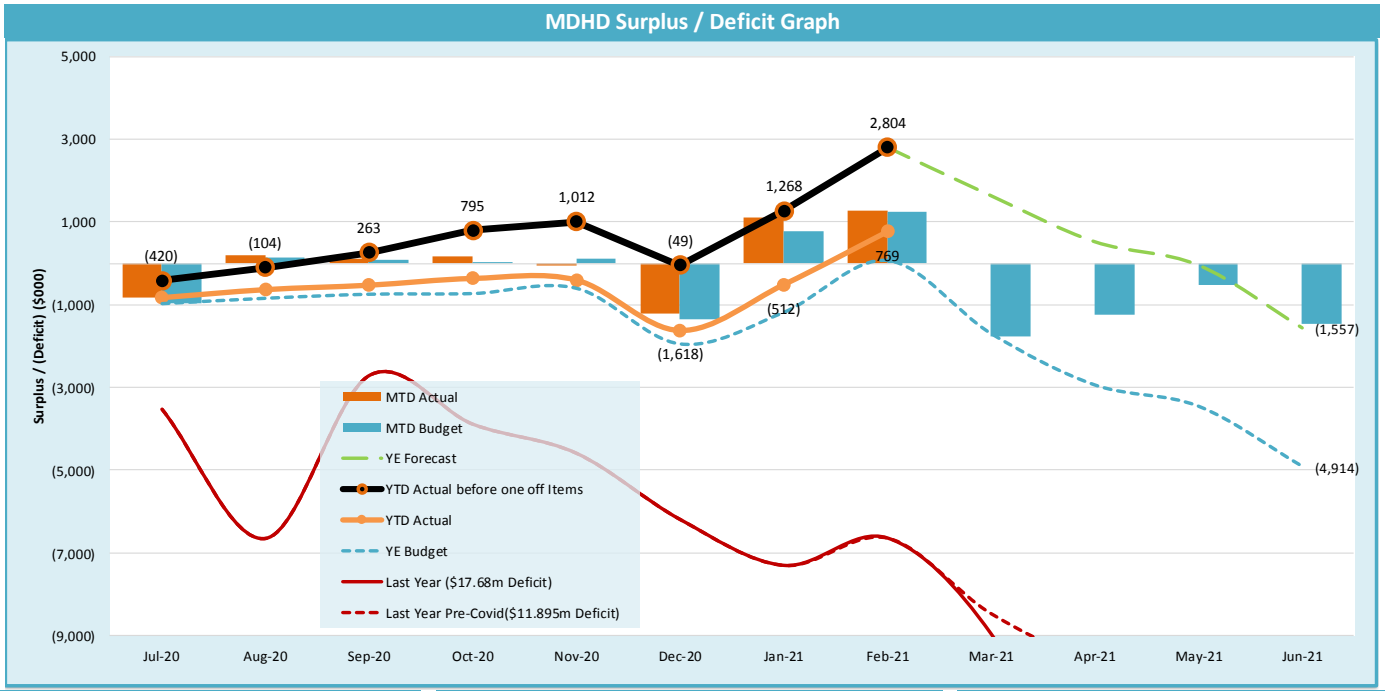
While projected employed FTEs are lower than budget, this is offset by outsourced staff. Note that June 2021 FTEs are anticipated to be at 2,417. This is 25 more FTE than the current month.

The current forecast for capital expenditure and cash balances reflects delays in capital projects leading to a positive year to date cash position.

The Current Ratio is a measure of liquidity. It is defined by the Ministry of Health as current assets over current liabilities (excluding employee entitlement provisions). As a comparison, the latest reported average for peer DHBs is 0.6

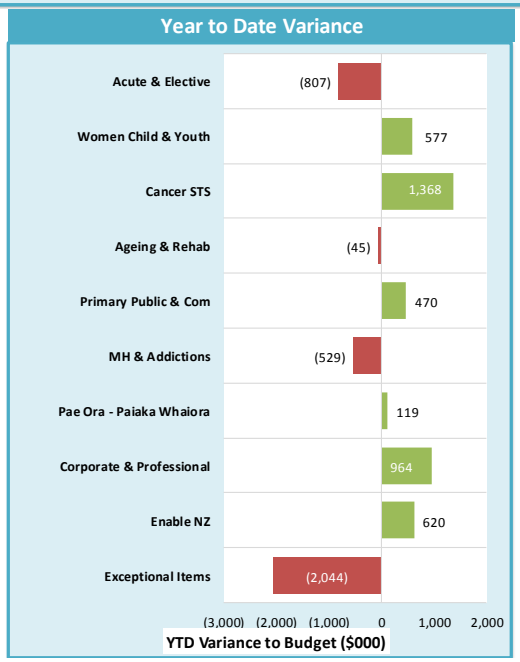
BOARD REPORT

MDHD Surplus / Deficit Graph

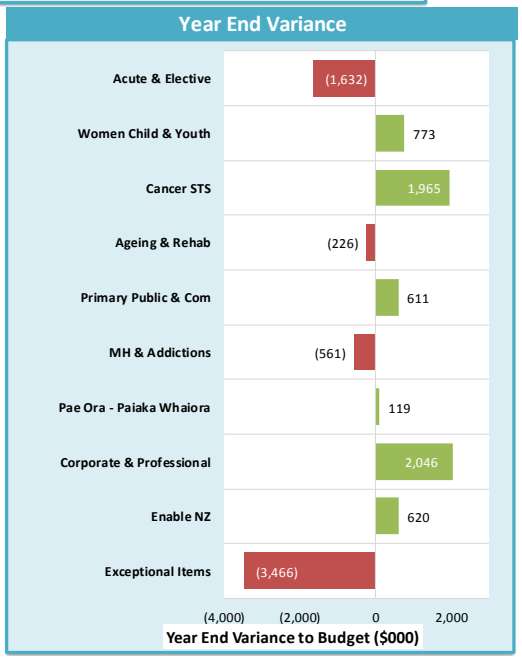


Month to Date Variance

Year to Date Variance



Year End Variance



2. FINANCIAL COMMENTARY

Adverse variances are in brackets unless stated otherwise.

2.1 Financial Performance

The MidCentral District Health Board (MDHB) result for February 2021 is a surplus before one-off items of $1.545m and is $0.245m favourable to budget. Net revenue for the month is $0.608m adverse to budget but is offset by expenditure which is $0.853m favourable to budget. The year to date result is a surplus of $2.813m, which is $2.737m favourable to budget.

Year to date COVID-19 related net costs of $0.036m and unbudgeted Holidays Act related costs of $2.009m have been incurred. This results in a year to date surplus of $0.769m when these one-off costs are included.

The financial performance to date and projected trends are consistent with outperforming budget at an operating level excluding the impact of Holidays Act, COVID-19 and any year end valuations. The current forecast suggests a year end deficit before one-off items of $1.201m which is $3.713m favourable to budget. Management's objective is to seek ways to improve on this forecast.

The Statement of Financial Performance is shown in the following table. Unbudgeted costs relating to the Holidays Act and COVID-19 are separately disclosed so that the underlying performance can be easily viewed.

BOARD REPORT

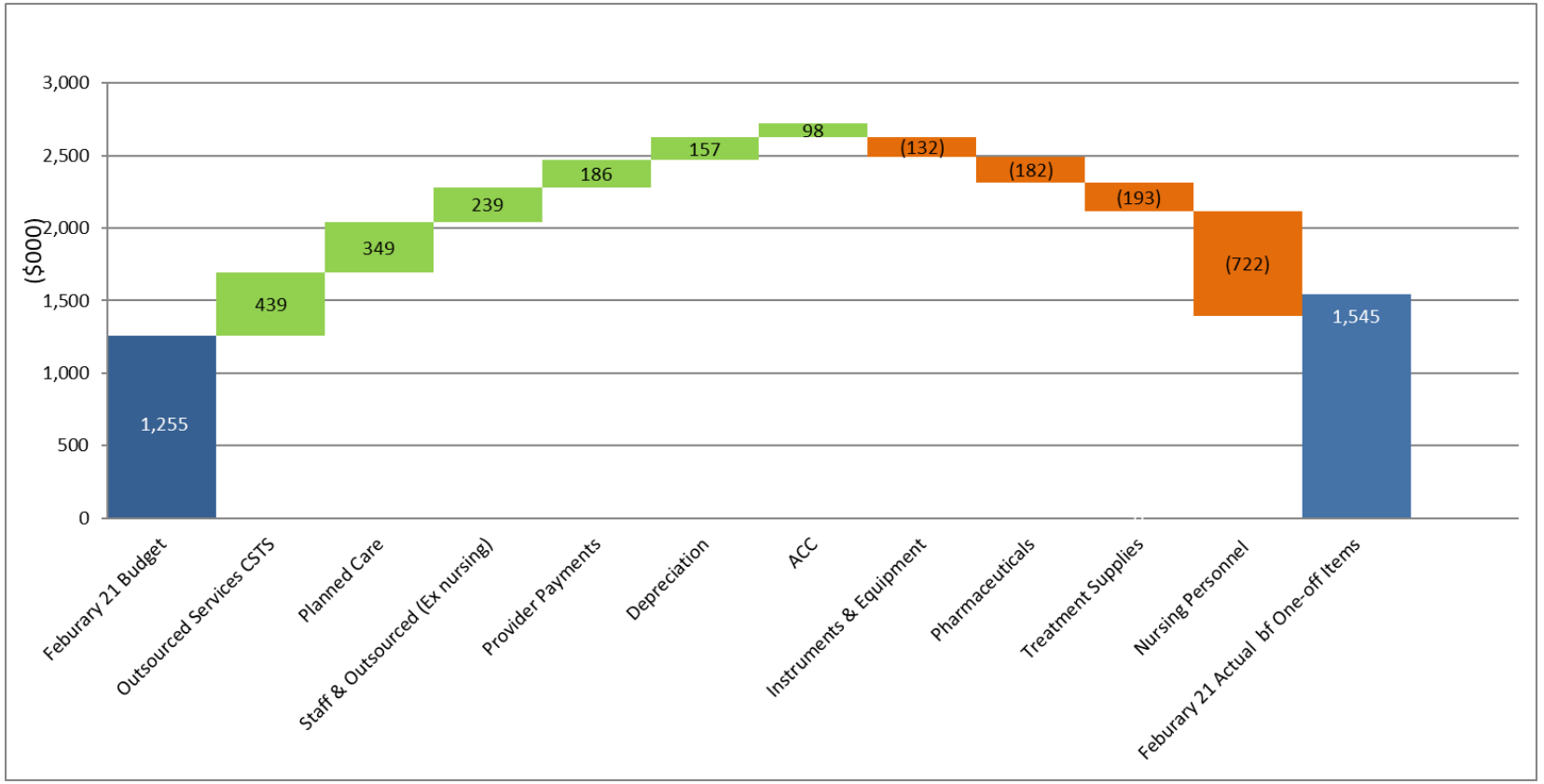
$000	Feburary 2021			Year to date			Year End		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Net Revenue	**59,457**	**60,065**	**(608)** !	**488,946**	**482,771**	**6,176** ✓	**731,443**	**724,207**	**7,236** ✓
Expenditure									
Medical	6,193	6,488	294 ✓	49,102	53,677	4,575 ✓	75,387	82,828	7,441 ✓
Nursing	8,696	8,027	(669) ✗	69,792	67,086	(2,706) !	105,815	101,337	(4,477) !
Allied Health	2,736	3,057	321 ✓	23,175	24,773	1,597 ✓	35,863	38,251	2,388 ✓
Support	124	139	15 ✓	1,143	1,211	68 ✓	1,780	1,848	68 ✓
Management / Admin	2,788	2,808	21 ✓	23,164	24,108	944 ✓	36,159	36,921	762 ✓
Personnel	20,537	20,519	(17) !	166,376	170,854	4,478 ✓	255,004	261,186	6,182 ✓
Outsourced Personnel	751	285	(465) ✗	7,712	2,518	(5,194) ✗	10,906	3,788	(7,118) ✗
Sub -Total Personnel	21,287	20,805	(483) !	174,088	173,372	(716) !	265,910	264,974	(936) !
Other Outsourced Services	1,661	1,934	273 ✓	18,081	16,345	(1,735) ✗	27,291	24,540	(2,751) ✗
Clinical Supplies	4,924	4,559	(365) ✗	40,353	39,597	(756) !	61,456	59,539	(1,917) !
Infrastructure & Non-Clinical	5,575	5,864	290 ✓	45,972	47,015	1,043 ✓	70,159	70,889	730 ✓
Provider Payments	24,682	25,820	1,138 ✓	209,504	207,610	(1,894) !	310,159	310,890	731 ✓
Total Operating Expenditure	**58,129**	**58,982**	**853** ✓	**487,998**	**483,939**	**(4,059)** !	**734,974**	**730,831**	**(4,143)** !
Operating Surplus/(Deficit)	**1,328**	**1,084**	**245** ✓	**948**	**(1,169)**	**2,117** ✓	**(3,531)**	**(6,624)**	**3,093** ✓
Enable Contribution	217	172	45 ✓	1,865	1,245	620 ✓	2,330	1,710	620 ✓
Surplus/(Deficit) Before One-Off Items	**1,545**	**1,255**	**290** ✓	**2,813**	**76**	**2,737** ✓	**(1,201)**	**(4,914)**	**3,713** ✓
Holidays Act	(255)	0	(255) ✗	(2,009)	0	(2,009) ✗	(3,430)	0	(3,430) ✗
Covid-19	(10)	0	(10) ✗	(36)	0	(36) ✗	(36)	0	(36) ✗
Surplus/(Deficit)	**1,280**	**1,255**	**25** ✓	**769**	**76**	**693** ✓	**(4,667)**	**(4,914)**	**248** ✓

FTE									
Medical	356.6	379.5	22.9 ↓	339.1	376.3	37.1 ↓	343.6	378.4	34.7 ↓
Nursing	1,125.6	1,093.0	(32.6) →	1,100.6	1,084.4	(16.3) →	1,103.6	1,085.7	(17.9) →
Allied Health	424.8	431.3	6.5 ↓	412.5	426.0	13.6 ↓	416.1	428.8	12.7 ↓
Support	29.2	32.3	3.1 ↓	29.9	32.2	2.3 ↓	30.7	32.3	1.6 ↓
Management / Admin	456.5	485.0	28.5 ↓	457.5	482.7	25.2 ↓	467.6	484.7	17.1 ↓
Total FTE	**2,392.7**	**2,421.1**	**28.5** ↓	**2,339.6**	**2,401.7**	**62.0** ↓	**2,361.7**	**2,409.8**	**48.2** ↓

✓ Favourable to Budget
! Unfavourable to Budget but within 5%
✗ Unfavourable to Budget outside 5%
↓ FTE Below Budget
→ FTE Higher than Budget but within 5%
↑ FTE Higher than Budget

Major variances to budget for the month drove the result as indicated in the graph below.

MAJOR VARIANCES TO BUDGET FOR THE MONTH



Revenue variances of significance for the month are as follows:

- Adverse revenue is due to the timing of funding received for community contracts. Note that the Community Provider costs are favourable as a result. From a revenue perspective adverse community contracts funding is partially offset by both Planned Care and ACC revenue as highlighted below.
- Planned Care activity resulted in elective revenue that was favourable to budget for the month by $0.349m. Year to date, planned care activity remains strong with elective case weighted discharges running 16 percent higher than the same period last year.

- ACC revenue was favourable to budget for the month by $0.098m and is now $0.145m favourable for the year to date. Non-Resident revenue is on budget year to date.

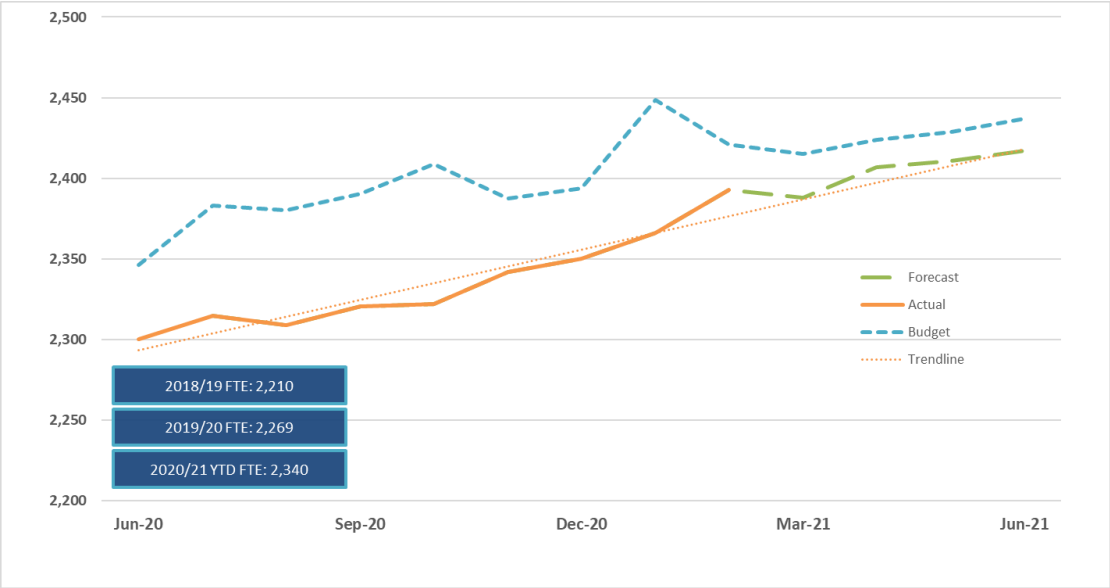
Personnel variances of significance and points to note are identified below:

- Employed FTEs were below budget by 28 for the month while employed personnel costs were on budget. All major job types were below budget with the exception of nursing, which was 33 FTE above budget. There has been a noticeable increase of 24 FTE in nursing during the last two months with the majority in Te Uru Arotau – Acute and Elective Specialist Services and Te Uru Pā Harakeke – Healthy Women, Children and Youth Services.

- The majority of vacancies for the month related to medical staff that were 23 FTE below budget. This resulted in a favourable medical personnel payroll related expenditure of $0.294m and was offset by outsourced locum expenditure which was $0.247m adverse for the month.

- The table below shows the total FTEs by month for this year. Note that the FTE forecast, represented in the graph as a green dotted line, suggests a rapid increase to budget. While this reflects management's desire to fill roles, this is unlikely to occur given the historical difficulty in filling vacancies. Bridging this gap is likely to take a longer period of time and some reliance on outsourced staff will continue.

TOTAL EMPLOYED FTES BY MONTH



- When compared to the same period last year, year to date FTEs have increased by 75. The table below shows that the increase is in ordinary time FTE with other leave types remaining largely static. Within Other FTE Categories, similar increases in both sick leave and overtime are offset by a lower level of Continuing Medical Education (CME) leave which has reduced by 4.8 FTE. These movements are minor in the overall context of FTE movements between years. The movement in ordinary time is related to clinical staff with 58 FTE (74 percent) in nursing. Management and Administration staff have remained unchanged.

	YTD Feb 2019/20	YTD Feb 2020/21	Change
Ordinary Time	1,891	1,966	75
Other Leave	374	374	0
Total FTE	2,265	2,340	75

While the costs attributed to overtime, sick leave and penal costs have increased, a portion of this would be expected as a consequence of pay and step increases that had a combined impact of 6 percent on the budget for 2020/21. On face value, actual

overtime costs per FTE that have increased by 7 percent appear high until seen against the budgeted increase and the actual ordinary time per FTE increase of 5 percent.

Headcount has also increased when compared to this time last year as shown in the table below with 89 related to nursing and the remainder in Allied and Medical staff headcount. Management and Administration staff headcount has reduced slightly.

	Feb 2019/20	Feb 2020/21	Change
Perm	2,376	2,426	50
Fixed Term	274	325	51
Casual	207	256	49
Total Head Count	2,857	3,007	150

These two tables suggest that FTE growth has largely been due to recruitment over the last 12 months with staff headcount and ordinary time FTE increasing. Increases in other FTE categories appear modest. We note that further analysis is required to understand the relationship between FTEs, headcount and staff experience of working hours. Further investigation will be undertaken over the coming month to provide deeper insights.

- Average salaries continue to track lower than budget expectations across all major job types in February and is having a positive impact on personnel costs.

- Employed personnel costs were close to budget for the month despite the favourable FTE variance for the month. This contrasts with outsourced personnel that was $0.465m adverse. The majority of this was due to locum costs ($0.247m) that are offset by favourable employed medical staff ($0.294m). Outsourced nursing costs, which largely represent specialling of patients, was adverse to budget for the month ($0.053m adverse). However, this was well down on the previous three months by an average of $0.050m per month.

- Expenditure on courses, conferences and professional staff fees continues to be favourable and was $0.202m favourable to budget for the month and largely related to CME. This is a trend seen since April of 2020.

Other variances of significance for the month are outlined as follows:

- Other Outsourced Services are favourable to budget largely as a result of the release of prior year expenditure accruals in Te Uru Mātai Matengau, Cancer Screening, Treatment and Support Services that are no longer necessary as actual costs are lower than expected. This is partially offset by adverse Outsourced Radiology expenditure of $0.090m in both Te Uru Arotau and Te Uru Mātai Matengau
- Adverse Clinical Supplies largely relate to Te Uru Arotau. The variances are in treatment supplies ($0.159m), instruments and equipment use in theatre ($0.105m) and pharmaceuticals ($0.166m) where infliximab features heavily. Favourable equipment depreciation continues ($0.066m favourable) due to delayed asset purchases.
- Infrastructure and Non-Clinical costs are $0.290m favourable to budget. The key causes of this variance are reduced financing charges ($0.134m), depreciation ($0.136m) and transport costs ($0.067m). Favourable financing charges is due to the rate for the capital charge changing from 6.0 percent to 5.0 percent and is offset by decreased Ministry of Health revenue to fund the charge.

2.2 Financial Performance by Service

The statement of 'Net Revenue and Expenditure by Service' is shown in the table below.

$000	Feburary 2021			Year to date			Year End		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Acute & Elective Specialist Services	(13,230)	(12,694)	(537) !	(106,979)	(106,172)	(807) !	(163,315)	(161,682)	(1,632) !
Healthy Women, Children and Youth	(2,653)	(2,664)	11 ✓	(21,386)	(21,963)	577 ✓	(32,803)	(33,575)	773 ✓
Cancer Screening, Treatment & Support	(3,390)	(3,541)	152 ✓	(27,476)	(28,844)	1,368 ✓	(41,849)	(43,813)	1,965 ✓
Healthy Ageing & Rehabiliation	(8,826)	(8,966)	140 ✓	(72,236)	(72,190)	(45) !	(108,918)	(108,692)	(226) !
Primary, Public & Community	(5,908)	(5,956)	48 ✓	(47,637)	(48,107)	470 ✓	(71,881)	(72,492)	611 ✓
Mental Health & Addictions	(3,848)	(3,780)	(68) !	(33,037)	(32,508)	(529) !	(48,859)	(48,298)	(561) !
Pae Ora - Paiaka Whaiora	(558)	(570)	12 ✓	(4,440)	(4,559)	119 ✓	(6,720)	(6,838)	119 ✓
Corporate & Professional Services	39,791	39,304	487 ✓	314,538	313,574	964 ✓	471,412	469,366	2,046 ✓
Enable NZ	167	122	45 ✓	1,465	845	620 ✓	1,730	1,110	620 ✓
Surplus/(Deficit) Before One-Off Items	**1,545**	**1,255**	**290** ✓	**2,813**	**76**	**2,737** ✓	**(1,201)**	**(4,914)**	**3,713** ✓
Exceptional Items	(265)	0	(265) ✖	(2,044)	0	(2,044) ✖	(3,465)	0	(3,465) ✖
Surplus/(Deficit)	**1,280**	**1,255**	**25** ✓	**769**	**76**	**693** ✓	**(4,667)**	**(4,914)**	**248** ✓

✓ Favourable to Budget ! Unfavourable to Budget but within 5% ✖ Unfavourable to Budget outside 5%

Items of note that impacted service financial performance for the month are outlined below. Further details are provided in Appendix One – Financial Performance by Service.

- Te Uru Arotau – Acute and Elective Specialist Services Planned Care revenue and Inter-District Flows (IDF) were respectively $0.321m and $0.057m favourable to budget for the month. Despite this, the overall result for the service was $0.537m adverse to budget. A number of expenditure items were adverse to budget with the most noticeable being staffing ($0.407m) and clinical supplies ($0.401m). Personnel costs are driven by nursing that was 20 FTE greater than that budgeted. There has been a noticeable 16 FTE increase in nursing over the last two months. Adverse clinical supply variances are in treatment supplies ($0.159m), instruments and equipment use in theatre ($0.105m) and pharmaceuticals ($0.166m). The increased complexity in acute demand with increased acuity in cardiac, delirium and stroke patients continues.

- Te Uru Pā Harakeke – Healthy Women, Children and Youth Services is on budget for the month. Adverse personnel costs ($0.033m) have been offset by favourable planned care revenue.
- The favourable month result for Te Uru Mātai Matengau – Cancer Screening, Treatment and Support Services was due to the release of prior year expenditure accruals for subcontracted services that are no longer necessary as actual costs are lower than expected. Once this is excluded, the underlying result is adverse to budget by $0.118m due to adverse pharmaceutical (PCT) costs offset by personnel costs that are $0.133m favourable to budget.

- The favourable variance in Te Uru Whakamauora – Healthy Ageing and Rehabilitation Services was due to both favourable revenue ($0.098m) and community provider payments ($0.053m). Favourable revenue related to persistent pain funding from the Ministry ($0.067m) and ACC funding ($0.019m). Personnel expenditure was close to budget and there was a noticeable drop in the specialling hours when compared to the high levels seen in the last two months.

- Te Uru Kiriora – Primary, Public and Community Services was favourable to budget for the month with Allied Health vacancies, resulting in a $0.055m favourable variance, being the main cause.

- Te Uru Rauhī – Mental Health and Addictions Services was adverse to budget for the month. Adverse personnel costs (including outsourced personnel) of $0.183m are driven by nursing costs in both Ward 21 and in the STAR ward. A combination of high bed numbers and increased specialling resulted in both a high level of ordinary time and overtime. Ward 21 continues to run over its resourced bed numbers due to demand. Provider payments were favourable to budget for the month by $0.133m as a result of savings from provider contract rationalisation. While the year-end forecast for this service is for a $0.561m adverse variance to budget, this ignores $0.855m of unspent funding recently returned by THINK Hauroa after a contract review process with them. This amount is currently held on the Balance Sheet.

- Corporate and Professional Services comprises all executive and enabler functions. The $0.487m favourable month result was due to financing charges ($0.134m), hotel, laundry, and cleaning charges ($0.138m) and depreciation on facilities ($0.127m).

- Exceptional Items contains organisation wide costs of COVID-19 and Holidays Act, both of which are unbudgeted. The budget assumption is that the Ministry will fund any reasonable and actual COVID-19 expenditure. In addition, the Ministry required all DHBs to remove Holidays Act costs from 2020/21 budgets.

- The February 2021 result for Enable New Zealand is due to favourable income from trading activities and procurement rebates. Trading activities include direct sales, equipment hire, equipment refurbishment and freighting of complex equipment.

A Statement of Net Revenue and Expenditure by Division is shown in the table below.

$000	Feburary 2021			Year to date			Year End		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Funding Division	(2,229)	(2,051)	178 ✔	(15,591)	(15,164)	428 ✔	(25,259)	(22,522)	2,737 ✔
MidCentral Provider	1,045	917	(128) ✖	16,134	15,933	(202) !	30,889	28,546	(2,343) ✖
Enable NZ	(167)	(122)	45 ✔	(1,465)	(845)	620 ✔	(1,730)	(1,110)	620 ✔
Governance	71	0	(71) ✖	153	(0)	(153) ✖	766	(0)	(766) ✖
Surplus/(Deficit)	**(1,280)**	**(1,255)**	**25** ✔	**(769)**	**(76)**	**693** ✔	**4,667**	**4,914**	**248** ✔

✔ Favourable to Budget ! Unfavourable to Budget but within 5% ✖ Unfavourable to Budget outside 5%

2.3 Holidays Act

Year to date expenditure on the Holidays Act totals $2.009m. This is made up of expenditure on the compliance project of $1.009m and increases to the provision of $1.000m for this financial year. The provision is being increased on a monthly basis and totals $11.997m as at February 2021. Year-end expenditure is forecast to be $3.430m.

Note that Ernst Young has completed an initial liability estimate which, once finalised, will require a substantial increase in the current provision and as a consequence, an increase in Holidays Act expenditure that is not captured within the current forecast.

2.4 COVID-19

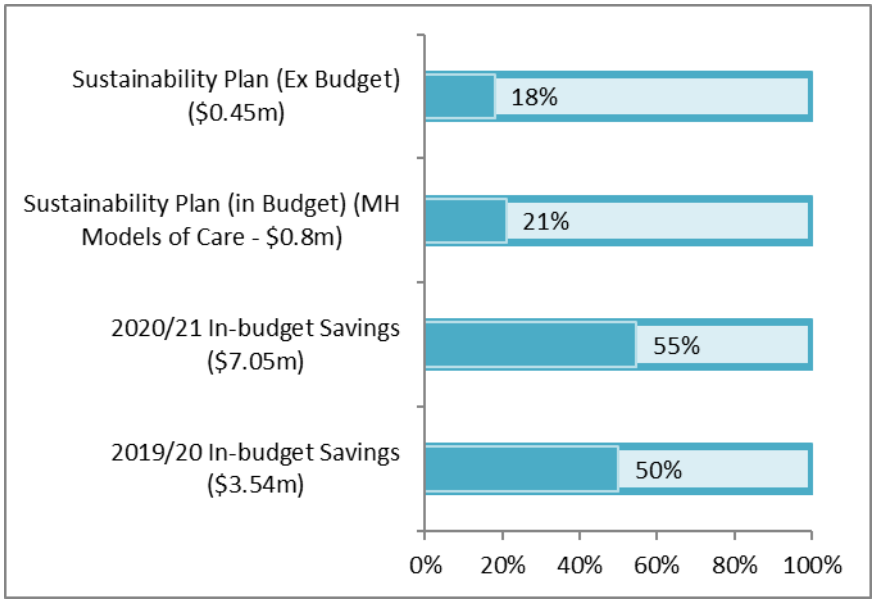
Expenditure during February was the result of initial planning of immunisation activity that is reimbursable. The first invoice seeking reimbursement were sent in March in line with the Ministry of Health's instructions. The year to date unbudgeted net expenditure totals $0.036m, with the vast majority of this being incurred in July. Assuming no further escalation of pandemic events and adequate funding for the immunisation programme, the expectation is that the year to date net expenditure will remain unchanged for the remainder of the year.

The Ministry of Health has provided initial advice on the funding model for the immunisation programme. At this stage, indicative advice for the immunisation programme appears to be in line with MDHB's cost expectations.

2.5 Sustainability and Savings Plan

The table below shows the year to date progress against the year-end target. A number of the Sustainability Plan initiatives are phased to occur later in the year, and in that context, their slow start is unsurprising. Initiatives in this category include the short-term loan pool, clinical equipment library and mental health models of care. Overall progress against the target is at 50 percent year to date.

SUSTAINABILITY AND SAVINGS PLAN PROGRESS TO DATE



The year to date pace of in-budget savings suggest that these slightly behind if the year-end target is to be achieved. In-budget savings for 2020/21 includes a full year saving in specialling costs of $0.50m

2.6 Year-end Forecast

The current year-end forecast projection is that MDHB will end the year with an operating deficit of $1.2m, which is favourable to the budgeted deficit of $4.9m by $3.7m. This suggests unbudgeted Holidays Act and COVID-19 costs, currently forecast to be $3.5m, can be absorbed within the overall budget. However, adjustments reflecting an increase in the historical valuation of Holidays Act costs are expected before year end which will exceed our ability to absorb within the budget. It is important to note, that the Ministry separates Holidays Act issues from the measurement of DHB performance. The Holidays Act is a national issue faced by all DHBs and the expectation is that this will require separate funding in order to remediate employees.

The projected year-end cash and deposit balances is $17.716m which is better than budget by $10.050m.

A number of potential risks were identified and communicated during the budget process. If realised, these will affect our ability to achieve this year's budget targets. These risks are outlined in the table below and are given the following ratings:

	Low Risk No concerns to date		Risk Unknown No evidence of risk to date. Keep in view		Risk Emerging		Risk likely to Materialise

Status	Potential Budget Risk	Current Status
	Achieving Sustainability and Saving Plan Objectives	
	While the financial impacts of some sustainability initiatives are not specifically budgeted, it is important that these are achieved to help absorb any unplanned shocks to the DHB.	Overall savings are on target. While sustainability plan items are behind target, these are being offset by other savings that are ahead of target. An executive management lead has been assigned to each initiative to ensure they receive the appropriate level of attention and accountability. Regular reporting and monitoring of progress is in place.
	Ongoing Impacts of COVID-19	
	The impact of a second outbreak would be disruptive to the DHB and its budget. Staff annual leave will need to be carefully managed from both a staff wellbeing and financial perspective.	There have been no significant unfunded COVID-19 costs year to date. The DHB is now better prepared for further outbreaks due to investments in facilities, clinical and digital equipment during the first outbreak. This will lessen the impact of initial expenditure if/when further outbreaks occur. While further outbreaks have occurred across New Zealand, the impact on MDHB has been minor to date. At this stage, indicative MoH funding advice for the immunisation programme appears to be in-line with MDHB cost expectations.
	Timing of staff recruitment	
	The budget reflects average vacancy levels based on the assumption that not all positions will be able to be recruited. It also includes phasing adjustments on the basis that the need to fill positions will occur gradually throughout the year.	The year to date FTE variance is below budget by 24 FTE when all personnel costs (outsourced and employed) are taken into account. This trend is forecast to continue, although the gap is reducing as the year proceeds.
	Future MECA settlements	
	The budget assumption is for a modest 1.5 percent increase in wage settlements based on Governments expectation of restraint in the Public Sector given COVID-19 and its impact on the economy.	Year to date, overall average salary costs remain below budget expectations and this trend is forecast to continue for the remainder of the year.

	Achieving Planned Care targets	
	MoH proposed targets require an increase in output from MidCentral in order to achieve similar revenue levels as in 2019/20.	Planned Care activity has resulted in elective revenue that is favourable to budget year to date.
	Hospital Capacity	
	Hospital bed capacity was increased during 202-19/20 in order to accommodate growing demand. For 2020/21, a number of projects will commence being the SPIRE and EDOA / MAPU PODS projects. While the long-term benefit is an increase in future capacity, the short-term impact will lead to some disruption.	High bed occupancy has been experienced throughout the year to date. An experienced Project Manager has been employed to help manage these projects and planning is well underway. The PODs project is currently in the design phase and not expected to have an impact on operations this year. SPIRE is further ahead. While some construction has commenced, only minor disruption is expected in this financial year.
	Holidays Act	
	Work to further define the financial impact is ongoing and will be revised as the project comes to a better understanding of the liability. The risk is that the liability will move because of that work, thereby affecting the planned deficit.	Year to date unbudgeted Holiday Act costs are currently being absorbed within the budget. While the current forecast suggests this will continue, significant year-end adjustments are to be expected that will not be able to be absorbed. Ernst Young has completed an initial liability estimate which, once finalised, would require an increase in the current provision. While this will impact the overall result, Holidays Act costs will be funded centrally by the Ministry of Health. For this reason, the risk rating has been changed to tolerable.
	WebPAS SaaS	
	A proposal to move from the current regional instance of WebPAS to a Software as a Service (SaaS) offering is being developed for consideration. Any move away from the current instance may trigger the need to consider impairment.	The business case has experienced delays due to a number of issues including data privacy. While work continues, the timing and outcome of any proposal is uncertain at this point.

2.7 Financial Position

The Balance Sheet at 31 February 2021 is presented in the table below. The main budget variances in the Balance Sheet at 28 February 2021 relate to timing differences in contractor payments resulting in a higher than budgeted level of current liabilities, and the timing of capital expenditure being later than anticipated resulting in lower than budgeted non-current assets. Overall this has resulted in higher than budgeted cash on hand and deposits in current assets. Overall, this has resulted in higher than budgeted cash on hand and deposits in current assets.

$000	Jun-20	Feb-21		
	Actual	Actual	Budget	Variance
TOTAL ASSETS				
Non Current Assets	213,669	213,852	230,418	(16,566)
Current Assets	58,699	74,970	45,637	29,333
Total Assets	**272,368**	**288,822**	**276,055**	**12,767**
TOTAL EQUITY AND LIABILITIES				
Equity	158,340	164,835	170,476	5,641
Non Current Liabilities	7,713	7,219	7,421	202
Current Liabilities	106,315	116,768	98,158	(18,610)
Total Equity and Liabilities	**272,368**	**288,822**	**276,055**	**(12,767)**

As at 28 February 2021 the total available cash and deposit balances were $41.621m. Significant capital expenditure is budgeted for the 2020/21 year, and the timing of this expenditure is currently running later than planned. The projected year end cash and deposit balances have been revised to $17.716m, which is $10.050m favourable to the year-end cash and deposit balances budget of $7.666m.

2.8 Cash Flows

Overall cash flows reflect a favourable variance to budget of $27.434m as at 28 February 2021. Operating cash flows are favourable due to the net impact of working capital movements. Investing cash flows are favourable due to the timing of capital expenditure being later than budgeted. Financing activities are unfavourable due to equity injections for the SPIRE and mental health projects being later than budgeted.

$000	Jun-20	Feb-21			
	Actual	Actual	Budget	Variance	
Net Cash Flow from Operating Activities	15,541	25,758	8,048	17,710	✓
Net Cash Flows from Investing Activities	(19,204)	(15,104)	(32,669)	17,565	✓
Net Cash Flows from Financing Activities	1,632	3,983	11,824	(7,841)	✗
Net increase / (decrease) in cash	**(2,031)**	**14,637**	**(12,797)**	**27,434**	✓
Cash at beginning of year	29,015	26,984	26,984	-	✓
Closing cash	**26,984**	**41,621**	**14,187**	**27,434**	✓

2.9 Cash, Investments and Debt

Cash and Investments

Trust and Special Funds are held in a separate BNZ account. These fall outside the shared banking arrangement with the BNZ that NZ Health Partnerships Limited sweeps daily. Surplus liquidity from the Enable NZ operating account is channelled through the main DHB accounts to obtain those benefits.

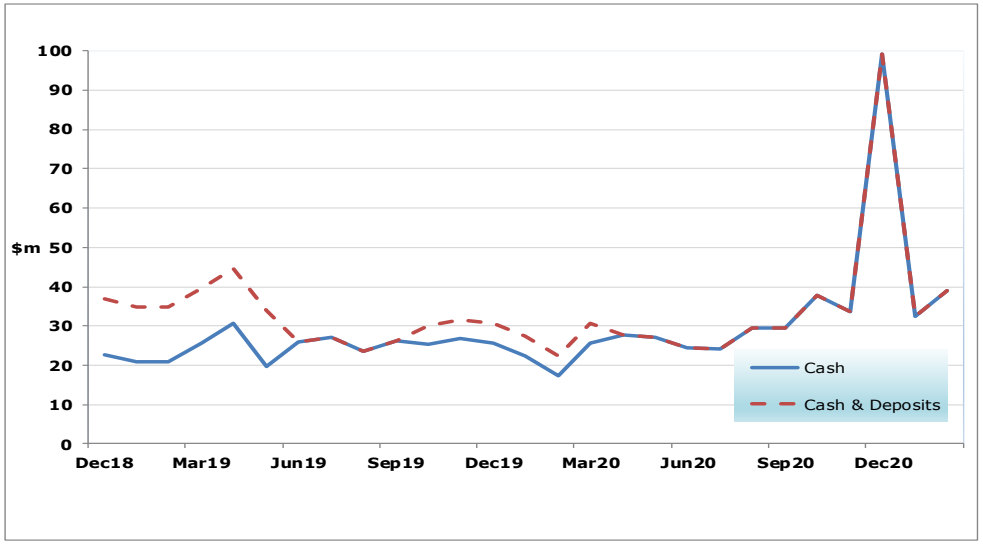
Feb-21	Rate	Value $000
NZHP Sweep Balance	0.64%	38,324
Cash in Hand and at Bank		2
Trust Accounts		2,516
Enable New Zealand		779
Total Cash Balance		**41,621**

Cash reconciliation tables below show how cash has moved during the month.

Cash Reconciliation	Month $000	Year to date $000
Opening Cash	**34,818**	**26,984**
Surplus / (Deficit) to date	1,280	769
Depreciation / Amortisation	1,834	15,126
Sale of fixed assets	-	30
Working capital movement	2,005	10,208
Share of associate net surplus/deficit	(126)	(126)
Capital expenditure	(1,352)	(15,214)
Loan/finance lease repayments	(29)	(189)
Trusts movement	(6)	(187)
Equity injections - capital	3,197	4,220
Cash Balance at month end	**41,621**	**41,621**

The chart below indicates the DHB's cash balance, excluding investment and Trust Accounts. The spike in the December cash balance reflects the early payment of January revenue by the Ministry of Health due to the timing of the Christmas holiday period.

CASH BALANCES



The DHB sector is experiencing liquidity pressure due to the continuation of operating deficits. The forecast cash deficiency for the sector will exceed overdraft facilities before June 2021 without further capital injections. New Zealand Health Partnerships, on behalf of all DHBs, has been in ongoing discussion with the Ministry and Treasury on ways to resolve this and the need for urgent deficit support equity injections to those DHBs who are insolvent. That resulted in an equity injection to the sector last October to accommodate payment timing. These pressures have not affected MDHB's operations to date. However, a resolution is necessary to enable the collective treasury management and optimisation to remain viable.

The Ministry has provided reassurance to the sector on the liquidity impacts of COVID-19. Despite this, COVID-19 will influence the ability to fund other initiatives in the sector in the near term.

Net MDHB liquidity continues to be sufficient in the near term with steady levels. However, continuing operating deficits and planned capital investments are reducing the overall liquidity. Current projections indicate that MDHB may require additional funding support beyond a three-year time horizon to allow delivery of the intended capital programme.

The Treasury and Ministry of Health are providing a funding allocation of $30m towards the $35m budget for the Mental Health Unit replacement and $27.5m for an expanded perioperative suite (SPIRE programme) which substantially alleviates that risk. The increased funding will commence this financial year.

Treasury Policy and Ratios

There are currently no arrangements that necessitate monitoring against Treasury Policy parameters.

Debt and Leases

Debt is held with the Energy and Efficiency Conservation Authority, which has a Crown Efficiency Loan Scheme for the purposes of assisting Government funded organisations in taking measures to reduce their energy expenditure. The loans are for the purchase and installation of equipment in this regard and are interest free.

Lender	Maturity	$'000	Rate	Type
EECA		13	0.00%	Fixed

The MRI finance lease is held with MCL Capital which is a New Zealand owned and operated company offering leasing solutions to New Zealand public sector organisations.

Finance Leases	Start Date	Maturity	$'000	Equipment
MCL Capital	Jun-19	May-26	1,186	MRI Scanner

The finance lease allows the DHB to spread the cost of an asset over the term of the lease and preserves capital, minimises the draw on cash reserves and provides budget certainty with ownership at the expiry of the lease.

2.10 Statement of Capital Expenditure

Capital expenditure is at a level below the overall budget; a trend that has continued from last year. Expenditure in February totalled $1.352m and largely related to several digital projects and the SPIRE project. Year to date, expenditure on capital is $15.214m. Note that year to date depreciation is $14.790m against a budget of $15.389m.

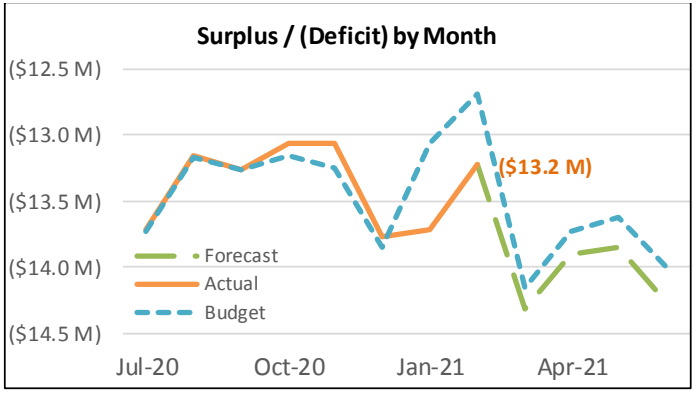
Further detail is provided in Appendix Two – Capital Expenditure.

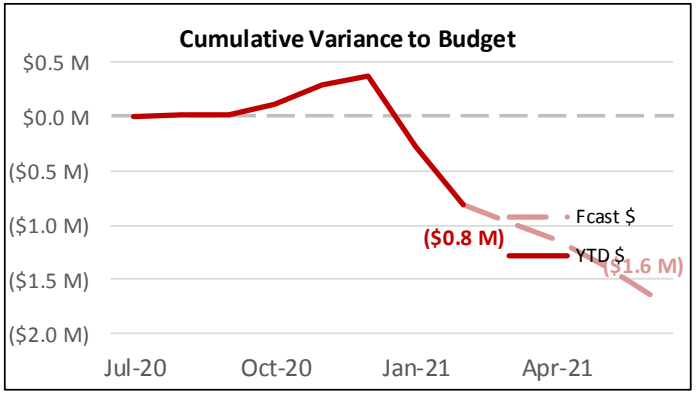
APPENDIX ONE – FINANCIAL PERFORMANCE BY SERVICE

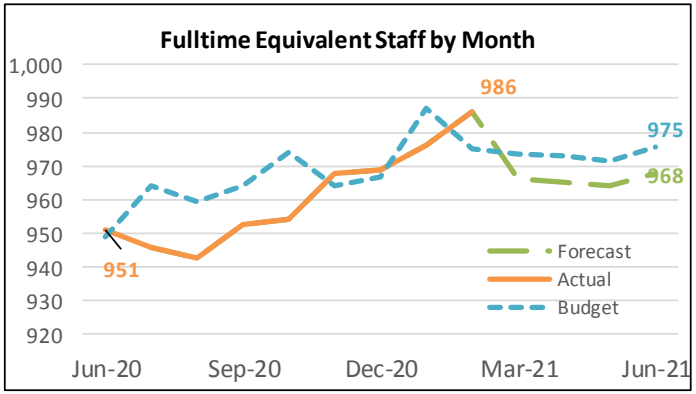
Te Uru Arotau – Acute and Elective Specialist Services

$000	Feburary 2021		Year to date		Year End	
	Actual	Variance to Budget	Actual	Variance to Budget	Forecast	Variance to Budget
Net Revenue	**1,783**	**514**	**14,989**	**4,250**	**22,105**	**6,041**
Expenditure						
Personnel	9,133	(325)	73,302	(325)	112,017	(276)
Outsourced Personnel	149	(81)	2,259	(1,666)	3,158	(2,266)
Sub -Total Personnel	9,282	(407)	75,561	(1,990)	115,175	(2,542)
Other Outsourced Services	1,069	(70)	9,920	(1,469)	14,861	(2,175)
Clinical Supplies	3,120	(401)	25,024	(1,346)	37,911	(2,306)
Infrastructure & Non-Clinical	631	(174)	4,180	(260)	6,544	(660)
Total Operating Expenditure	**14,102**	**(1,051)**	**114,685**	**(5,066)**	**174,491**	**(7,683)**
Provider Payments	28	0	203	27	318	27
Corporate Services	883	0	7,080	(18)	10,611	(18)
Surplus/(Deficit)	**(13,230)**	**(537)**	**(106,979)**	**(807)**	**(163,315)**	**(1,632)**

FTE						
Medical	223.1	12.1	216.4	16.0	219.2	14.7
Nursing	494.2	(19.5)	478.6	(6.6)	476.6	(5.0)
Allied Health	132.1	(10.0)	123.7	(2.2)	123.2	(1.5)
Support	15.9	3.0	16.8	2.1	17.5	1.4
Management / Admin	117.3	5.0	120.1	2.1	120.9	1.4
Total FTE	**982.6**	**(9.3)**	**955.6**	**11.5**	**957.4**	**11.0**





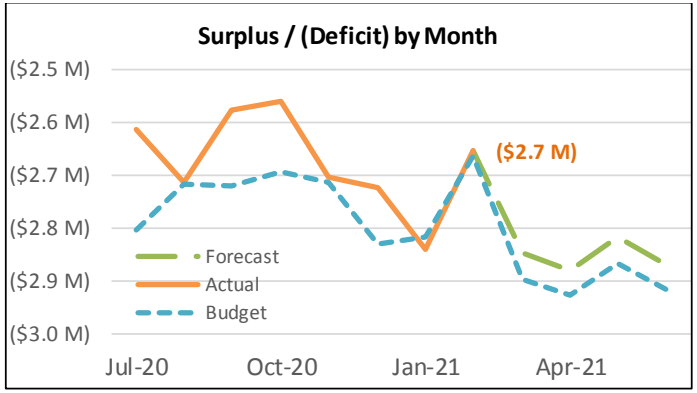


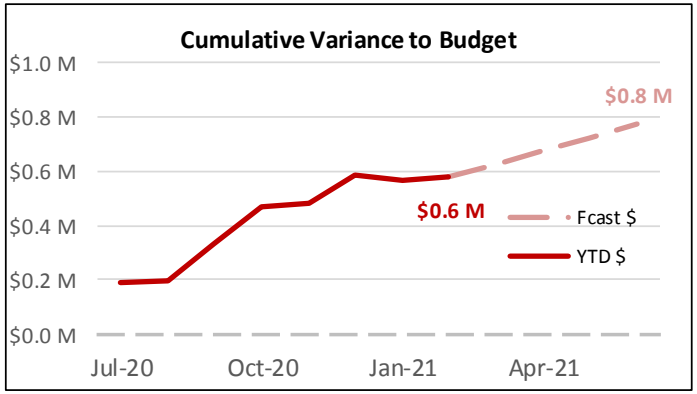
BOARD REPORT

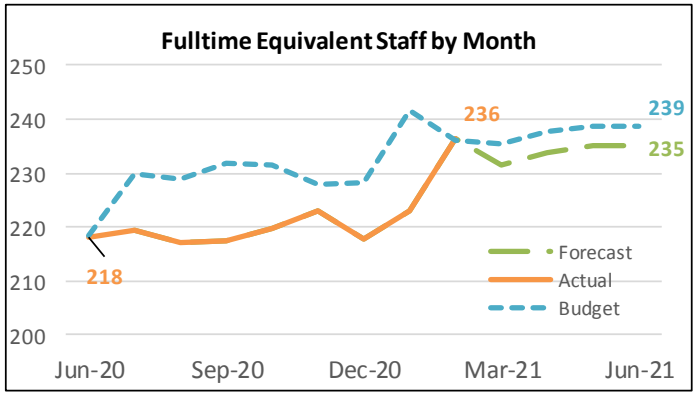
Te Uru Pā Harakeke – Healthy Women, Children and Youth Services

$000	Feburary 2021		Year to date		Year End	
	Actual	Variance to Budget	Actual	Variance to Budget	Forecast	Variance to Budget
Net Revenue	**465**	**22**	**3,801**	**163**	**5,732**	**271**
Expenditure						
Personnel	2,203	(43)	16,807	926	25,980	1,246
Outsourced Personnel	8	10	588	(427)	729	(487)
Sub -Total Personnel	2,211	(33)	17,395	499	26,709	759
Other Outsourced Services	84	(19)	745	(185)	1,165	(325)
Clinical Supplies	229	24	2,256	(89)	3,424	(167)
Infrastructure & Non-Clinical	132	12	1,106	136	1,683	181
Total Operating Expenditure	**2,655**	**(16)**	**21,502**	**360**	**32,981**	**448**
Provider Payments	449	5	3,577	53	5,392	53
Corporate Services	14	0	108	0	162	0
Surplus/(Deficit)	**(2,653)**	**11**	**(21,386)**	**577**	**(32,803)**	**773**

FTE						
Medical	46.3	(1.8)	41.0	3.7	41.6	3.1
Nursing	120.4	(4.8)	112.1	2.1	90.5	24.6
Midwives	33.4	5.0	32.3	4.0	35.2	1.7
Allied Health	15.1	1.3	14.9	0.6	15.5	0.4
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	21.1	(0.1)	20.4	0.6	20.5	0.4
Total FTE	**236.2**	**(0.4)**	**220.7**	**10.9**	**203.4**	**30.1**





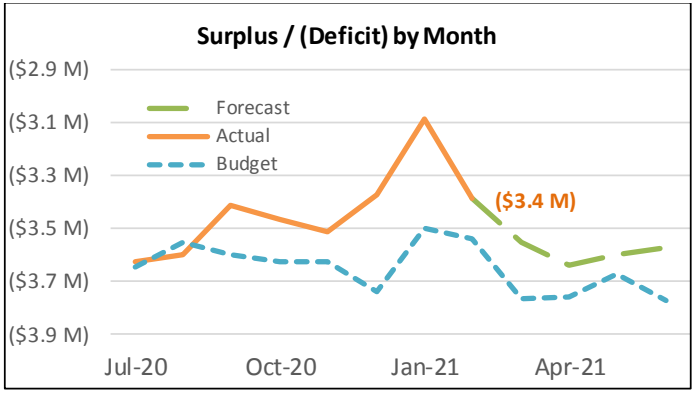


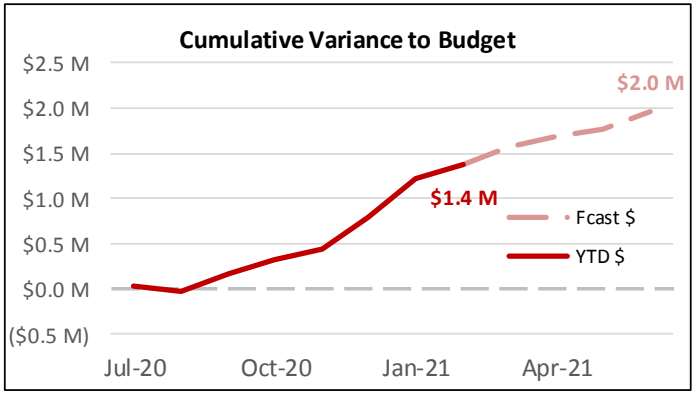
BOARD REPORT

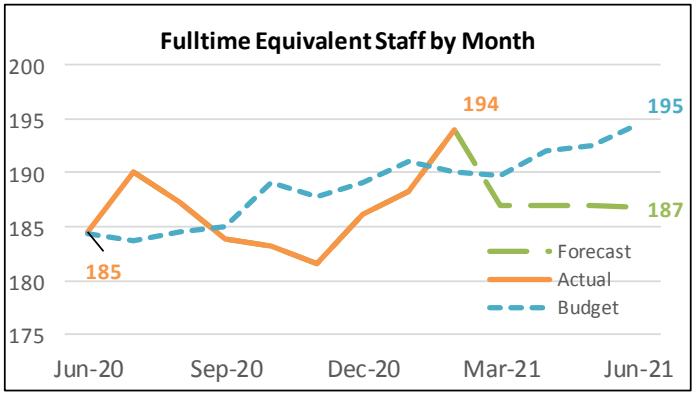
Te Uru Mātai Matengau – Cancer Screening, Treatment and Support Services

$000	Feburary 2021		Year to date		Year End	
	Actual	Variance to Budget	Actual	Variance to Budget	Forecast	Variance to Budget
Net Revenue	**276**	**(454)**	**6,680**	**(243)**	**10,190**	**(243)**
Expenditure						
Personnel	1,695	140	14,530	627	21,848	1,439
Outsourced Personnel	10	(7)	72	(46)	86	(46)
Sub -Total Personnel	1,705	133	14,602	581	21,934	1,393
Other Outsourced Services	161	392	4,501	192	6,973	79
Clinical Supplies	1,064	85	9,091	887	14,209	793
Infrastructure & Non-Clinical	124	(7)	1,082	(73)	1,591	(81)
Total Operating Expenditure	**3,055**	**603**	**29,276**	**1,587**	**44,707**	**2,184**
Provider Payments	392	2	3,127	24	4,703	24
Corporate Services	219	0	1,752	0	2,629	0
Surplus/(Deficit)	**(3,390)**	**152**	**(27,476)**	**1,368**	**(41,849)**	**1,965**

FTE						
Medical	40.3	(0.1)	39.3	0.8	39.3	1.1
Nursing	58.5	(2.5)	54.9	(0.5)	54.9	0.1
Allied Health	64.4	0.1	62.7	1.1	62.8	1.5
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	30.6	(1.3)	29.7	(0.6)	29.8	(0.5)
Total FTE	**193.8**	**(3.8)**	**186.6**	**0.8**	**186.7**	**2.3**





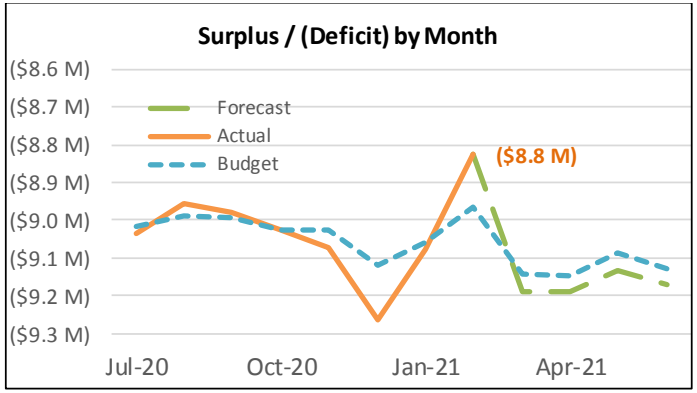


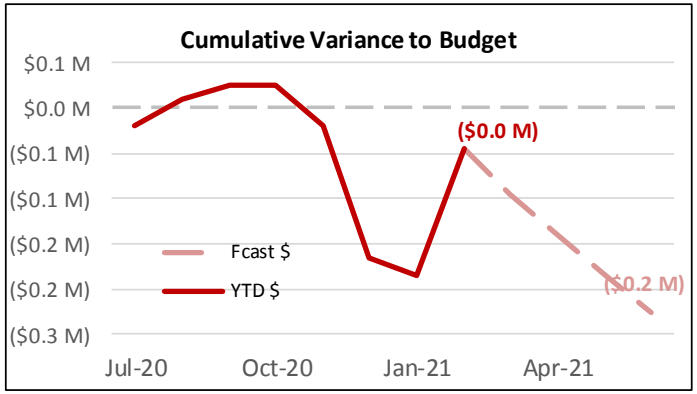
BOARD REPORT

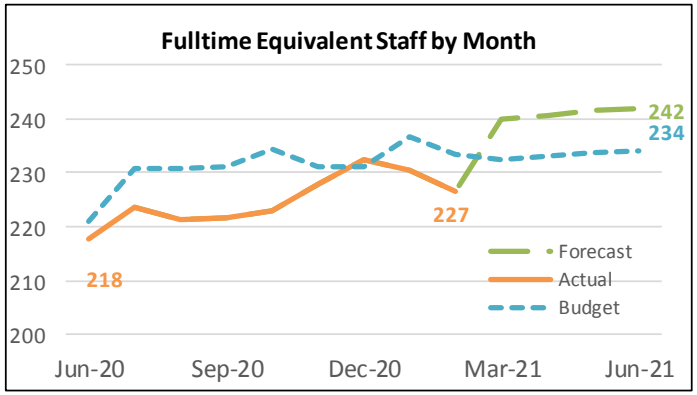
Te Uru Whakamauora – Healthy Ageing and Rehabilitation Services

$000	Feburary 2021		Year to date		Year End	
	Actual	Variance to Budget	Actual	Variance to Budget	Forecast	Variance to Budget
Net Revenue	**482**	**98**	**3,551**	**152**	**5,265**	**152**
Expenditure						
Personnel	1,644	44	13,776	277	21,233	261
Outsourced Personnel	68	(34)	690	(389)	959	(506)
Sub -Total Personnel	1,712	10	14,466	(112)	22,192	(245)
Other Outsourced Services	46	(1)	474	(87)	669	(87)
Clinical Supplies	123	8	1,297	(139)	1,910	(169)
Infrastructure & Non-Clinical	126	(28)	933	(79)	1,379	(96)
Total Operating Expenditure	**2,007**	**(11)**	**17,171**	**(417)**	**26,150**	**(597)**
Provider Payments	7,212	53	57,905	220	86,967	220
Corporate Services	89	0	711	0	1,066	0
Surplus/(Deficit)	**(8,826)**	**140**	**(72,236)**	**(45)**	**(108,918)**	**(226)**

FTE						
Medical	15.5	2.7	14.9	2.9	15.6	2.3
Nursing	106.6	(1.4)	108.6	(3.5)	110.1	(5.3)
Allied Health	90.6	4.6	88.8	6.1	91.1	4.1
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	13.8	1.0	13.6	1.2	14.0	0.8
Total FTE	**226.5**	**7.0**	**225.9**	**6.6**	**230.9**	**1.8**





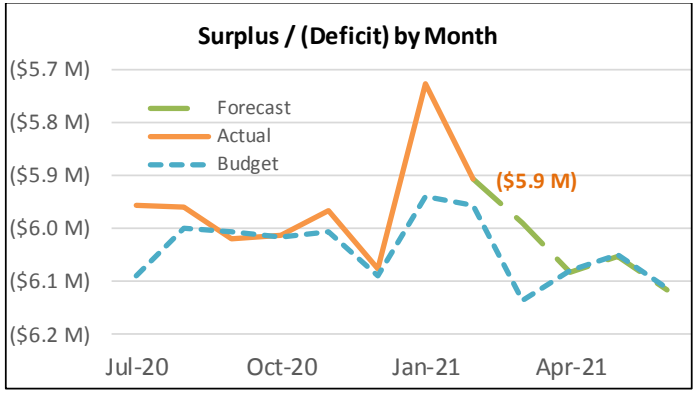


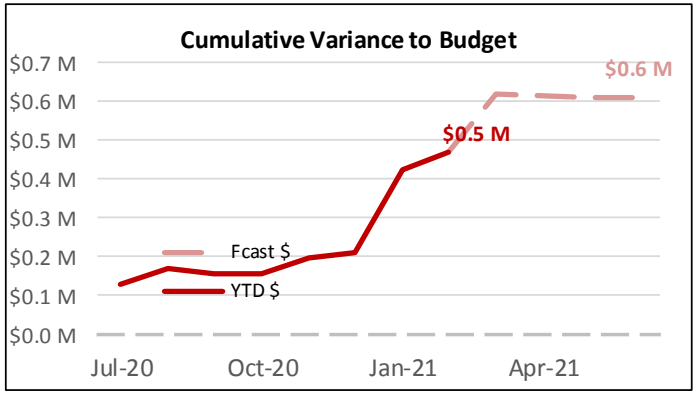
BOARD REPORT

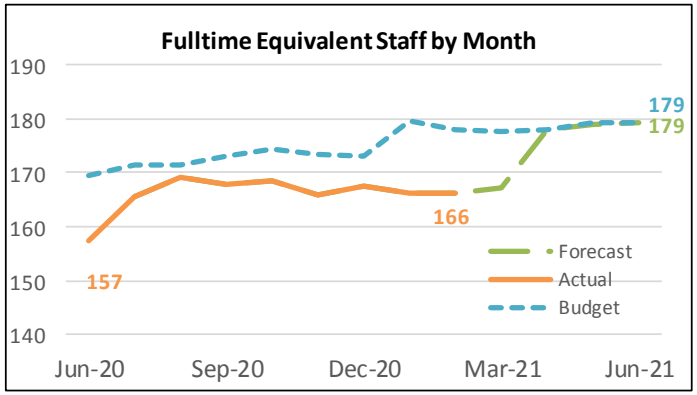
Te Uru Kiriora – Primary, Public and Community Services

$000	Feburary 2021		Year to date		Year End	
	Actual	Variance to Budget	Actual	Variance to Budget	Forecast	Variance to Budget
Net Revenue	**718**	**(10)**	**5,729**	**(76)**	**8,640**	**(76)**
Expenditure						
Personnel	1,176	64	9,682	467	14,940	621
Outsourced Personnel	0	0	7	(5)	9	(5)
Sub -Total Personnel	1,176	65	9,690	462	14,949	616
Other Outsourced Services	63	(1)	537	11	810	11
Clinical Supplies	237	(22)	1,886	(41)	2,815	(41)
Infrastructure & Non-Clinical	146	16	1,246	90	1,925	77
Total Operating Expenditure	**1,622**	**58**	**13,359**	**523**	**20,499**	**664**
Provider Payments	4,899	0	39,192	5	58,791	5
Corporate Services	104	0	815	18	1,231	18
Surplus/(Deficit)	**(5,908)**	**48**	**(47,637)**	**470**	**(71,881)**	**611**

FTE						
Medical	3.4	0.4	3.5	0.3	3.6	0.2
Nursing	80.4	4.2	79.6	3.5	80.7	2.8
Allied Health	64.4	4.7	66.1	0.6	67.3	0.5
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	18.0	2.7	18.0	2.7	18.5	2.2
Total FTE	**166.2**	**11.9**	**167.2**	**7.2**	**170.1**	**5.7**





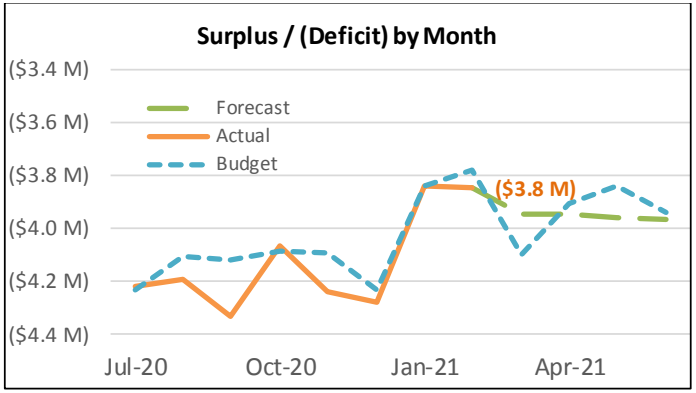


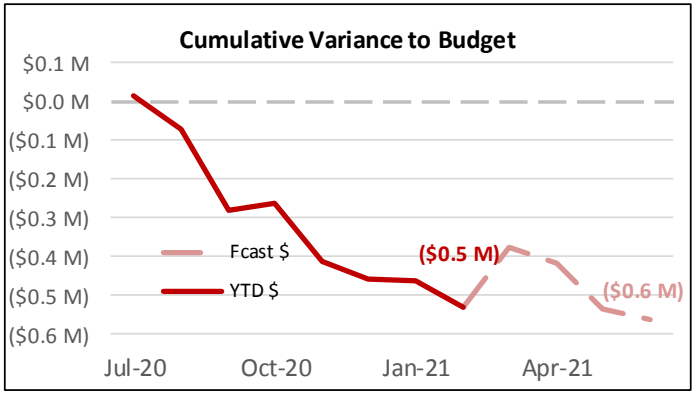
BOARD REPORT

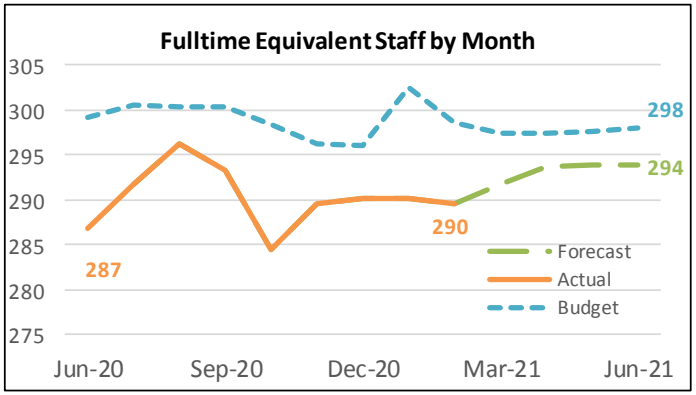
Te Uru Rauhī – Mental Health and Addictions Services

$000	Feburary 2021 Actual	Feburary 2021 Variance to Budget	Year to date Actual	Year to date Variance to Budget	Year End Forecast	Year End Variance to Budget
Net Revenue	**25**	**(6)**	**280**	**37**	**406**	**37**
Expenditure						
Personnel	2,276	92	18,371	1,567	27,809	2,162
Outsourced Personnel	387	(275)	3,253	(2,264)	4,848	(3,360)
Sub -Total Personnel	2,663	(183)	21,625	(697)	32,658	(1,198)
Other Outsourced Services	34	5	476	(152)	696	(208)
Clinical Supplies	17	1	162	(3)	241	(3)
Infrastructure & Non-Clinical	190	(18)	1,387	73	2,160	26
Total Operating Expenditure	**2,903**	**(196)**	**23,650**	**(779)**	**35,756**	**(1,384)**
Provider Payments	957	133	9,558	213	13,346	785
Corporate Services	14	0	109	0	164	0
Surplus/(Deficit)	**(3,848)**	**(68)**	**(33,037)**	**(529)**	**(48,859)**	**(561)**

FTE						
Medical	16.7	9.4	15.2	10.9	15.2	10.9
Nursing	186.1	(11.5)	187.2	(11.7)	187.6	(12.7)
Allied Health	46.8	8.9	47.7	7.6	47.7	7.9
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	40.0	2.1	40.5	1.6	41.1	1.0
Total FTE	**289.6**	**8.9**	**290.6**	**8.5**	**291.5**	**7.1**





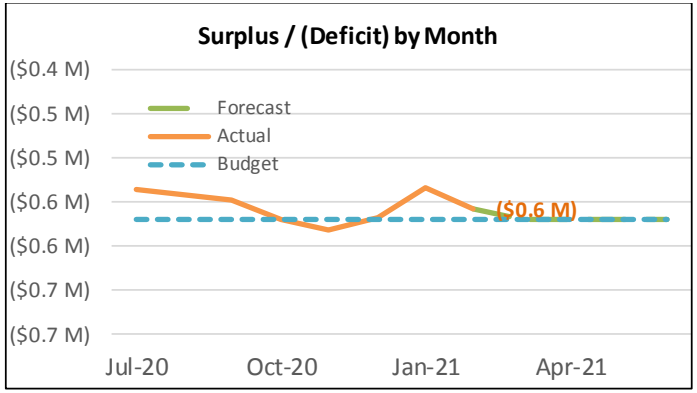


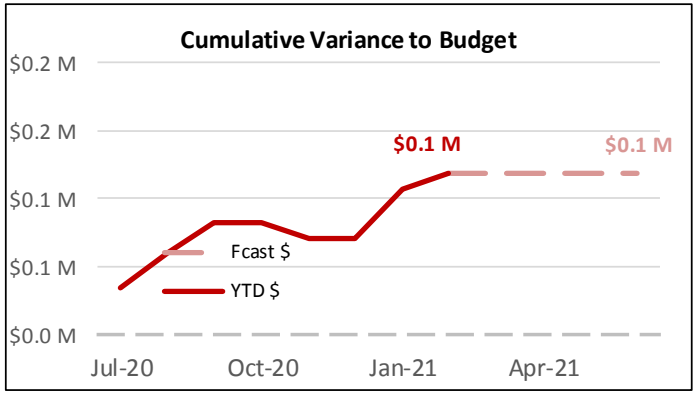
BOARD REPORT

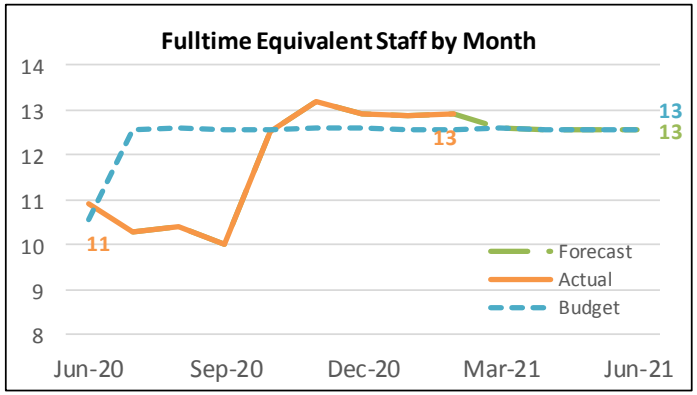
Pae Ora – Paiaka Whaiora Directorate

$000	Feburary 2021		Year to date		Year End	
	Actual	Variance to Budget	Actual	Variance to Budget	Forecast	Variance to Budget
Net Revenue	**113**	**0**	**954**	**1**	**1,455**	**1**
Expenditure						
Personnel	92	9	744	113	1,197	113
Outsourced Personnel	0	0	0	0	0	0
Sub -Total Personnel	92	9	744	113	1,197	113
Other Outsourced Services	0	(0)	0	(0)	0	(0)
Clinical Supplies	0	0	1	0	2	0
Infrastructure & Non-Clinical	9	2	96	(1)	144	(1)
Total Operating Expenditure	**102**	**11**	**842**	**112**	**1,343**	**112**
Provider Payments	569	1	4,553	6	6,832	6
Corporate Services	0	0	0	0	0	0
Surplus/(Deficit)	**(558)**	**12**	**(4,440)**	**119**	**(6,720)**	**119**

FTE						
Medical	0.0	1.2	0.3	0.9	0.6	0.6
Nursing	2.0	(0.0)	1.6	0.4	1.7	0.2
Allied Health	4.5	(1.8)	3.8	(1.1)	3.4	(0.8)
Support	0.0	0.0	0.0	0.0	0.0	0.0
Management / Admin	6.4	0.3	6.2	0.5	6.4	0.4
Total FTE	**12.9**	**(0.3)**	**11.9**	**0.7**	**12.1**	**0.5**





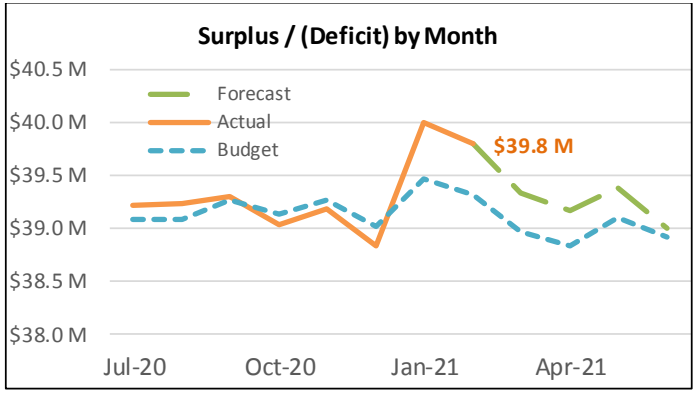


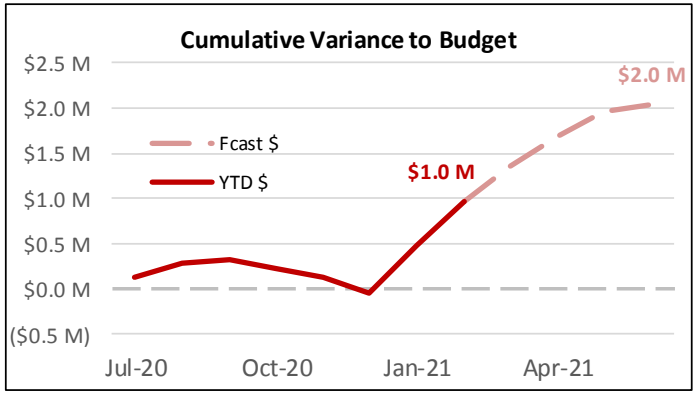
BOARD REPORT

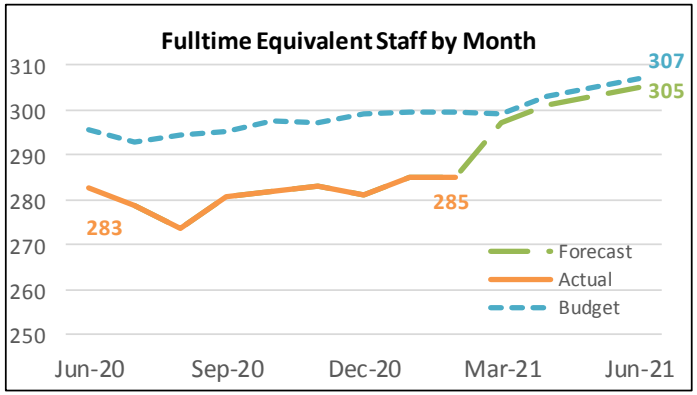
Corporate and Professional Services

$000	Feburary 2021 Actual	Feburary 2021 Variance to Budget	Year to date Actual	Year to date Variance to Budget	Year End Forecast	Year End Variance to Budget
Net Revenue	**55,594**	**(773)**	**452,963**	**1,892**	**677,650**	**1,053**
Expenditure						
Personnel	2,317	2	19,163	827	29,980	617
Outsourced Personnel	130	(80)	843	(399)	1,117	(449)
Sub -Total Personnel	2,447	(78)	20,006	428	31,096	167
Other Outsourced Services	205	(33)	1,426	(46)	2,117	(46)
Clinical Supplies	133	(60)	636	(24)	943	(24)
Infrastructure & Non-Clinical	4,216	487	35,941	1,157	54,732	1,285
Total Operating Expenditure	**7,000**	**316**	**58,009**	**1,515**	**88,889**	**1,382**
Provider Payments	10,175	944	91,390	(2,442)	133,811	(389)
Corporate Services	(1,372)	0	(10,975)	0	(16,462)	0
Surplus/(Deficit)	**39,791**	**487**	**314,538**	**964**	**471,412**	**2,046**

FTE						
Medical	11.4	(1.1)	8.6	1.6	8.5	1.8
Nursing	44.1	(2.0)	45.8	(4.1)	44.8	(2.7)
Allied Health	6.9	(1.3)	4.7	0.9	5.0	0.6
Support	13.3	0.1	13.1	0.2	13.2	0.1
Management / Admin	209.2	18.9	208.9	17.2	216.5	11.4
Total FTE	**284.9**	**14.5**	**281.1**	**15.8**	**287.9**	**11.2**





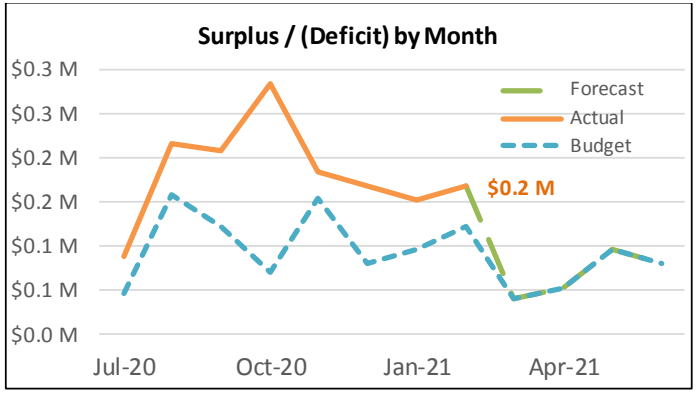


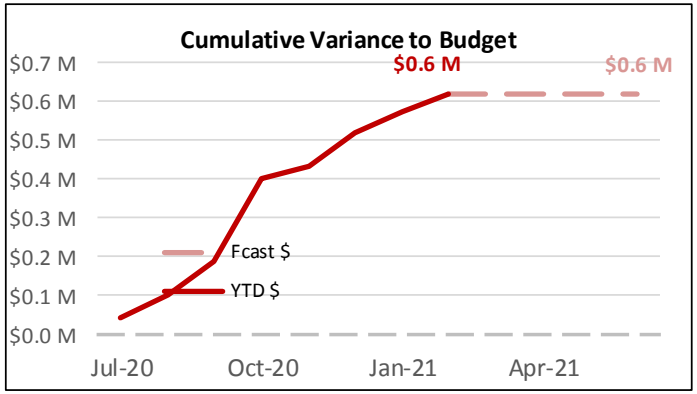
BOARD REPORT

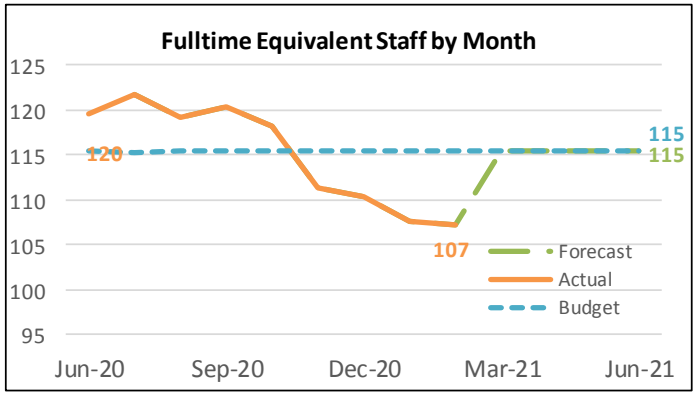
Enable New Zealand

$000	Feburary 2021 Actual	Feburary 2021 Variance to Budget	Year to date Actual	Year to date Variance to Budget	Year End Forecast	Year End Variance to Budget
Net Revenue	**2,719**	**(275)**	**24,755**	**796**	**36,730**	**796**
Expenditure						
Personnel	676	26	5,848	178	8,929	178
Outsourced Personnel	32	(7)	228	(13)	337	(13)
Sub -Total Personnel	708	18	6,076	165	9,266	165
Other Outsourced Services	7	1	34	34	69	34
Clinical Supplies	6	0	47	1	68	1
Infrastructure & Non-Clinical	1,781	301	16,733	(377)	24,997	(377)
Total Operating Expenditure	**2,502**	**320**	**22,890**	**(176)**	**34,400**	**(176)**
Provider Payments	0	0	0	0	0	0
Corporate Services	50	0	400	0	600	0
Surplus/(Deficit)	**167**	**45**	**1,465**	**620**	**1,730**	**620**

FTE						
Medical	0.0	0.0	0.0	0.0	0.0	0.0
Nursing	0.0	0.0	0.0	0.0	0.0	0.0
Allied Health	21.7	9.4	21.5	9.5	24.7	6.4
Support	17.2	(1.2)	17.8	(1.8)	17.2	(1.2)
Management / Admin	68.3	0.0	75.1	(6.8)	72.8	(4.5)
Total FTE	**107.1**	**8.3**	**114.5**	**0.9**	**114.8**	**0.6**







Holidays Act

$000	Feburary 2021		Year to date		Year End		Life to date
	Actual	Variance to Budget	Actual	Variance to Budget	Forecast	Variance to Budget	Actual Since May 2010
Expenditure							
Personnel	110	(110)	1,031	(1,031)	1,503	(1,503)	12,028
Outsourced Personnel	30	(30)	198	(198)	346	(346)	198
Sub -Total Personnel	140	(140)	1,229	(1,229)	1,850	(1,850)	12,226
Infrastructure & Non-Clinical	114	(114)	779	(779)	1,580	(1,580)	779
Total Operating Expenditure	**255**	**(255)**	**2,009**	**(2,009)**	**3,430**	**(3,430)**	**13,006**
Surplus/(Deficit)	**(255)**	**(255)**	**(2,009)**	**(2,009)**	**(3,430)**	**(3,430)**	**(13,006)**

COVID-19

$000	Feburary 2021		Year to date		Year End		Life to date
	Actual	Variance to Budget	Actual	Variance to Budget	Forecast	Variance to Budget	Actual Since March 2020
Net Revenue	**206**	**206**	**2,226**	**2,226**	**3,039**	**3,039**	**2,936**
Expenditure							
Personnel	92	(92)	577	(577)	918	(918)	3,787
Outsourced Personnel	16	(16)	99	(99)	172	(172)	169
Sub -Total Personnel	108	(108)	676	(676)	1,090	(1,090)	3,956
Other Outsourced Services	28	(28)	1,142	(1,142)	1,326	(1,326)	2,020
Clinical Supplies	10	(10)	23	(23)	51	(51)	366
Infrastructure & Non-Clinical	69	(69)	421	(421)	608	(608)	2,414
Total Operating Expenditure	**216**	**(216)**	**2,262**	**(2,262)**	**3,074**	**(3,074)**	**8,757**
Surplus/(Deficit)	**(10)**	**(10)**	**(36)**	**(36)**	**(36)**	**(36)**	**(5,821)**

APPENDIX TWO – CAPITAL EXPENDITURE

($000)		Budget	Year to Date Approvals	Year to Date Expenditure	Remaining Approved Expenditure	Remaining Unapproved Budget Available	Year End Expenditure Forecast	Forecast Variance to budget
Board Approvals								
SPIRE Project	Infrastructure, Clinical Equipment, IT	9,266	9,038	1,530	7,508	0	9,038	228
Mental Health Redevelopment	Infrastructure, Clinical Equipment, IT	8,290	8,186	7	8,179	0	8,186	104
EDOA / MAPU PODS	Infrastructure, Clinical Equipment, IT	4,000	6,000	180	5,820	0	6,000	(2,000)
Sub Station Project	Infrastructure	2,281	2,281	1,292	989	0	2,281	0
Acute Services Block	Infrastructure Planning	700	700	0	700	0	700	0
Linear Accelerator Replacement	Clinical Equipment	4,344	4,344	3,521	823	0	4,344	0
Fluoroscopy	Clinical Equipment	1,540	1,540	0	1,540	0	1,540	0
Clinical-Monitors	Clinical Equipment	1,100	88	90	(2)	1,012	1,100	0
Laparoscopic Equipment	Clinical Equipment	670	670	91	579	0	670	0
RHIP	Information Technology	1,623	1,623	693	930	0	1,623	0
RiskMan	Information Technology	1,097	0	0	0	1,097	1,097	0
Programme of Change Mental Health & Addictions	Information Technology & Furniture and Fittings	897	897	113	784	0	897	0
Health System Catalogue	Information Technology	600	1,031	295	736	0	1,031	(431)
TOTAL Board Approvals		**36,408**	**36,398**	**7,812**	**28,586**	**2,109**	**38,507**	**(2,099)**
Management Approvals - Specific Items								
Medical Imaging Equipment - Various	Clinical Equipment	500	0	0	0	500	500	0
Anaesthetic Machines & Monitor Replacement	Clinical Equipment	360	0	0	0	360	360	0
Fundus Camera & Microscope	Clinical Equipment	350	45	0	45	305	350	0
Cardiograph Image Vault	Clinical Equipment	250	0	0	0	250	250	0
Decarbonisation Project	Infrastructure	414	414	79	335	0	414	0
Children's Pressure Room	Infrastructure	400	0	0	0	400	400	0
Front Door Project	Infrastructure	314	150	126	24	0	150	164
Digital Workplace Programme	Information Technology	1,850	922	922	0	0	922	928
Integration Strategy Implementation (IPaaS)	Information Technology	850	0	0	0	850	850	0
Planned Care - Scope	Information Technology	596	0	0	0	596	596	0
eReferrals (Triage)	Information Technology	585	0	0	0	585	585	0
Digitisation of Clinical Records	Information Technology	452	0	0	0	452	452	0
Website Upgrade	Information Technology	425	0	0	0	425	425	0
WebPASaaS Design & Implementation	Information Technology	400	16	39	(23)	384	400	0
Planned Care - Production Planning	Information Technology	300	0	0	0	300	300	0
Management Approvals - Specific Items		**8,046**	**1,547**	**1,166**	**381**	**5,407**	**6,954**	**1,092**
Management Approvals - Pooled Items								
Clinical & Other Equipment	Clinical Equipment	2,790	1,054	714	340	(264)	1,080	1,710
Facilities & Infrastructure	Infrastructure	4,159	1,996	918	1,078	163	1,450	2,709
Information Technology	Information Technology	1,583	1,895	1,942	(47)	0	2,348	(765)
Covid-19	Various	714	714	714	0	0	714	0
Enable NZ	Various	1,000	25	25	0	975	1,000	0
Management Approvals - Pooled Items		**10,246**	**5,684**	**4,313**	**1,371**	**874**	**6,592**	**3,654**
TOTAL Against 2020/21 Capex Plan		**54,700**	**43,629**	**13,291**	**30,338**	**8,390**	**52,053**	**2,647**
Approvals against Prior Year Capex Plans			4,681	1,923	2,758	0	4,681	(4,681)
TOTAL		**54,700**	**48,310**	**15,214**	**33,096**	**8,390**	**56,734**	**(2,034)**
20/21 Budgeted Depreciation		24,053						
Capital Funding Support		24,538						
		48,591						

BOARD REPORT

For:

X	Approval
	Endorsement
	Noting

Key questions the Board should consider in reviewing this paper:

- Is the Board comfortable with the progress being made in the Sustainability Plan?
- Do the current priorities remain current and contemporary?
- Is the Board satisfied with the mitigations in place to support the DHB to achieve its sustainability targets?

To	Board
Author	Judith Catherwood, General Manager, Quality and Innovation
Endorsed by	Finance, Risk and Audit Committee Kathryn Cook, Chief Executive
Date	4 May 2021
Subject	**Sustainability Plan**

RECOMMENDATION

It is recommended that the Board:

- **note** the Finance, Risk and Audit Committee endorsed this report at its May meeting for the Board's consideration
- **note** the emerging risks and mitigation plans
- **note** the 2020/21 benefits realisation reconciliation is being progressed
- **approve** the approach and progress made to date on the Sustainability Plan 2020-2023.

Strategic Alignment

The report supports the District Health Board's (DHB's) strategy and key enablers 'Stewardship and Innovation'. The plan supports the DHB to become more sustainable through change to models of care, systems and processes. This ensures best use of DHB resources to meet the MidCentral District Health Board (MDHB) population's healthcare needs and wellbeing.

1. PURPOSE

To outline progress in the delivery of the Sustainability Plan for 2020-2023 which was approved by the Board in August 2020. This report was endorsed by the Finance, Risk and Audit Committee at its May meeting.

2. SUSTAINABILITY PLAN 2020-2023

The Sustainability Plan is a three-year plan which outlines the approach MDHB will take to ensure the delivery of enhanced service and financial sustainability. The plan is aligned to the sustainability component of the MDHB**'s** Annual Plan. The Gantt Chart is included as Appendix One. The delivery follows the MDHB Enterprise Project Management Office (EPMO) gated governance process which ensures the focus is on aligning and coordinating the delivery of the right work, the right way and that there is consistent reporting across all projects. In an environment with limited resources, both financial and people, robust project governance is essential to delivering projects in an efficient and timely manner. It provides a strong decision-making framework that is transparent, logical, and consistent. It is detailed below.

The gate process will be applied in accordance with a project's size and complexity. Smaller, less complex projects are unlikely to require a business case (Gate 1) and will progress straight to delivery. Larger, more complex or inherently risky projects will progress through all the stage gates. Some parts of the programme will require multiple briefs and/or business cases as the scope and deliverables are developed and defined.

The Sustainability Plan Assurance Group ensures robust governance is in place across the entire programme. This group reports to the Organisational Leadership Team (OLT) monthly and is working to mitigate any emerging risks to delivery.

3. PROGRESS

The Sustainability Plan report dashboard has been developed to allow progress to be easily visualised. This can be found in Appendix Two. Exception reporting has been incorporated to include comments where an initiative is behind schedule or to provide general context. The dashboard includes project financial and benefit realisation monitoring as delivery progresses.

A benefits realisation reconciliation process for the 2020/21 year has commenced. The process needs to take account of all benefits, including financial and other measures including non-financial benefits. The approach requires broader OLT involvement and will be presented to the Board at a future meeting when completed.

The Sustainability Plan covers a three-year timeline. It is expected that some projects will not deliver benefits in year one. Several projects have not yet commenced and whilst savings are still anticipated, these have not yet been delivered. The Board should note the majority of the financial savings and non-financial benefits are expected as the projects mature and upfront investment in improvement, change and facilitation is required before transformational change can be achieved. This relates most acutely to the service improvement and digital transformational aspect of this plan.

OLT will continue to proactively address all risk in delivery of the plan to ensure both financial savings and non-financial benefits are achieved. The Board will continue to receive reports on benefits delivery and risk in all future reports.

4. MODIFICATIONS TO THE SUSTAINABILITY PLAN

As identified at the beginning of the planning cycle, the Sustainability Plan is cyclical in nature. The Board should expect projects to close and new projects to emerge throughout the planning delivery period. This will reflect prioritisation by the OLT to ensure capacity is placed to achieve maximum benefit. The planning cycle previously shared with the Board is contained in Appendix Three.

The plan is currently under review for the 2021/22 year as part of the annual planning process. It was reviewed by the Board at the workshop in April where the Annual Plan and budget prioritisation was discussed. Changes to the plan will be provided to the Board at the July 2021 meeting.

5. RISK AND MITIGATIONS

5.1 Service Improvement

5.1.1. Rehabilitation Model and Community Older People's Acute Assessment and Liaison Service (OPAL)

The rehabilitation model and community OPAL project remains behind schedule but is being progressed. A business case has been completed and will be discussed by OLT in May 2020. The investment in this service was also considered in the Board planning and prioritisation workshop. This service enhancement will support the long-term sustainability of the district through improved community-based services for frail older people and by delivering rehabilitation in the community setting. This approach is supported by international and local evidence to improve patient flow and reduce unnecessary presentations, readmissions and the impact of frailty and disability in our community.

5.1.2. Outpatient Redesign and Digitisation

The outpatient redesign programme is progressing a full business case which will go to the Board for consideration in May 2021. Progress in quarter two was impacted by vacancies which have now been filled enabling significant progress to be made with projects that are behind schedule. A programme governance and advisory structure has been put in place. Working groups have been developed and projects to implement e-referrals and triage and a navigation service model have commenced. Plans to deploy advanced voice recognition software and move to digitisation of all outward clinical and booking communications are progressing. The sequencing and plans to deploy an e-scheduling solution is under review. This is a complex change management process with significant resourcing implications. These priorities support improved workflows and savings and will improve the quality of care and clinical safety through more timely and effective communication systems.

5.1.3. Mental Health Community Models of Care

Te Uru Rauhī have commenced the consultation process across the district workforce groups to enable progression of an integrated model of Clinical and kaupapa Māori service delivery. The consultation process will close in the middle of May.

5.2. **Workforce**

5.2.1. Full Time Equivalent (FTE) Establishment

The creation of a FTE establishment is a vital part of effective workforce management in MDHB. A prototype has been developed and will be implemented across all parts of the DHB. It is anticipated this project will be completed by the end of June 2021.

5.2.2. Skill Mix

The skill mix project has met with the Te Uru Rauhī, Mental Health and Addictions Leadership Team. The work being delivered in the proposed model of care had already scoped and planned an appropriate skill mix which is reflected in the proposal for change. Work has commenced with Te Uru Arotau, Acute and Elective Specialist Services. A schedule to support a review across remaining areas is being developed and has been completed. The project has two phases: the first is a review of skill mix across the service areas in scope; the second is the implementation of any changes or recommendations. The review of skill mix across all areas in scope will be completed by June 2022. The benefits realisation will take longer because change management will be through the process of either staff turnover or via staff development pathways. The plan indicated this was a three-year programme of work.

5.2.3. Reducing Dependency on One-to-One Nurse Specialing

The project plan to improve usage is well developed and achieved positive results in Quarter Two. Quarter Three results are less favourable and year to date the savings expected have not been delivered. The sponsor is reviewing the approach to management of requests and practices in the ward areas to ensure previous improvements can be maintained.

5.2.4. Workforce Wellbeing

This project plan is being developed and two Directorates have been identified as pilot sites. The Bradford Score will be used to provide reports to all people leaders and this reporting approach will be tested initially with the pilot sites.

The Bradford Score is an internationally recognised analytics approach to enable absence management patterns to be easily interpreted.

5.3. Savings and Revenue

5.3.1. Equipment Library

The project to support an equipment library has been impacted due to the insourcing of biomedical services.

The insourcing has been completed and the project plan is being reviewed prior to identifying options for implementation.

5.3.2. Short-term Loan Equipment Management

A business analysis on the most favourable option to support delivery of short-term equipment loan services has been completed. A trial of up to one year of an alternative model is to commence. Should benefits from this be realised within the first quarter, this will trigger a further extension of the approach.

5.3.3. Fleet Management

The fleet management project was impacted by changes to facilities management providers but has commenced. There are several phases to this project. Operational savings associated with fuel costs are expected to be delivered through the development of a more modern fleet. A procurement process is underway. Planning to optimise the fleet utilisation is underway in partnership with Directorates with Cluster functions. The project is expected to deliver savings of $0.05 million.

5.4. Digital

5.4.1. E-recruitment and Leave Management

Project teams are in place to deliver an improved e-recruitment and leave management process. These projects are progressing, applying existing technology to support business needs. E-leave management is being implemented as a proof of concept in MDHB before the end of June 2021. Full implementation will commence from July 2021. A regional procurement process has been completed to enable progression of e-recruitment with a preferred supplier. Implementation will commence in July 2021. These two projects will support a reduction in paper-based processes, enhance leave capture and speed up recruitment management and onboarding.

5.4.2. Digitisation of Clinical Records

The panel assessment phase has been completed and a preferred vendor selected to provide the digital solution. The project will proceed after approval from the organisation’s Data and Digital Governance Group at its next meeting in May 2021.

5.4.3. Digitisation of Corporate Records

To aid clarity of reporting, the clinical records and corporate records digitisation projects have been separated. This project includes:

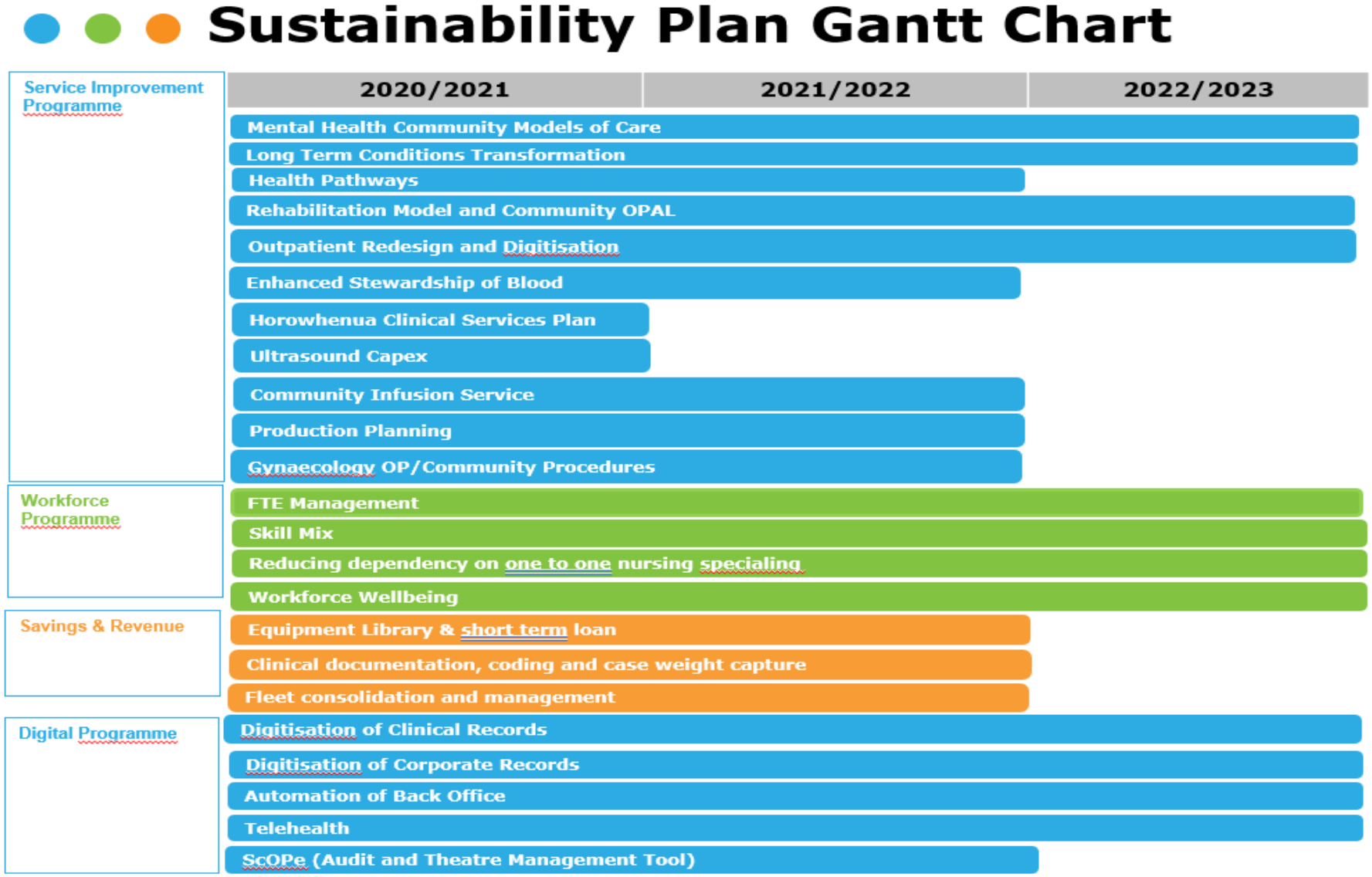
- the implementation of Office 365
- activation of a records management capability
- an upgraded SharePoint.

This supports the classification and management of digital records, minimising the need for maintaining paper and maximising ease of access and collaboration. The scope and ongoing delivery of this project is currently under review following the Board's approval of the plan to pause the delivery of the Te Awa Digital Strategy pending announcements about the health reform.

Appendices

Appendix One – Sustainability Plan Gantt Chart
Appendix Two – Sustainability Plan Dashboard
Appendix Three – Sustainability Planning Cycle

Appendix One – Sustainability Plan Gantt Chart



Appendix Two – Sustainability Plan Dashboard

Sustainability Plan - Dashboard

Activity	Sponsor	Project Approved	Project Plan Developed	Project Team in Place	Milestones on Track	Costs/benefits on Track	Exception report
Mental Health Community Models of Care	Scott Ambridge						
• Older Adults							Expected in year benefits curtailed due to delays in implementation. Recurrent benefits have been partially achieved. Consultation of community FACT model has commenced.
• Severe and enduring conditions (FACT)							
• Youth and addiction services (2021/22)		N/A	N/A	N/A	N/A	N/A	
Long Term Conditions Transformation	Deborah Davies						
• Improve management approach to high need populations							The initiative is aiming to significantly change the model of care with a pilot in Horowhenua. Achievement of programme milestones and non financial benefits in 2021/22 year are showing some risk in terms of delivery.
• Build a multi morbidity LTC service model							
Rehabilitation Model	Andrew Nwosu						
• Growing a community based service					N/A	N/A	Project business case focussed on benefits realisation has been finalised for OLT approval. Work to optimise existing resources making good progress. Investment will be part of the 2021/22 budget prioritisation exercise.
• Community OPAL implementation					N/A	N/A	
• Post discharge follow up model					N/A	N/A	
Outpatient Redesign and Digitisation	Judith Catherwood/ Steve Miller						
• Implement the MDHB Outpatient Model							Programme business case for capital expenditure is underway for approval in May 2021. Progress was impacted by vacancies, now fully recruited. Kick off meetings for e referrals/triage, transcription and digital communication commenced. Navigation service model of care in progress. Benefit realisation is under review as there could be a delay in delivery linked to the vacancies earlier this year. Other programme priorities are under review by the Programme Governance Group.
• Shared data set and production plan							
• Consolidate/standardise administration functions/access and booking approach							
• Implement clinical and booking digital systems							
• Telephony and communication redesign							
• Automate dictation, consumer messaging and clinical communications							
• Implement consumer real time feedback systems							

Sustainability Plan – Dashboard (2)

Activity	Sponsor	Project Approved	Project Plan Developed	Project Team in Place	Milestones on track	Costs/ benefits on track	Exception Report
Enhanced Stewardship of Blood	Claire Hardie						Wastage has increased in last three months with plan in place to address this.
Horowhenua Clinical Services Plan	Chiquita Hansen		N/A	N/A	N/A	N/A	Service planning expert is being sourced to support this work.
Ultrasound Capex	Lyn Horgan						On track.
Community Infusion Service	Lyn Horgan					N/A	Project Manager and team in place.
Production Planning	Darryl Ratana					N/A	Funding to be used to progress production planning capacity/capability at MDHB. Capacity is currently being recruited.
Gynaecology OP/Community Procedures	Sarah Fenwick					N/A	Project team in place to progress initiative. Pilot due to commence in May.
FTE Management	Keyur Anjaria						
• Structured approved system							Project team in place to progress enterprise establishment. FTE prototype has been developed for implementation.
• Established system							
Skill Mix	Celina Eves						
• Framework development							Financial modelling to be undertaken to assess realistic savings. Project Manager providing additional support to drive project outcomes/timeline.
• Vacancy management approach							
Reducing dependency on one to one nurse specialising	Celina Eves						Project Coordinator recruited to support project team in delivery.
Workforce Wellbeing	Keyur Anjaria		N/A	N/A	N/A	N/A	Project plan being developed to include benefits tracking and scope.
Clinical Equipment Library	Neil Wanden					N/A	Sponsorship has transferred given changes in our Executive team. A remediation plan is in development.

Sustainability Plan – Dashboard (3)

Activity	Sponsor	Project Approved	Project Plan Developed	Project Team in Place	Milestones on track	Costs/ benefits on track	Exception Report
Short Term Loan Equipment Management	Andrew Nwsou						Proof of concept model about to commence. Delay has impacted benefits realisation.
Clinical documentation, coding and case weight capture	Lyn Horgan						Procurement of PICQ tools has delayed some activity in the project.
Fleet consolidation and management	Neil Wanden						Transition to new fleet provider ongoing. New vehicles will be in place by March 2021.
Digitisation of Clinical Records	Neil Wanden						
Digitisation of Corporate Records	Steve Miller						Delays in implementation of project linked to Te Awa review of strategic resourcing.
Health Pathways	Deborah Davies/ Lyn Horgan						
• Primary Care						N/A	Project progressing ahead of schedule and with positive budget variance.
• In Hospital						N/A	Combined approach to project governance agreed. On track.
Automating Back Office	Keyur Anjaria						Project manager in place and e-recruitment and e-leave project has commenced. Project working group in place to operationalise the initiative.
• Annual Leave Capture and Management						N/A	
• E-Recruitment System						N/A	
Telehealth	Claire Hardie					N/A	Implementation plan in progress through working group.
ScOPe (Audit and Theatre Management Tool)	Lyn Horgan			N/A	N/A	N/A	Funding from MoH agreed. Project about to commence.

Key

- On track
- Under development
- Behind schedule/deliverables not being met
- Equity Outcome Action
- New project added from last report
- Project is on hold/under review
- N/A Project has not reached this stage, therefore rating is not applicable

Appendix Three – Sustainability Planning Cycle

BOARD REPORT

For:

	Approval
X	Endorsement
	Noting

To	Board
Author	Di Feck, Quality Facilitator, Quality Improvement and Assurance
Endorsed by	Judith Catherwood, General Manager, Quality and Innovation
Date	4 May 2021
Subject	**Quality and Safety Walk-rounds**

Key questions the Board should consider in reviewing this paper:

- Do the Board hold an ongoing commitment to the Quality and Safety Walk-round process at the current frequency?
- Do the Board wish to make any adjustments to the programme for the 2021/22 year?
- Is the Board assured the approach and process is working effectively to deliver on the original expectations?

RECOMMENDATION

It is recommended that the Board:

- **note** the progress to date with the Quality and Safety Walk-rounds
- **endorse** that future walk-rounds include locations and teams from within the Directorates with Enabler functions.

Strategic Alignment

This report is aligned to the MidCentral District Health Board's (MDHB) strategy and specifically the strategic priority of committing to quality and excellence in everything we do.

1. PURPOSE

To provide the Board with a progress report covering the walk-rounds delivered since the last report in July 2019.

2. SUMMARY

The Quality and Safety Walk-round process was developed to support MDHB Board members in delivering their governance responsibilities within the Health and Safety at Work Act 2015. The walk-rounds were established in July 2018. An evaluation of the approach was commenced in February 2019. The evaluation was presented to the Board in June 2019. The recommendations from the evaluation were approved and this resulted in changes to the number of walk-rounds carried out each year and improvements to the process.

The walk-round schedule was disrupted by the COVID-19 lockdown period. Walk-rounds were suspended for over three months and recommenced in July 2020.

The Walk-round process has been subject to continuous review and improvement. Feedback from the frontline workforce is extremely positive, indicating they feel the walk-rounds provide an opportunity to hold a structured and purposeful dialogue with the Board and Organisational Leadership Team (OLT) members.

At present the schedule does not include the workforce groups or teams within the Directorates with Enabler functions and it is proposed these are included in the calendar for 2021/22. This will further develop the process and engage wider staff groups in the philosophy of the Quality and Safety Walk-rounds. It will also provide Board members with an increased variety of teams and locations in which to engage during this process. The teams that could be included in the walk-rounds would be Digital Services, Quality and Innovation, Finance and Analytics, Materials Management, Coding and Accident Compensation Corporation (ACC) Revenue Teams, Administration and Medical Secretary Teams, Pae Ora Paiaka Whaiora etc.

3. BACKGROUND

The Quality and Safety Walk-round is a tool that has supported many organisations make a significant impact on their patient and staff safety culture. The Board level activity provides a formal process and opportunity for Board members to engage with staff in a wide range of services and discuss health and safety matters or the quality and safety of patient care. The process aims to remove barriers and develop capacity to improve patient safety or workforce wellbeing, ensuring quality and safety are strategic priorities and have a high profile within MDHB.

It is important to note that the OLT also undertake informal walk-rounds with staff on a regular basis as part of their standard leadership and management activities.

Walk-rounds have a collaborative, supportive and open approach. Visits to services are intended to enable supportive conversations and opportunities to share ideas and provide immediate feedback, therefore supporting and enabling clinical leaders and team managers to execute their responsibilities at the frontline.

They are a way of ensuring senior leaders can build relationships and trust so they are informed and can exchange views regarding the workforce or patient safety concerns of units or teams. They provide an opportunity for frontline staff to identify and discuss their safety concerns. They are also a way of demonstrating visible commitment by listening to and supporting staff when issues of safety are raised. The walk-round results in action plans for improvement based on quality and safety issues identified during the visit or discussions with staff.

MDHB Board commissioned the activity in 2018. A toolkit was developed and approved and the walk-round process commenced in July 2018. An evaluation was commissioned by the Board in February 2019 to identify areas for improvement.

The Board accepted the recommendations for improvements which included:

- A reduction in the number of walk-rounds to one per directorate with cluster functions per quarter
- Improvements in the communication and participation of frontline staff and consumers
- Action plans should be realistic and achievable within a timeframe of up to a year
- Action plans be shared with staff and Board members
- A reduction in the bureaucracy associated with the process, for example pre-reading and preparation required by the service to be visited
- Improve the general approach including making the walk-round process informal and free-flowing
- Ensure effective executive level sponsor support of the walk-round process and delivery of action plans.

4. WALK-ROUND ACTIVITES FROM JULY 2019 TO DATE

The schedule of walk-rounds delivered since July 2019 is summarised in Appendix One.

From July 2019, a number of improvements have been embedded leading to positive feedback from staff about the new processes. Staff have indicated that after the walk-round, they feel valued by Board members and the presence of OLT in the round. The communication is relaxed and there are a number of good suggestions and ideas shared to support improvement. Crucially, our workforce appreciate Board members' visits to their area.

During the COVID-19 lockdown and incident response, the scheduling of walk-rounds was highly disrupted with cancellations or postponements. The schedule recommenced in July 2019.

There have been 25 walk-rounds since July 2019. Six have been rescheduled: four directly attributed to COVID-19 related activities and two due to senior leaders' unavailability. The degree of flexibility required by Board and OLT members is understood and appreciated.

The process by which actions plans are developed and delivered has improved. Action plans are increasingly more practical in approach including in a reduction of actions per walk-round to a maximum of three. The agreed plans are more achievable and deliver visible improvement to staff in the area. The most common issues identified during walk-rounds include environmental adjustments, minor facility modifications or digital systems improvement.

The walk-round process and monitoring of the action plans is undertaken by the Quality Improvement and Assurance Team (QI&A).

5. ACTION PLANS UNDERWAY

The QI&A team receive all the actions and follow up with the accountable executive or action plan owner. Within the last quarter, there has been greater ownership by the services and accountable executives to the action plans. Whilst some plans can take time to complete, there are a few that are not easily deliverable. These primarily relate to longer term facility development work which is underway.

Twenty action plans have been developed which resulted in 59 actions of which:

- 51 percent are completed
- 37 percent are in progress
- 10 percent are deferred
- two percent are not achievable.

Some of the actions which remain incomplete include:

- inability to change or adapt working spaces such as heating the gymnasium in the STAR Rehabilitation Centre
- adapting space to improve working areas such as in clinical trials within Cancer Screening Treatment and Support
- developing staff skills outside of a specialised service which was not practical in the current health environment
- staff-related actions for improved communication and lone worker safety issues. The delay is the result of reduced staff capacity to carry out the improvements due to ongoing impact of COVID-19.

Appendix One

DATE	DIRECTORATE	LOCATION	PLAN CREATED YES/NO	PROGRESS	BOARD MEMBERS ATTENDING
25 March 2021	Te Uru Arotau Acute Elective Specialist Services	Pharmacy	Yes	100% actions underway	Muriel Hancock, Heather Browning
16 March 2021	Te Uru Mātai Matengau Cancer Screening, Treatment Support	Radiation Oncology	Yes	66 % actions in progress. 33% delay due to current funding environment	Muriel Hancock, Lew Findlay
11 March 2021	Te Uru Whakamauora Healthy Aging & Rehabilitation	STAR 1 and STAR 2	No	In development	Heather Browning, Karen Naylor
26 February 2021	Te Uru Rauhī Mental Health & Addictions	Child Adolescent & Family MHS	Yes	100% actions in progress	John Waldon
2 December 2020	Te Uru Whakamauora Healthy Aging & Rehabilitation	STAR 2	Yes	50% completed, 50% underway.	Muriel Hancock
25 November 2020	Te Uru Pā Harakeke Healthy Women Children & Youth	Te Papaioea Birthing Centre	Yes	50% actions completed. 25% in progress. 25% on hold due to service changes taking place.	Brendan Duffy, Materoa Mar
17 November 2020	Te Uru Kiriora Primary, Public & Community Health	Feilding Health Centre	Yes	33% completed. 66 % in progress	Muriel Hancock, Karen Naylor
27 October 2020	Te Uru Kiriora Primary, Public & Community Health	Pahiatua Medical Centre	Yes	66% completed. 33% in progress regarding environment. Date for completion extended.	Heather Browning
29 October 2020	Te Uru Rauhī Mental Health & Addictions	Horowhenua Community Centre	Yes	100% actions completed	Jenny Warren, Lew Findlay

BOARD REPORT

DATE	DIRECTORATE	LOCATION	PLAN CREATED YES/NO	PROGRESS	BOARD MEMBERS ATTENDING
30 September 2020	Te Uru Arotau Acute Elective Specialist Services	Emergency Department	No	Facility issues. MAPU & ED PODS will deliver on these matters.	Heather Browning, Karen Naylor
15 September 2020	Te Uru Mātai Matengau Cancer Screening, Treatment & Support	Breast Screen Coast to Coast	Yes	100% actions completed	Jenny Warren
19 August 2020	Te Uru Pā Harakeke Healthy Women Children & Youth	Neonatal Unit	Yes	60% completed, 20% on hold as are facility changes. 20% progressing	Muriel Hancock. John Waldon
13 August 2020	Te Uru Whakamauora Healthy Aging & Rehabilitation	Star Centre	Yes	50 % completed, 25% unachievable as are facility changes, 25% progress delay. Extending timeframe.	Karen Naylor, Vaughan Dennison
16 July 2020	Te Uru Whakamauora Healthy Aging & Rehabilitation	Star 2	Yes	75% completed. 25% IT related and are in progress.	Lew Findlay
8 July 2020	Te Uru Rauhī Mental Health & Addictions	Tararua - MHAS	Yes	100% actions completed	Brendan Duffy, John Waldon
19 March 2020	Te Uru Rauhī Mental Health & Addictions	Alcohol and Drug Services	No	Immediately pre COVID-19 lockdown when process was suspended	Heather Browning
28 February 2020	Te Uru Mātai Matengau Cancer Screening, Treatment & Support	Clinical Trials	Yes	66% actions completed. 33% actions in progress. Dates to complete have been extended	Lew Findlay, Vaughan Dennison
18 February 2020	Te Uru Pā Harakeke Healthy Women Children & Youth	Children's Ward	Yes	100% actions underway. Actions involve information systems, facilities and equipment.	John Waldon, Muriel Hancock
5 December 2019	Te Uru Whakamauora Healthy Aging & Rehabilitation	OPAL Unit	No	Actions have since been superseded by 2020 Walk-round	Diane Anderson, Barbara Cameron, Barbara Robson

BOARD REPORT

DATE	DIRECTORATE	LOCATION	PLAN CREATED YES/NO	PROGRESS	BOARD MEMBERS ATTENDING
3 December 2019	Te Uru Rauhī Mental Health & Addictions	STAR 1	Yes	100% actions no longer required. Ward relocated	Diane Anderson
21 November 2019	Te Uru Arotau Acute Elective Specialist Services	Ward 26	No	Facility issues. Part of Strategic Property Plan	Barbara Cameron
19 November 2019	Te Uru Kiriora Primary, Public & Community Health	Barraud Street, Dannevirke	Yes	100% actions on hold due to due to resource capacity	Diane Anderson
19 November 2019	Te Uru Mātai Matengau Cancer Screening, Treatment & Support	Radiation Oncology	Yes	100% actions completed	Nadarajah Manoharan, Karen Naylor
21 October 2019	Te Uru Arotau Acute Elective Specialist Services	CCU/Ward 28	Yes	30% completed. 66% now part SPIRE project	Diane Anderson, Barbara Cameron, Ann Chapman Nadarajah Manoharan
17 September 2019	Te Uru Mātai Matengau Cancer Screening, Treatment & Support	Breast Screen Coast to Coast	Yes	100% actions completed	Barbara Robson, Dot McKinnon

BOARD REPORT

For:

	Approval
X	Endorsement
	Noting

To	Board
Author	Keyur Anjaria, General Manager, People and Culture
Endorsed by	Kathryn Cook, Chief Executive Finance, Risk and Audit Committee
Date	5 May 2021
Subject	**Health, Safety and Wellbeing**

Key questions the Board should consider in reviewing this paper:

- Are the DHB's risks identified, assessed and reviewed regularly?
- Is the information received by the Board sufficient for it to discharge governance responsibilities?
- Does the DHB have a schedule of audits, checks and reviews to ensure that the Health and Safety management systems remain fit-for-purpose?
- Does the DHB have adequate mechanisms to engage its workers effectively?
- Does the DHB have wellness and wellbeing initiatives to promote a healthy workplace culture?

RECOMMENDATION

It is recommended that the Board:

- **note** the Finance, Risk and Audit Committee endorsed this report at its May meeting for the Board's consideration
- **note** the quarterly Health, Safety and Wellbeing report
- **endorse** the quarterly Health, Safety and Wellbeing report.

Strategic Alignment

This report is aligned to the Organisational Strategy and legislative requirements related to governance of health and safety responsibilities for Officers and Directors of a Person Conducting a Business or Undertaking.

1. PURPOSE

To update the Board on activities related to health, safety and wellbeing for the period from 1 January to 31 March 2021. It is provided for noting, discussion and endorsement. This report has been endorsed by the Finance, Risk and Audit Committee.

2. BACKGROUND

The Health and Safety at Work Act 2015 sets expectations and defines duties of various roles within every Person Conducting a Business or Undertaking (PCBU). One of these duties requires 'officers' within the PCBU, such as Board members, the Chief Executive and other senior managers who fall within this definition, to exercise due diligence on health and safety (H&S) matters. This includes having a good understanding of key H&S metrics, the key risks of the organisation and controls that are in place to mitigate such risks. Monitoring these metrics allows officers to ensure that controls which have been implemented are achieving the desired impact.

The Health, Safety and Wellbeing report is developed on eight key dimensions of a good H&S system as identified in the "*Health and Safety Guide: Good Governance for Directors"*. These dimensions are:

1. Hazard and risk management
2. Incident management
3. Emergency management
4. Injury management
5. Worker engagement
6. Worker participation
7. Working with other organisations
8. Continuous improvement.

The dashboard below provides a visual display of these key measures, showing comparisons against previous periods. Some aspects of the report, especially those relating to breakdown of information by ethnicity are being introduced in this report. Greater insights will be provided as the report captures information across these metrices over the next few quarters.

Healthy Workforce Dashboard - Qtr 3 20/21 (1 Jan - 31 Mar 21)

Notifiable Incidents
Total reported to WorkSafe

Trend	
0	0

Qtrly Trend

Risks
Proportion reviewed on time

Trend	
0%	100%

Sick Leave Rate
Sick leave hours compared with paid hours

	Non - Māori Staff	Māori Staff
Trend	0%	0%
	3.3%	4.7%

Reported Staff Incidents

	Non - Māori Staff	Māori Staff
Trend	N/A	N/A
	213	9
	Data not available	Data not available

Incidents Closed in 30 Days

	All staff
Trend	0%
	100%

Qtrly Trend

Workplace Inspections
Percentage of scheduled

Trend	
0%	70%

Accepted Workplace Claims

	Non - Māori Staff	Māori Staff
Trend	-8	0
	-21%	0%
	30	2

Top 5 Reported Staff Incidents per quarter

Staff	177	150	229	221	222
Exposure	19	41	27	34	27
Impact	17	12	25	11	11
Behaviour	19	14	55	43	24
Musculo-Skeletal	30	13	20	25	31
Falls	16	20	19	18	9

Training attendance rate
Percentage of scheduled

	All staff
Trend	8%
	97%

Qtrly Trend

Health & Safety Committees
Percentage of scheduled

Trend	
1%	85%

Cost of Accepted Claims
($000)

	Non - Māori Staff	Māori Staff
Trend	-42	7
	-52%	687%
	39.09	8.50

Contracts/ Tenants Inteface Meetings Held

Yes

Emergency Events/ Response

No

Trend Key

- Increase > 5%
- Within 5%
- Decrease > 5%

Trend is based on the same period in the previous year unless otherwise specified.

Description of Staff Incidents:

Exposure/Contact with: either exposure to, or contact with, hand sanitiser, blood, body fluid, radiation, smoke or needle stick injuries.

Behaviour Related - From Patient/Visitor: Behaviour by a Patient or Visitor towards staff/contractors that may include threatening behaviour, abuse, and harassment

Trip, Slip, Fall: Fall From height, slippery surface, stairs, poor lighting, or obstruction etc

Impact/Caught/Struck/Hit by: hit by a patient or other staff, struck by an object or a motor vehicle accident.

Musculo-skeletal - Material/Equipment: lifting, ergonomics, cramped awkward work environment or heavy load.

3. INSIGHTS AND SUMMARY

This report provides key information to members of the Board about health, safety and wellbeing activities which have been undertaken within the District Health Board (DHB) during the quarter from 1 January to 31 March 2021. In summary, the report for this quarter does not identify any areas of significant concern. The following key points should be noted.

- There were no notifiable incidents during the reporting period.
- The number of incidents reported during the quarter remained consistent with previous (pre-COVID-19) quarters, with no significant changes to the top five incident categories.
- While the number of behaviour related incidents have reduced, support continues to be made available to staff following any critical incident.
- The number of workplace claims for this quarter have reduced to 32, down from 40 in the previous quarter. Many of these claims are related to ergonomic issues such as twists, sprains and strains, which are not associated with the movement of patients or equipment. Ergonomics and space will remain an important area to focus on as we redevelop or redesign any of our facilities. The cost of workplace claims has decreased to $46.59k. This is lower than the previous quarter.
- H&S Committees continued to meet as scheduled this quarter. No significant items of concern were raised. Following the review of H&S Committees undertaken last year, the DHB is currently working on a plan to complete the election of H&S representatives over the remainder of this calendar year. This will be undertaken following the support and endorsement of our union partners.
- The Principal Risk and Resilience Officer continues to monitor Ministry of Health channels to ensure that all requirements are met and advice is being followed so we are prepared if a resurgence of COVID-19 should occur.
- All H&S enterprise risks which were due for review during the reported quarter have been reviewed, with no significant changes to their residual risk ratings.
- MDHB continued to undertake fit testing of staff who may be required to wear N95 masks while employed in roles which have potential for biological (infection) or chemical (pharmacy) exposure, including exposure to COVID-19. During the reported period, 916 staff (including some frontline contracted staff) were tested. This testing is required to be undertaken on an annual basis. MDHB will be working out the best and most practicable way of undertaking these tests regularly as part of the Occupational Health (OH) monitoring programme.
- The DHB continues to deliver education and training to ensure all staff maintain high levels of competence in managing issues related to clinical practice and H&S. Over the reported quarter, the attendance levels at training courses remained high at 97 percent.

- Health, wellbeing and psychosocial support activities were delivered to staff, with the most notable achievement being the development of the Psychosocial Wellbeing Strategy. This strategy will be provided to the Board for approval following consultation with staff and union partners.
- The DHB continued to deliver some face-to-face wellness programmes for staff including:
  - Tai Chi classes weekly
  - Pilates classes weekly
  - loan bikes, free of charge
  - meditation
  - discounted e-bike scheme.
- In addition to staff awards being distributed to individual staff and teams at the end of year function, the DHB is now introducing long service awards with the first official award ceremony held on 29 April. These awards have received positive feedback and will contribute toward building the desirable organisational culture, where our staff feel valued.

3.1. ACTIVITIES PLANNED FOR THE FOLLOWING QUARTER

The following key activities are planned for the next quarter.

- Members of the OH team continue to deliver in-ward training to staff around the safe and appropriate use of equipment. The training has received good feedback and buy-in, and will contribute to the reduction of any patient-related musculoskeletal injuries.
- Engagement action planning, which involves discussing survey results at a team level, continues. An objective of the engagement action planning is for teams to identify the top three activities that would contribute to building the culture within the team and improve engagement levels.
- A plan to conduct elections across all H&S Committees is currently under discussion with our union partners. These elections are scheduled to be undertaken over the remainder of the calendar year (Quarters One and Two of the next performance year).
- The DHB is due for its annual Accident Compensation Corporation audit in September. Work has begun on planning for this audit.
- A draft Psychosocial Wellbeing Strategy has been prepared and consulted upon. Good feedback has been received and this strategy will be provided to the Board once all feedback has been considered.

- A coaching and mentoring programme (Wāhine Connect), which focuses on supporting female Senior Medical Officers, is being trialled. The programme is part of a gender equality action plan developed by the People and Culture team with support from senior medical staff. Once piloted, the programme will be expanded wider across other professional groups.

BOARD REPORT

For:

	Approval
	Endorsement
X	Noting

Key questions the Board should consider in reviewing this paper:

- Does the report provide the Board with sufficient and relevant 'workforce' data?
- Does the report raise immediate or long-term risks or concerns which the Board need to note or monitor?
- Do the challenges and opportunities outlined in the report address any workforce concerns?

To	Board
Author	Anne Amoore, Manager, Human Resources
Endorsed by	Keyur Anjaria, General Manager, People and Culture
Date	19 May 2021
Subject	**Workforce**

RECOMMENDATION

It is recommended that the Board:

- **note** the May 2021 workforce update
- **note** the challenges and opportunities being undertaken to address workforce concerns identified within the report.

Strategic Alignment

This report aligns to MidCentral District Health Board's (MDHB's) Strategy, and to our People Plan which is one of the five key enablers to support the achievement of our strategic imperatives.

1. PURPOSE

To provide the Board with a six-monthly update on key workforce measures based on nationally and locally available data.

The report is provided for the Board's information and discussion.

2. REPORTING PERIOD

2.1. Reporting period

Comparative workforce measures are reported using the District Health Board's (DHB's) Health Workforce Information Programme (HWIP) data. This data, which compares MDHB's workforce metrics against other DHBs nationally, is as at 31 December 2020.

Some data such as sick leave usage, annual leave accruals, turnover, vacancies etc are available locally and have been reported as at 31 March 2021.

2.2. Introduction and alignment with the People Plan (He kura te Tāngata)

This report aligns with the DHB's strategy in achieving success through its people, and specifically by ensuring they are Happy, Healthy and High-performing. The Board receives a few workforce related reports to provide assurance across these factors. The quarterly Health, Safety and Wellbeing report provides assurance to the Board about a workplace that is healthy and supportive and includes aspects related to compliance and legislative requirements. The dashboard that captures this information has been labelled the 'Healthy' dashboard. The quarterly Health, Safety and Wellbeing report has been provided to the Board as a separate paper at this meeting.

The Board also receives six-monthly reports related to key workforce metrics and their comparisons nationally across the 20 DHBs. This report replaces the previous Workforce report and provides information contained within that report in the form of a 'Happy and High-Performing' dashboard. The 'Happy and High-performing' dashboards provide a visual display of key measures, showing comparisons against previous periods. Some aspects of the report, especially those relating to the breakdown of information by ethnicity, are being introduced in this report and will provide greater insights as the report develops over the next few quarters.

The Board also receives an update on progress against the People Plan on a six-monthly basis. The next one is due in July 2021.

Happy Dashboard - as at 31 Mar 21

Engagement Action Planning Complete

All staff

Trend: 59%

99%

Qtrly Trend

Speaking Up for Safety

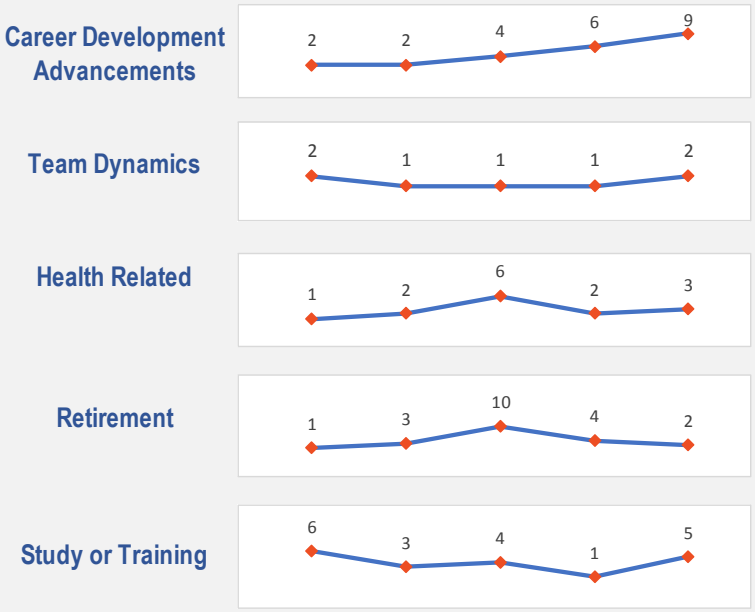
All staff

Trend: -21%

11

Reasons for exit (Exit Interview)

Numbers



EAP Access

Total number of EAP sessions attended

All staff

Trend: 11%

248

Annual Trend

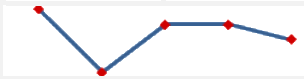
Turnover

Proportion of total headcount that have voluntarily resigned

All staff

Trend: -1%

8.4%



Vacancies

Number of open vacancies

All staff

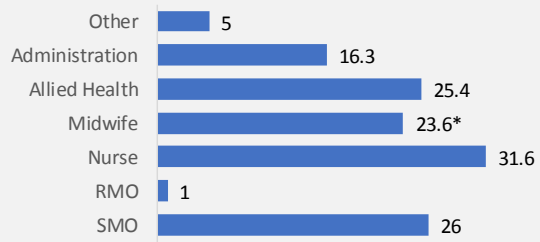
Trend: -9%

109

Qtrly Trend

Vacancies by Professional Group

Number of open vacancies by profession



Annual Leave >2 Years

Proportion of staff with annual leave of >2 years accrued

Non - Māori Staff		Māori Staff	
Trend		Trend	
0%	12%	-1%	11%
0%		-7%	

*Currently 18.8 FTE Nurses are employed to cover Midwifery vacancies

3. COMMENTARY ON THE 'HAPPY' DASHBOARD

- Following the completion of the staff survey in 2020, all teams and professional groups were provided with a report specific to their team which identified their strengths and areas of improvement. Teams have developed action plans to address any concerns. Actions identified within the plan, when implemented, should result in an increase in engagement levels within the team. The Organisational Development Business Partner continues to work with various teams and managers to monitor progress against these plans.
- The Speaking Up for Safety programme continues to function effectively within MDHB and provides staff with an opportunity to confidentially report incidents which compromise their own, or patient safety. Fourteen incidents were reported in the previous quarter compared to 11 in the quarter ended 31 March 2021. The number of incidents being reported in MDHB is similar to numbers reported across other DHBs who subscribe to this programme. Most reported incidents relate to inappropriate behaviour demonstrated by staff, while others relate to patient care.
- Employee turnover for the quarter ended 31 March 2021 was 8.4 percent. While this has dropped slightly from the same time last year (11 percent), it has remained consistent over the last few quarters. At six percent, the drop in turnover rate reflected in the trendline was at the time NZ was managing the COVID-19 peak.
- Vacancy levels continue to decrease. While the average vacancies for the quarter were 109 FTEs, the vacancy numbers as at 31 March were 99 FTEs. To expedite nursing and midwifery recruitment, a dedicated nurse recruiter role has been approved and is being currently recruited.
- MDHB continues to offer support to staff by way of free counselling. Between 1 January and 31 December 2020, 248 staff have accessed EAP services. This number is similar to the number who accessed EAP services in past years. Personal issues make up about 72 percent of the reasons staff have accessed EAP services. The top reasons staff have accessed EAP services remain relationship issues, personal anxiety and career counselling.
- The proportion of staff with annual leave balances over two years has increased from 11.4 to 12.2 percent as at 31 March 2021. Travel restrictions continue to prevent staff taking annual leave for overseas travel. When compared against other DHBs, MDHB is not an outlier on the proportion of staff who have over two years' annual leave entitlement. A comparative graph is included as Appendix One. Managers continue to encourage staff to take leave for rest and recreation and develop plans for staff with excessive leave balances.

High-Performing Dashboard as at 31 Mar 21

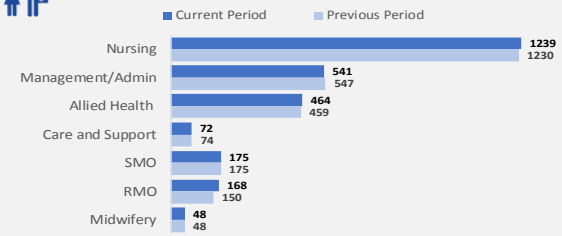
Headcount

Headcount number (Māori and Non-Māori)

Non - Māori Staff		Māori Staff	
Trend		Trend	
19 1%	2460	5 2%	247

Qtrly Trend

Headcount by Profession



FTE Comparison by Professional Group as at 31/12/20

	6 Monthly Growth	Medium size DHBs
Total FTE Count	2322.1 (+0.8%)	
Nursing	0.7%	-1.2%
Corporate & Other	-2.1%	-0.2%
Allied and Scientific	3.2%	-0.8%
Care and Support	-1.1%	2.8%
Senior Medical Staff	2.7%	0.5%
Resident Medical Officers *	-8.6%	-5.3%
Midwifery	-1.7%	1.1%

*Recruitment to RMO vacancies since 1 january has resulted in a reduction in RMO vacancies. As at 31 March, MDHB has only 1 RMO vacancy

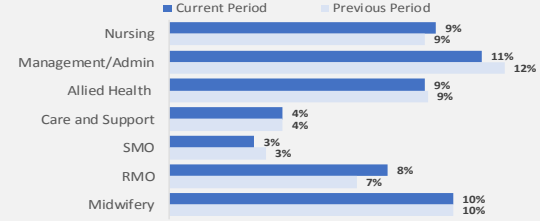
Contractor Workforce Headcount

Contractor Workforce Headcount number

Non - Māori Staff		Māori Staff	
Trend		Trend	
N/A	273	N/A	64
Qtrly Trend	Data not available		Data not available

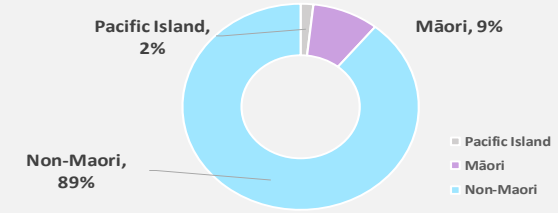
Māori Workforce

Proportion of total workforce that identify as Māori



Diversity - Headcount Ethnicity

Percentage of total headcount by ethnicity



Sick Leave Rate

Sick leave hours compared with paid hours

Non - Māori Staff		Māori Staff	
Trend		Trend	
0%	3.3%	0%	4.7%
Qtrly Trend			

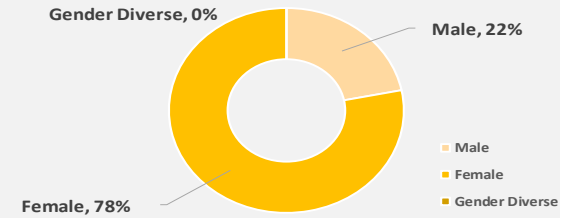
Performance appraisals completed %

Proportion of required appraisals completed

All staff	
Trend	
	71%

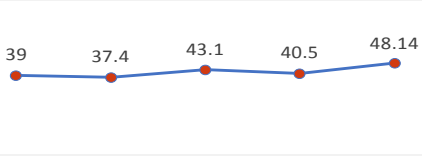
Diversity - Headcount Gender

Percentage of total headcount by gender



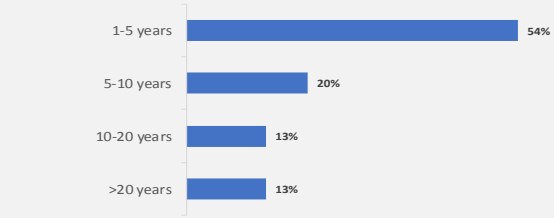
Overtime

(FTEs)



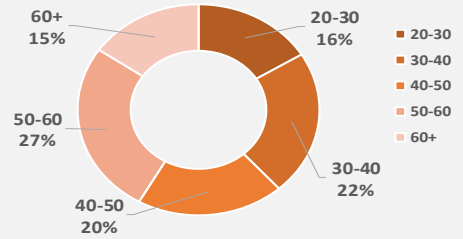
Trend over the last 5 quarters (averaged)

Length of Service



Diversity - Headcount Age

Percentage of total headcount by age



Trend Key: ↑ Increase > 5% → Within 5% ↓ Decrease > 5% Trend is based on the same period in the previous year unless otherwise specified.

4. COMMENTARY ON THE 'HIGH-PERFORMING' DASHBOARD

- Overall headcount has increased by 24 from 2683 in the previous quarter, to 2707 as at 31 March 2021. The headcount for Nursing, Allied Health and Resident Medical Officers (RMOs) increased by nine, five and 18 respectively. The headcount for Corporate and Other, and Care and Support decreased by six and three respectively over the same period.
- The overall FTE count has increased by 0.8 percent over the last reported period. A detailed comparison by professional group, against medium-sized DHBs is included in the dashboard. While RMO vacancies were higher as at 31 December 2020, these have decreased and the DHB now has one current RMO vacancy that is being recruited to. MDHB continues to experience pressure in recruiting to midwifery roles and while other medium-sized DHBs have reported an increase of 1.1 percent to their midwifery workforce, MDHB's midwifery workforce has dropped by 1.7 percent over this period. MDHB is exploring various ways to bolster and increase the number of midwives being recruited.
- The number of staff who identify as Māori continues to increase within MDHB and is up to 9 percent against 8.7 percent in the last reported period. We still have a way to go to match our Māori/Pasifika staff numbers to reflect the population make-up of our community. The number of staff who have identified as Māori since 31 March 2020 has increased by 23 (from 224 to 247).
- MDHB contracts out food and facilities management services, unlike some DHBs who employ staff to provide these services. Details of staff numbers by ethnicity for Compass (food services) and Ventia (facilities management, cleaning and orderly services) are provided in the report. The comparison on staff numbers and ethnicities will be evident as this information is captured and reported over the next few quarters.
- The number of staff within MDHB who have current performance appraisals is 71 percent. Managers continue to work to ensure all staff within their areas of responsibility receive at least an annual appraisal.
- Sick leave remains unchanged from the last quarter at about four percent. This is slightly higher than the national average of 3.4 percent. The DHB is developing a tool which will allow managers to identify staff who are high consumers of sick leave so they can have structured wellbeing conversations with them. A comparison of MDHB's consumption of sick leave (expressed as a percentage, against 20 DHBs is included as Appendix Two).
- MDHB compares well against staff overtime nationally. A comparison against national overtime reported in HWIP for all staff as well as for nursing staff is provided in Appendix Three (the triangles in the graph depict the data point as at the previous quarter). When explored locally, it is evident that overtime has increased over the last year. An annual trend of overtime in numbers of FTEs worth has also been provided in Appendix Three. Further investigation has begun into the drivers and comparators of overtime and double shifts etc. This information will be provided to the Board when it is finalised.

- Around 42 percent of the DHB's staff are over the age of 50. While there is a strong contingent of staff below 40 years of age (38 percent), the DHB needs to remain mindful of this metric and support the wellbeing of its staff.

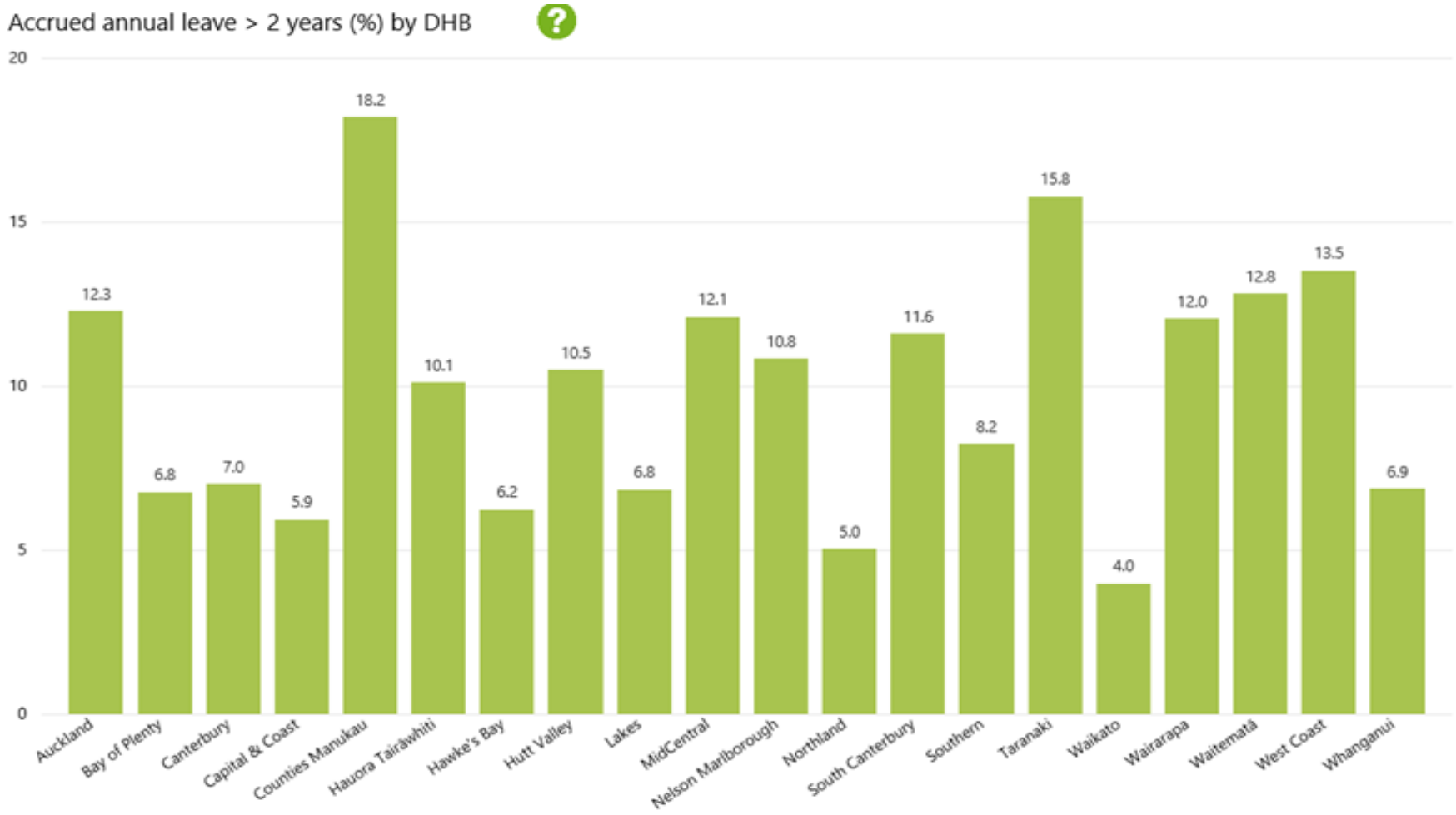
4.1. Key workforce opportunities and challenges

Some key workforce opportunities and challenges for the future are outlined below.

- Progress is being made with recruitment to the FTEs required for the Surgical Procedural Interventional Recovery Expansion (SPIRE) programme. In addition to recruitment initiatives, a number of offers have been made to overseas applicants. Two applicants have already commenced and others are scheduled to commence over the next six months.
- A national shortage of midwives across New Zealand is affecting most DHBs. MDHB's midwifery vacancy levels are currently 21 FTE which continues to be of concern. Currently, MDHB has 18.8 FTE registered nurses filling these midwifery vacancies. A number of initiatives are being undertaken to fill vacancies both in the short and longer term. While we have been successful recently in recruiting 1.3 FTE midwives to commence in May, work is underway to recruit midwives from overseas. A meeting has been held with all MDHB midwives and Lead Maternity Carers to develop a plan to fill roster gaps. Contact has also been made with recently retired or resigned midwives to see if they would be willing to return to work for a time to fill current roster gaps and support the team.
- Significant progress has been made with the implementation of Care Capacity Demand Management (CCDM) with work being on track to achieve the required June 2021 implementation date. This includes the review of CCDM calculations within the 19 wards. Thirteen of these will be completed by June and four will be in progress by this date. The remaining two wards (STAR 1, Women's Assessment and Surgical Unit) are newly-established and will take place once a full year of data is available.
- For this quarter there has been one RMO (Registrar) vacancy and no locums have been needed. It is anticipated that this one vacancy will be recruited to within the next few weeks.
- Restrictions on domestic and international travel has resulted in an increased number of staff not taking annual leave, and not being able to take Continuing Medical Education leave. This has seen the annual leave accruals increase. While the number of staff with annual leave balances over two years has increased slightly, the overall annual leave hours used (as compared to those accrued) has decreased.
- The *Te Tumu Whakarai* framework, signed off by National CEOs, contains a number of actions to increase Maori/Pasifika staff numbers, as does MDHB's People Plan (*He kura te Tāngata, A plan for our people, 2019-2023*) and the Nursing Recruitment and Retention Plan. It is anticipated that the actions and initiatives within these plans will increase our Māori/Pasifika workforce in the future.

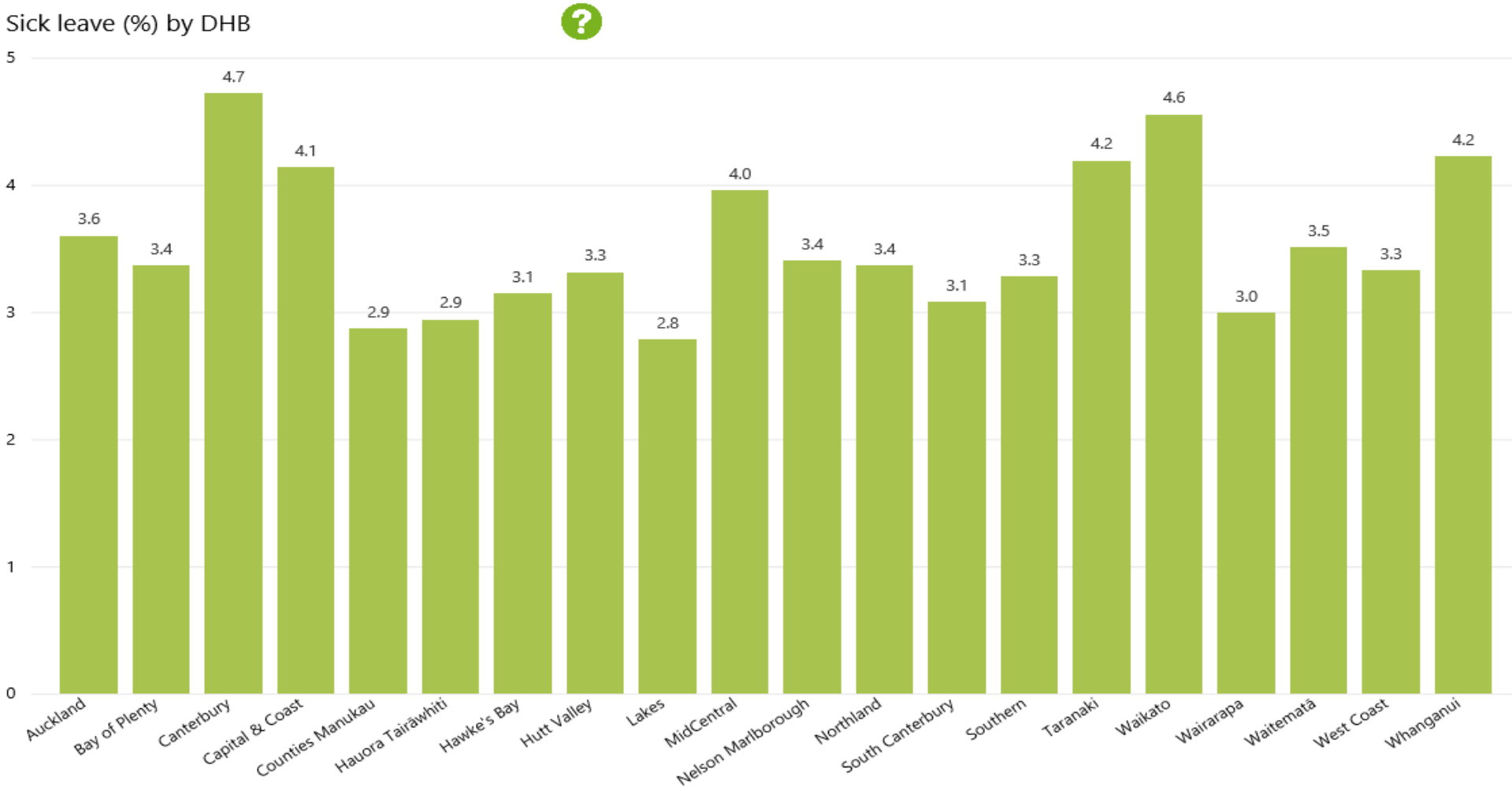
Appendix One

Comparison of percentage of staff with accrued annual leave over two years



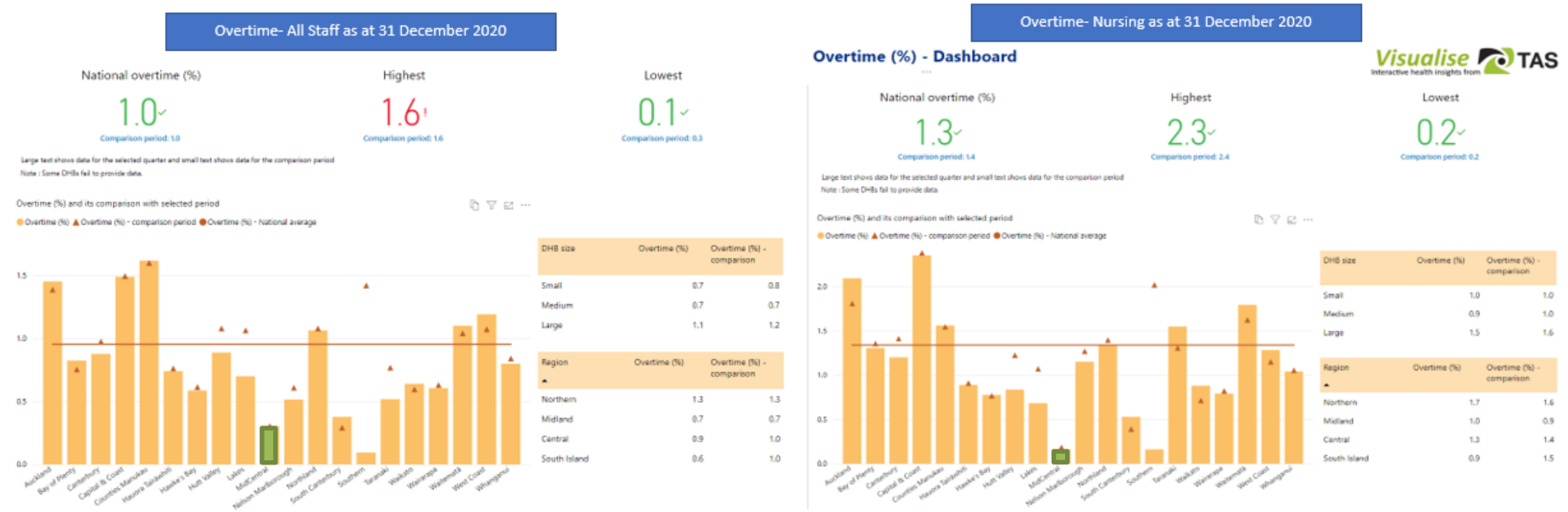
Appendix Two

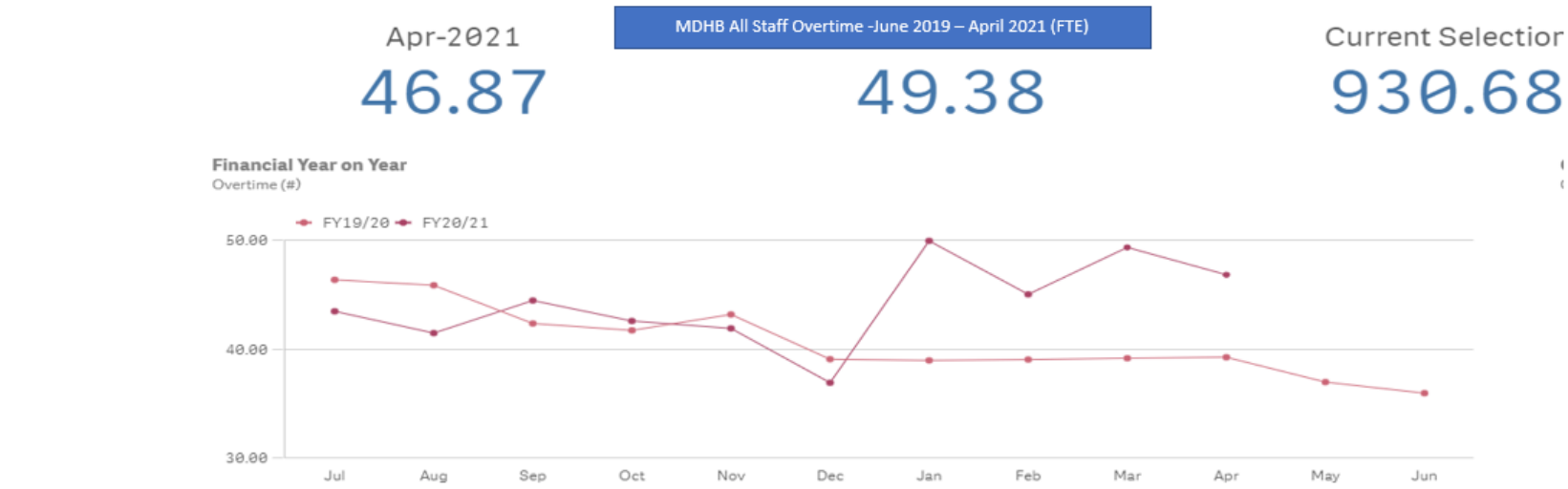
Comparison of sick leave consumption (percentage)



Appendix Three

Overtime – National and Local comparison





BOARD REPORT

For:

	Approval
	Endorsement
X	Noting

Key questions the Board should consider in reviewing this paper:

- Given the pending sector changes and sector budget bids, are the Board's priorities correctly identified in the work programme?

To	Board
Author	Steve Miller, Chief Digital Officer Clive Martis, Director Digital Services
Endorsed by	Kathryn Cook, Chief Executive
Date	19 May 2021
Subject	**Te Awa Update – Digital Services Work Programme**

RECOMMENDATION

It is recommended that the Board:

- **note** that due to the Government announcement on health system reforms, no new discretionary initiatives from the Te Awa Digital Health Strategy (Te Awa) roadmap will be started, apart from core legacy technology and infrastructure priorities
- **note** the draft work programme from now until 30 June 2021 and planned work for the 2021/22 financial year
- **note** the national and regional activity that may impact the planned work programme.

Strategic Alignment

This report is aligned to the MidCentral District Health Board's (MDHB) strategy, Te Awa.

1. PURPOSE

To provide a detailed work programme to be delivered by Digital Services between now and 30 June 2022.

2. BACKGROUND

In 2019, Te Awa was endorsed by the Board, the Central Primary Health Organisation (PHO), Manawhenua Hauora and the Clinical and Consumer Councils. Te Awa is aimed at enabling the delivery of improved healthcare outcomes for the district over a period of five years. It outlines the development of a portfolio investment and management approach to deliver a range of capabilities and initiatives. Te Awa defines a forward-looking view of the digital landscape required to support seamless, accessible, timely care closer to home and develop a state of readiness for connecting all participants across the district.

The current Te Awa programme has a significant number of active projects and many more to be delivered on the immediate horizon. There have been mixed views on the ability of Digital Services to deliver the enormity of the work required and to meet the desired outcomes with the limited resources available. Despite the challenges, a range of key initiatives have been progressed and many completed. It has now been two years since Te Awa was approved and several existing and significant new challenges exist.

In June 2020, the Minister of Health released the Health and Disability System Review report. The report highlighted significant under-investment in Information Technology (IT) spend. This has been estimated at 2.3 percent of the total health spend, with 90 percent of the current IT spend going to support aged and outdated systems and infrastructure. This is well below the global health industry average of 4.6 percent, and the Organisation for Economic Co-operation and Development average of five percent.

Cabinet announcements about the future of the New Zealand health system are likely to render some Te Awa deliverables redundant and while some may become more critical, others may be modified to reflect new or different service delivery structures. Based on this, a Digital Services Work Programme is being developed to ensure attention and deliverables are focused on key performance areas.

3. THE DIGITAL SERVICES WORK PROGRAMME – MARCH TO JUNE 2021

Appendix One is a refreshed summary of the draft Work Programme for Digital Services for the period from March to June 2021, and for 2021/22 financial year. Some of the forecast costings for this work programme are estimated. While indicative, they are still dependent on further review, ratification by the Data and Digital Information Governance Group (DDIGG) and subject to budget approvals.

4. NEXT STEPS

With the recent Cabinet announcement of health sector reforms, the delivery of new initiatives has been temporarily paused. This will allow an opportunity to ensure the development of a detailed programme-based funding approach, integration with national strategies, whilst also maintaining traction on current activities. The work programme has been prioritised to expedite the delivery of key clinical digital enablement programmes.

National and regional workshops are being coordinated by the Ministry of Health's Transition Unit to prepare a collection of project initiatives to build into a forward planning process in support of the Government's health sector changes.

The outcome of this process will impact the MDHB's work plan for the coming year. To progress the key priorities outlined in Appendix One, resources are being rapidly mobilised to complete initiative scoping and project initiation.

While this highlights the significant business initiatives planned, a range of critical business continuity activities undertaken in parallel, consumes the majority of Digital Services' current capacity.

Appendix One: Draft Digital Services Work Programme to June 2021

STAGE 1: INITIAL SCOPING							
PORTFOLIO	**INITIATIVE**	**OVERVIEW**	**BUSINESS OWNER**	**CURRENT STATUS**	**PROGRESS BY NEXT BOARD MEETING**	**FINANCIAL**	**TARGET COMPLETION**
Clinical	**eReferrals**	Electronic receiving of referrals across outpatients and Allied Health	Lyn Horgan	Mobilisation resources to develop project initiation document	Recruitment of Project Team to scope and develop Business Case	MDHB Budget TBC as part of business case	TBA
	Computer Physician Order Entry (CPOE)	Electronic Results Sign Off	Lyn Horgan	The business has identified a preferred solution. This project has become a component of the wider Laboratory Services contract	Mobilisation resources to develop project initiation document	MDHB Budget TBC as part of business case	TBA
	Digitisation of Clinical Records	The electronic retrieval of patient notes and records	Neil Wanden	The preferred system has been identified by the business via contestable process draft business case developed.	Deliver business case for board approval	MDHB Budget TBC as part of business case	TBA
	Echo Imaging Vault	Urgent need has been identified to replace aged and at capacity Cardiology Echo Image Vault system (EIV)	Lyn Horgan	Mobilisation resources to develop project initiation document in parallel to Procurement process being commenced	Deliver business case for board approval	Estimated $1.7m MDHB Budget TBC	TBA
	eRecruit	Digital platform for the end-to-end recruitment process within MDHB	Keyur	Business Owner has selected the preferred option	Recruitment of Project Team to scope project initiation document and develop Business Case	MDHB Budget TBC as part of business case	TBA

STAGE 2: FUNDING APPROVAL							
PORTFOLIO	**INITIATIVE**	**OVERVIEW**	**BUSINESS OWNER**	**CURRENT STATUS**	**PROGRESS BY NEXT BOARD MEETING**	**FINANCIAL**	**TARGET COMPLETION**
Clinical	**Electronic Prescribing**	Electronic and administrative system for the prescribing of medications to inpatients and the accurate availability of information to Clinicians around current prescriptions	Lorraine Welman	Implementation Planning Study Completed, Project Definition Report under review	Deliver business case for board approval	MDHB Budget TBC as part of business case	TBA
Digital Modernisation	**Core Network SAN**	Remediation SAN (Storage Area Network) capacity and migrating workloads to Amazon Web Services	Steve Miller	Work continues to reduce this risk exposure of SAN capacity	Deliver business case for CEO approval	$497k	Q1 FY21-22

STAGE 3: PROJECT INITIATION							
PORTFOLIO	**INITIATIVE**	**OVERVIEW**	**BUSINESS OWNER**	**CURRENT STATUS**	**PROGRESS BY NEXT BOARD MEETING**	**FINANCIAL**	**Target COMPLETION**
Clinical	**Connected Care**	Mental Health	Scott Ambridge	Preferred supplier chosen, vendor negotiation and technical specifications being prepared	Project Initiation plan finalised and approved	$1.26m Board approved	Q4 FY21-22
	Surgical Audit	Theatre management and surgical audit system (Scope)	Lyn Horgan	Business Owner has selected the preferred option	Recruitment of Project Team to scope project initiation document and deliver business case for Board approval	MDHB Budget TBC as part of business case	Q3 FY21-22

STAGE 4: PROJECT IMPLEMENTATION							
PORTFOLIO	**INITIATIVE**	**OVERVIEW**	**BUSINESS OWNER**	**CURRENT STATUS**	**PROGRESS BY NEXT BOARD MEETING**	**FINANCIAL**	**TARGET COMPLETION**
Clinical Outpatient Redesign programme	**eTriage**	Electronic triage of referrals across outpatients and Allied Health	Lyn Horgan	Self-referral portal established and branded. Single Sign On complete. First phase integration with THINK Hauora under test. Core data cleanse underway. Basic referrer form being reviewed.	Pilot the system with two specialities within the Allied Health to confirm project implementation approach.	$122k Approved	Q4 FY21-22
	Booking and Scheduling	Care Logistics/UltraGenda system for the clinical scheduling of outpatient appointments and patient portal for patient booking of appointments	Lyn Horgan	Finalising integration and testing	Business review and decision to progress with deployment	$226k Approved	Q4 FY21-22
Digital Modernisation	**Exchange Online (EOL)**	Migration on premise exchange to Exchange Online	Steve Miller	Built the EOL tenant and 3 Pilot Groups migrated	Approval Funding of Additional $472k to progress full DHB user migration by end of Q1	$137k Approved	Q1 FY21-22
	Caller line identification	Migration from old phones lines to a digital enabled phone system that supports caller line identification for out-going calls from within MDHB	Steve Miller	Horowhenua, Amesbury Street, Health on Main and 10 percent of the main MDHB campus successfully migrated	Main Campus, Pahiatua and Rongotai completed	$192k	Q1 FY21-22

STAGE 5: PROJECT COMPLETION							
PORTFOLIO	**INITIATIVE**	**OVERVIEW**	**BUSINESS OWNER**	**CURRENT STATUS**	**PROGRESS BY NEXT BOARD MEETING**	**FINANCIAL**	**TARGET COMPLETION**
Clinical	Zoom Rooms	Zoom Room rollout to support TeleHealth to prioritised business areas	Steve Miller	Zoom Room 1 and 2 Completed	Zoom Room 3 installed	$100k Approved	Q2 FY21-22 (8 Rooms)
	Covid Vaccination Centre Main Street	Various digital services to support vaccination programme	Debbie Davies	Main Street Completed and fully functioning	Fitzherbert Ave site deployed	$165k Covid Funding	
Digital Modernisation	Service NOW ITSM–Phase 2	Deployment of major incident and asset management modules, & knowledge Centre	Steve Miller	Completed, fully functioning, and reviewing processes in line with standard operating procedures	Project debrief completed	$202k Approved	

STAGE 6: PROJECT IMPLEMENTATION REVEIW							
PORTFOLIO	**INITIATIVE**	**OVERVIEW**	**BUSINESS OWNER**	**CURRENT STATUS**	**PROGRESS BY NEXT BOARD MEETING**	**FINANCIAL**	**TARGET COMPLETION**
Clinical	**ICNET**	System to support Infection Control and Prevention digitally and replace existing paper-based processes.	Celina Eves	Integration with current Patient Management System and implementation of the Infection Control system (ICNET) within MDHB.	Project debrief completed	$52k Approved	Completed
	SMS to Patients	Text messaging reminders to patients for appointments within Outpatients and text replies for confirming appointments	Lyn Horgan	Messaging system integrated to our current patient booking system implemented and appointment reminders sent 2 days prior to appointments	Project debrief completed	$32k Approved	Completed
Digital Modernisation	Service NOW ITBM–Phase 1	Programme and Project management tool incl ideation, demand and capacity, resource and financial management with consolidated reporting and dashboards	Steve Miller	Completed to scope, PIR Completed	Project debrief completed	$192k Approved	Completed

Discussion/Decision papers

Part 1 and 2 Board Packs

Printed from Stellar by
Margaret Bell <margaret.bell@midcentraldhb.govt.nz>

BOARD REPORT

For:

	Approval
	Endorsement
X	Noting

Key questions the Board should consider in reviewing this paper:

- Is the process for contract renewal for 2021/22 clear?

To	Board
Author	Kelly Isles, Director of Strategy Darryl Ratana, Deputy Chief Financial Officer
Endorsed by	Finance, Risk and Audit Committee Kathryn Cook, Chief Executive
Date	4 May 2021
Subject	**General Approach to Contract Review and Renewal for 2021/22**

RECOMMENDATIONS

It is recommended that the Board:

- **note** the approach to the review and renewal of contracts
- **note** that this report was endorsed by the Finance, Risk and Audit Committee at its May meeting.

Strategic Alignment

MidCentral DHB is committed to continuously improving the health system as part of the wider health sector and social service network through our four strategic imperatives: Achieving quality and excellence in everything we do; partnering with people, whānau and communities to support health and wellbeing; connecting and transforming primary, community and specialist services; and achieving equity of outcomes across our communities. Our community partners enable us to deliver on our vision.

1. PURPOSE

To inform the Board of the process for review and renewal of external provider contracts and seek approval to implement national contract settlements. This report was endorsed by the Finance, Risk and Audit Committee (FRAC) at its May meeting.

2. SUMMARY

MidCentral District Health Board (MDHB) has health service contracts with around 160 providers, delivering approximately 990 contract service lines. Every year MDHB reviews these contracts and takes appropriate action. A formal process is undertaken to ensure that each contract service line is reviewed consistently.

Management of contracts is the responsibility of the directorates with cluster functions. Strategy, Planning and Performance has a role providing the overarching framework for contracting and for coordinating the contracting process.

In 2018/19, local contracts were extended to a 30 September renewal date to align with the Annual Plan and budget process. This enables a Schedule of Commitments to be presented to the June FRAC and the July Board meetings for approval. The Schedule will be aligned to the Annual Plan and budget and will provide the basis for the management of local contracts with a 30 September 2021 or later renewal date.

In the interim there are various contracts with a 30 June renewal date. These are either national contracts or contracts that are back-to-back with Ministry of Health (the Ministry) Crown Funding Agreement Variations. As outlined in MDHB's Delegation of Authority Policy, the Chief Executive has the authority to approve all national contracts within delegation.

3. BACKGROUND

The commissioning framework below was introduced in 2018/19 to guide the contract renewal process. Last year, the review and renewal of external provider contracts in 2020/21 was altered due to the impact of COVID-19.

4. LOCAL CONTRACTS

Each year the local contracts are reviewed and renewed. Responsibility for managing provider contracts lies with the directorates, with Strategy, Planning and Performance providing the overarching framework and coordination of the contracting process. Every contract service line has been mapped to a directorate and lead roles have been assigned for providers who cover several directorates (such as THINK Hauora and the Māori providers).

Strategy, Planning and Performance, along with the Planning and Integration Leads, are developing a more progressive and outcomes-based commissioning framework which will align the Strategy desired outcomes to the quadruple aim and Whānau Ora outcomes. This will better meet the needs of MDHB's population and allow the DHB to commission for outcomes through co-design rather than focusing on purchasing services from available providers. The next steps of the Health and Disability System Review will drive change in the planning and commissioning of services in future years.

The process of reviewing and renewing contracts is underway. Each contract service line is mapped to a directorate with either cluster or enabler functions. Using the 2018/19 Commissioning Framework, Planning and Integration Leads and Programme Leads have undertaken a review of each contract service line based on a variety of factors including prioritisation, strategic alignment, provider performance and value for money. This information has been included in directorate planning and budgeting processes. Decisions have been made about each contract service line alongside other aspects of services and within the finances available. During this process some contract service lines have been identified by the directorates with cluster functions as requiring change to align with the priority of improving Māori health as well as providing information to strengthen transparency for future disinvestment and investment decisions. These will be subject to appropriate change management processes.

The refreshed Strategy and Ka Ao, Ka Awatea will guide decision-making through 2021/2022. From a practical perspective, the contracting process involves four steps. More information is available in Appendix One.

- Step 1: Contract review
- Step 2: Planning phase
- Step 3: Approval process
- Step 4: Implementation.

5. NATIONAL CONTRACTS

A significant number of the contracts and contract service lines held by MDHB are for services covered by national contracts. These are mandatory arrangements, usually negotiated nationally with input from all DHBs. Examples include the Primary Health Agreements, Community Pharmacy contracts, the National Aged Related Residential Care Agreement and the Combined Dental Agreement. Most of the national contracts expire on 30 June (although some are now being phased for later in the financial year), while others are ongoing but require an annual price review.

All DHBs participate in the renegotiation processes for national contracts. Technical Advisory Services (TAS) supports a number of these contract processes. All DHBs must agree before contracts are finalised and implemented. At the time of writing this report, no contracts have been finalised, although it is expected that they will be finalised in time to be implemented from 1 July 2021.

Another form of national contract is contracts for services where dedicated funding has been received from the Ministry for specific provider activities, by way of a Crown Funding Agreement variation. An example of this is the Ministry's contract for Cervical Screening which set the terms and conditions, including the price. In these situations, the DHB makes the necessary changes through contract variations and puts in place contractual obligations that mirror those imposed on the DHB by the Ministry.

6. DELEGATION OF AUTHORITY POLICY

MDHB's Delegation of Authority Policy requires that the Board approve the DHB's 'Schedule of Commitments'. The policy then gives the Chief Executive and General Manager, Strategy, Planning and Performance authority to sign contracts at varying levels of expenditure.

The Schedule of Commitments will be compiled as part of the Annual Plan and budget process and will be tabled at the June FRAC and July Board meetings for consideration. It will apply to all contracts with a renewal date of 30 September 2021 or later.

7. PRICE ADJUSTMENTS

MDHB has traditionally passed on small annual increases to providers to ensure provider sustainability is maintained. Most contracts with providers are for 12 months, although longer terms are provided where possible. Some contracts with longer terms allow for price adjustments during the term.

The planning assumptions for 2021/22 include a price adjustment for locally contracted providers of 2.0 percent.

It has never been the case that every line in every contract receives a price increase each year. During the Step 1: Contract review process outlined above, consideration is given to whether each contract service line should receive an increase. This will be considered further as part of the overall planning and budgeting process.

As outlined, national contract adjustments are mandatory and will need to be included in future budgets. Early indications are that increases will be as follows:

Primary Health Agreement	3.0 percent
Pharmaceuticals	3.0 percent
Aged Residential Care	3.0 percent
Oral Health Agreements	2.5 percent.

There has been no indication yet of likely funding increases to Crown Funding Agreement services.

The financial position of the directorates through the budgeting process will be challenging. The position of many of our community providers is also very tight. They are facing most of the same cost pressures as the DHB, with rising demand and increasing service delivery costs. The impact on many providers of responding to COVID-19 will need to be considered this year, along with orienting services to achieve the Board's priorities. Of particular concern this year is the flow-on effect of DHB Multi-Employer Collective

Agreement settlements and Care Capacity Demand Management considerations which affect clinical and nursing workforce positions. Directorates will work through these issues as part of the planning and budgeting process.

During the year MDHB regularly receives requests to assign and novate contracts, such as when a Community Pharmacy or an Aged Residential Care facility changes ownership. Nearly all the requests for assignment or novation relate to national contracts.

When presented with a request to assign or novate a contract the DHB undertakes a due diligence process on the new organisation and, if appropriate, agrees to the change. This may involve reissuing a contract. These changes are processed by management under delegated authority as if they were a renewal of an existing contract.

Any contract settlements outside these parameters are managed through the Board in the usual way.

8. CONCLUSION

The process of reviewing and renewing contracts is well underway, led by directorates with the support of the Strategy, Planning and Performance Team. The process is occurring within a commissioning framework, which involves a strategically led process that brings together decisions about internal services and external contracts within the context of the Annual Plan and budget. The process includes a formal review of every service line.

Local contracts have renewal dates of 30 September and will be the subject of a Schedule of Commitments, to be presented to the June FRAC and July Board meetings.

Appendix One – MidCentral DHB Contracting Process

Step 1: Contract review

The designated contract managers undertake a review of contracts based on the contract review and renewal template. All service lines are given ratings across a range of indicators including strategic alignment, provider performance, audit results, value for money and contribution to equity.

The review process considers the length of contract term, the need to update service specifications etc, and the potential application of a price adjustment.

This contract review process identifies contracts that need alteration or are potentially of low value. It gives directorates a view across their portfolio of external contracts and is a useful input into planning.

Step 2: Planning phase

Directorate teams consider external contracts as part of their planning and budgeting activities. Through this process, decisions are made about prioritisation within the context of the directorate's goals, strategies and the actions necessary to give them effect. For external contracts, actions need to be identified for each individual contract service line. This includes considerations such as adjustments to service mix, service specifications, contract term (duration), pricing and to other terms and conditions. Importantly, it also includes consideration of the financial resources available.

Where significant change in a contract is anticipated, it needs to be included in the Annual Plan as well as the budget.

It is important that individual directorates be mindful of the potential impact of service changes on other directorates. For the priority providers, the lead directorate will take responsibility for coordinating the approach.

Step 3: Approval process

The Strategy, Planning and Performance Team works with the directorates and the Finance and Corporate Team to compile contract intentions into a 'Schedule of Commitments'. This schedule aligns with the Annual Plan and budget. It is submitted to FRAC and the Board for consideration.

Step 4: Implementation

Once the Schedule of Commitments and Annual Plan have been approved, contract changes can be implemented. This process is administered by the Contracts Team under the direction of directorate Planning and Integration Leads. Final execution of contracts (ie signing) occurs as per the Delegation of Authority Policy.

Last year, the late arrival of the funding envelope meant that the Annual Plan and budget process could not be resolved in time to renew contracts. To provide better certainty, local provider contracts have been progressively migrated to a 30 September renewal date.

Funding Prioritisation Framework

The Funding Prioritisation Framework, in conjunction with the Prioritisation and Decision Framework, is used to evaluate contracts prior to renewal. Services are evaluated against criteria. Contracts are reviewed against the strategic imperatives, priorities in and key programmes. Dimensions considered under value for money, are service efficiency and effectiveness and include reducing overheads and removing duplication and redundancy, which are critical if the DHB is to continue moving towards its strategic goals. In some circumstances, disinvestment is justified.

- Service duplication – for example, where there is more than one provider delivering similar services to the same population, or where one provider is delivering duplicate services. An example of the latter is laboratories undertaking repeat laboratory tests because of information technology issues or incentives to over-service.
- Services currently provided that cannot be considered sustainable for financial reasons or within the current priority context. These may be services that are high cost or provide low benefit in terms of furthering the DHB's goals.
- Services that have historically served a need that no longer exists. For example, a service developed in the past to target a particular issue or population (for example hearing aid support) which is now superseded by improved capacity amongst mainstream services.
- Services that have not demonstrated sufficient competence to meet ongoing quality or professional standards and requirements, have failed to deliver the contracted services or achieve health benefits. An example would be a patient education service that did not achieve any improvement in patient knowledge and skills.

Risk is considered throughout the contract renewal process. Assessment of services against the priority assessment has the potential to drive changes in DHB funding/contracting that have major consequences for provider organisations and service users. In some instances, change protocols would need to be considered. Board consideration is sought where service change is significant. This will also require Ministry approval in most instances.

Community Non-Government Organisations may experience pressure from demographic change and the costs of increased compliance requirements or technological change. These factors are considered when commissioning and reviewing contracts.

The DHB's contribution to cost pressure may fall short of the real costs providers face and the sector has had to adjust to new Government environments of 'doing more with less'. Community partners are important to the DHB to deliver on our programmes

of treatment, care and support. Providers rely on the guidance of DHBs in advance of any significant changes in order that business models can be responsive to the changing demands and needs.

Planning and Integration Leads and Clinical Services Programme Leads ensure contracts contain appropriate reporting units, realistic targets, focus on key performance indicators and outcomes-based measures alongside any service improvement initiatives.

Table One: Contract review and renewal prioritisation framework

Criteria	Evaluation assessment
Strategic Alignment	Does the service align with the refreshed Strategy and Ka Ao Ka Awatea. Does the service align to the Health and Wellbeing and Locality Plan's strategic goals?
Equity	Assessment of how well the service addresses inequalities in health care (Equity of Health Care for Māori: A Framework)
Essential Service	Does the service meet the Service Coverage Schedule - no service gaps created
Value for money	Is there evidence of value for money
Health Gain	Assessment of the service's actual or likely health gain
Best Practice	Assessment of how well the service aligns with best practice and evidence-based literature
Reporting	Quality and consistency of reporting
Performance	The providers service performance
Risk	Assessment of the risk of providers contract compliance
Audits	Audit performance and progress around remedial actions
Non provision	Will non provision have consequences in other areas of health or create risks (regional considerations)

Table Two: Risk assessment for contract term consideration

Recommended Contract Term	Criteria
One-year term	New organisation, issues with the provider or a lack of stability in the environment Provider risk/compliance issues Contract – significant work to be done to bring up to date Unable to agree longer term
Two-year term	Stable provider – good track record Business as usual/no environmental change likely to impact Risk profile stable/low risk No compliance issues Alignment with MDHB and directorates strategic priorities
Three-year term	Stable provider Business unlikely to change Very low or no risk Compliant with contract requirements Alignment with MDHB and directorate strategic priorities Consistent with policy directions Specific advantages in long term contracting (funder or provider)

BOARD REPORT

For:

X	Approval
	Endorsement
	Noting

Key questions the Board should consider in reviewing this paper:

- Does the paper contain enough information for the Board to make a considered decision?

To	Board
Author	Neil Wanden, General Manager, Finance and Corporate Services
Endorsed by	Kathryn Cook, Chief Executive
Date	3 May 2021
Subject	**Enable New Zealand Limited – Annual Reporting Requirements**

RECOMMENDATION

It is recommended that the Board:

- **approve** that pursuant to section 211(3) of the Companies Act 1993, the annual report of Enable New Zealand Limited for the year ended 30 June 2021 shall incorporate the financial statements and auditor's report thereon and exclude information specified in any of the paragraphs (a) and (e) to (j) of subsection (1) of that section.

Strategic Alignment

This is a statutory reporting requirement.

1. PURPOSE

This report seeks a decision from the Board regarding annual reporting arrangements for Enable New Zealand Limited, a shelf company wholly owned by MidCentral District Health Board (MDHB).

2. BACKGROUND

Enable New Zealand is an operating unit of MDHB. Prior to 2002 it operated as a wholly owned subsidiary company of the DHB – Enable New Zealand Limited. With the formation of DHBs in 2001, the Government looked to reduce the number of separate companies operating within the sector. Consequently, Enable New Zealand Limited was de-corporatised in 2002, with this function becoming an operating unit of MDHB.

3. DISCUSSION

When Enable New Zealand Limited was de-corporatised in 2002, the name 'Enable New Zealand Limited' was maintained as a shelf company. This means that it must comply with the requirements of the Companies Act 1993 in respect of annual financial returns.

In previous years, Enable New Zealand Limited's shareholder, MDHB, has passed a resolution to exempt its subsidiary from the requirements of the Companies Act 1993 pursuant to section 211.

Under clause 211(3) of the Companies Act 1993, companies are required to provide specific information in their annual reports unless the Shareholder determines otherwise. That information includes:

- changes in the nature and scope of business
- interest register details
- details of directors and directors' remuneration
- number of employees with remuneration over $100,000
- donations
- audit fees.

As this information is contained in the annual report for MDHB (the parent organisation), Enable New Zealand Limited has received an exemption in the past. It is proposed that this practice continue for the 2021/22 financial year.

BOARD REPORT

For:

X	Approval
	Endorsement
	Noting

Key questions the Board should consider in reviewing this paper:

- Are there any new or emerging risks that the Board believe should form part of Deloitte's 2020/21 audit focus?

To	Board
Author	Neil Wanden, General Manager, Finance and Corporate Services
Endorsed by	Finance, Risk and Audit Committee Kathryn Cook, Chief Executive
Date	4 May 2021
Subject	**External Audit – Engagement Letter and Audit Plan**

RECOMMENDATION

It is recommended that the Board:

- **note** that the Finance, Risk and Audit Committee endorsed this report for Board consideration at their May meeting
- **note** the audit planning report
- **approve** the Board Chair signing the audit engagement letter.

Strategic Alignment

This report is aligned to the DHB's strategy and key enabler 'Stewardship'.

1. PURPOSE

To receive the audit planning report and to approve the audit engagement letter for signing by the Board Chair. At its May meeting, the Finance, Risk and Audit Committee endorsed this report and for the Board Chair to sign the audit engagement letter.

2. BACKGROUND

Deloitte has been appointed by the Office of the Auditor-General to conduct the audits of MidCentral DHB for the three financial years ending 30 June 2019, 2020 and 2021.

The attached audit engagement letter for the 2020/21 audit outlines the terms of the audit and the responsibilities of the auditors and the Board. The letter's content is consistent with prior years and management consider the terms of engagement appropriate. Board approval of the engagement letter is sought, together with authority for the Board Chair to sign this on its behalf.

The attached planning report includes the planning matters relating to the audit of financial information and non-financial information that Deloitte consider appropriate for the attention of the Board. It includes the audit scope and the key areas of audit focus.

Deloitte has identified eight areas of audit focus, with the following items being of significant risk under their 2020/21 areas of audit focus:

- Valuation of land and buildings
- Management's ability to override controls
- Revenue recognition
- Holidays Act 2003 non-compliance.

Most of the remaining items listed under the key areas of audit focus were in the previous year's audit plan. No approval of this report is sought.

The interim audit is scheduled for the week beginning 24 May 2021, and the final audit is scheduled for the two weeks beginning 26 July 2021. The annual audit timeline is similar to prior years and enables the accounts to be signed by the statutory deadline of 31 October.

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19 April 2021

Brendan Duffy
The Chairperson
MidCentral District Health Board
PO Box 2056
PALMERSTON NORTH

Dear Brendan,

AUDIT ENGAGEMENT LETTER

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all "public entities", including MidCentral District Health Board under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Bruno Dente, using the staff and resources of Deloitte Limited, under section 32 and 33 of the Act, to carry out the annual audit of the MidCentral District Health Board's financial statements and performance information. We will be carrying out this annual audit on the Auditor-General's behalf, for the year ending 30 June 2021.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Board and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the Board's financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit. Typically, those matters will relate to issues of financial management and accountability.

We will carry out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether the MidCentral District Health Board's financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

Your responsibilities

Our audit will be carried out on the basis that the Board acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and

- performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
    - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
    - all other information, in addition to the financial statements and performance information, to be included in the annual report;
    - additional information that we may request from the MidCentral District Health Board for the purpose of the audit;
    - unrestricted access to Board members and employees that we consider necessary; and
    - written confirmation concerning representations made to us in connection with the audit.

The Board's responsibilities extend to all resources, activities, and entities under its control. We expect that the Board will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Board and/or the individuals within the MidCentral District Health Board with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred - regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Board has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Annex 1. Annex 2 contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the Board to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The Board should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of MidCentral District Health Board:

- present fairly, in all material respects:
    - its financial position as at 30 June 2021; and
    - its financial performance and cash flows for the year then ended;
    - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

We are also responsible for forming an independent opinion on whether the performance information of MidCentral District Health Board:

- presents fairly, in all material respects, the performance for the year ended 30 June 2021, including:
    - its performance achievements as compared with forecasts included in the statement of performance expectations for the financial year; and
    - its actual revenue and expenses as compared with the forecasts included in the statement of performance expectations for the financial year.
- complies with generally accepted accounting practice in New Zealand.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the Board and the District Health Board have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the Board obtained and applied the resources of the District Health Board in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the Board and the District Health Board have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

Our independence

It is essential that the audit team and Deloitte Limited remain both economically and attitudinally independent of MidCentral District Health Board (the District Health Board) (including being independent of management personnel and members of the Board). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and Deloitte Limited.

To protect our independence, specific limitations are placed on us in accepting engagements with the Board other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Board and myself or Deloitte Limited.

Reporting

We will issue an independent audit report that will be attached to the financial statements *and performance information*. This report contains our opinion on the fair presentation of the financial statements *and performance information* and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report.

We will also issue a management letter that will be sent to the Board. This letter communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Board. Typically, those matters will relate to issues of financial management and accountability. We may also provide other management letters to the MidCentral District Health Board from time to time. We will inform the Board of any other management letters we have issued.

The management letter is the basis of a letter sent to the Minister and a briefing report sent to the select committee about the results of our audit.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the enclosed copy of the letter in the space provided and returning it to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours sincerely

Bruno Dente
for Deloitte Limited
On behalf of the Auditor-General

I acknowledge the terms of this engagement and that I have the required authority on behalf of the Board.

Signature:

Name: ……

Title: …… Date: ……

Annex 1 – Respective specific responsibilities of the Board and the Appointed Auditor

Responsibilities for the financial statements *and performance information*	
Responsibilities of the Board	*Responsibilities of the Appointed Auditor*

You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards.
 	
You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.
 	
You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.
	We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:
	
	- present fairly, in all material respects:
	  - the financial position as at 30 June 2021; and
	  - the financial performance and cash flows for the year then ended;
	
	- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
	
	We are also responsible for forming an independent opinion on whether the performance information:
	
	- presents fairly, in all material respects, the performance for the year ended 30 June 2021 including:
	  - the performance achievements as compared with forecasts included in the statement of performance expectations for the financial year; and
	  - the actual revenue and expenses as compared with the forecasts included in the statement of performance expectations for the financial year.
	
	- complies with generally accepted accounting practice in New Zealand
	
	We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.
	
	Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information.
	
	If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.
	
	An audit also involves evaluating:
	
	- the appropriateness of accounting policies used and whether they have been consistently applied;
	- the reasonableness of the significant accounting estimates and judgements made by those charged with governance;
	- the appropriateness of the content and measures in any performance information;
	- the adequacy of the disclosures in the financial statements and performance information; and
	- the overall presentation of the financial statements and performance information.
	
	We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that:

	- the adoption of the going concern basis of accounting is appropriate; - all material transactions have been recorded and are reflected in the financial statements and performance information; - all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and - uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information. Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries. We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that. The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.

Responsibilities for the accounting records	
Responsibilities of the Board	*Responsibilities of the Appointed Auditor*
You are responsible for maintaining accounting and other records that: - correctly record and explain the transactions of the public entity; - enable you to monitor the resources, activities, and entities under your control; - enable the public entity's financial position to be determined with reasonable accuracy at any time; - enable the Board to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and - are in keeping with the requirements of the Commissioner of Inland Revenue.	We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information. If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.

Responsibilities for accounting and internal control systems	
Responsibilities of the Board	*Responsibilities of the Appointed Auditor*
You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the public entity), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and - where applicable - performance information reporting.	The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information. We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.

Responsibilities for preventing and detecting fraud and error	
Responsibilities of the Board	*Responsibilities of the Appointed Auditor*
The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of the public entity) supported by written policies and procedures. We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption. We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within the MidCentral District Health Board with delegated authority have a reasonable basis that suspected fraud has occurred - regardless of the amount involved.	We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will: - obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and - report to you any significant weaknesses in internal control that come to our notice. We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud. As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us. If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so if it is appropriate for the purposes of protecting the interests of the public.

Responsibilities for compliance with laws and regulations	
Responsibilities of the Board	*Responsibilities of the Appointed Auditor*
You are responsible for ensuring that the public entity has systems, policies, and procedures (appropriate to the size of the public entity) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of the public entity are complied with. Such systems, policies, and procedures should be documented.	We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including: - the relevance of the law or regulation to the audit; - our assessment of the risk of non-compliance; - the impact of non-compliance for the addressee of the audit report The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance. We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.

Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
Responsibilities of the Board	*Responsibilities of the Appointed Auditor*
You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the "Code of Conduct" with policies and procedures. The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.	We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of the public entity may not have acted in accordance with the standards of conduct and personal integrity expected of them. The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit. The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.

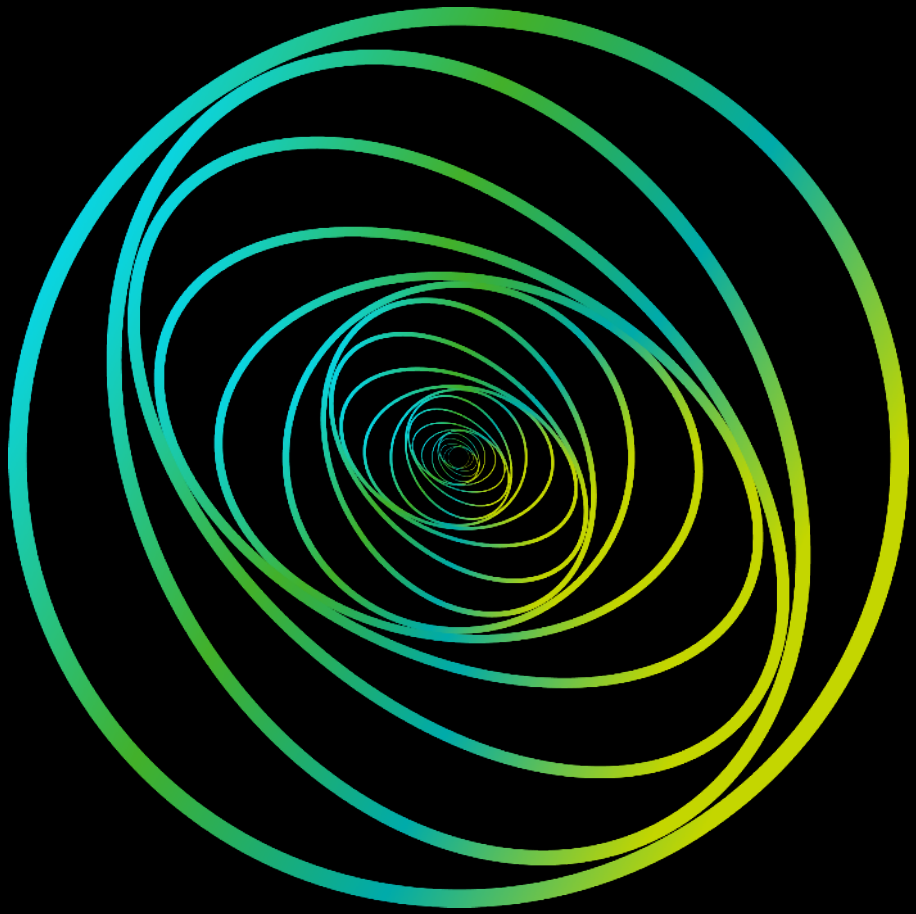
Responsibilities for conflicts of interest and related parties	
Responsibilities of the Board	*Responsibilities of the Appointed Auditor*
You should have policies and procedures to ensure that your members and employees carry out their duties free from bias. You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.	To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.

Responsibilities for publishing the audited financial statements on a website	
Responsibilities of the Board	*Responsibilities of the Appointed Auditor*
You are responsible for the electronic presentation of the financial statements and performance information on the public entity's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented. If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.	Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.

Annex 2 – Health and safety of audit staff

The Auditor-General and Audit Service Providers take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

Deloitte.



MidCentral District Health Board

Planning report to the Finance, Risk and Audit Committee on the 2021 audit

04 May 2021

Purpose of report

This report has been prepared for MidCentral District Health Board's Finance, Risk and Audit Committee (the 'Committee') and is part of our ongoing discussions as auditor in accordance with our engagement letter dated 19 April 2021 and audit proposal letter dated 25 February 2019 and as required by the auditing standards issued by the Auditor-General that incorporate the New Zealand auditing standards.

This plan is intended for the Committee (and other Board members) and should not be distributed further. We do not accept any responsibility for reliance that a third party might place on this report should they obtain a copy without our consent.

This report includes only those matters that have come to our attention as a result of performing our audit procedures to date and which we believe are appropriate to communicate to the Committee. The ultimate responsibility for the preparation of the financial statements rests with the Board.

Responsibility statement

We are responsible for conducting an audit of MidCentral District Health Board for the year ended 30 June 2021 in accordance with auditing standards issued by the Auditor-General that incorporate the New Zealand auditing standards issued by the NZ Auditing and Assurance Standards Board. Our audit is performed pursuant to the requirements of the Public Audit Act 2001, the Crown Entities Act 2004 and the Financial Reporting Act 2013, with the objective of forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Board. The audit of the financial statements does not relieve management or the Board of their responsibilities.

Our audit is not designed to provide assurance as to the overall effectiveness of the DHB's controls but we will provide you with any recommendations on controls that we may identify during the course of our audit work.

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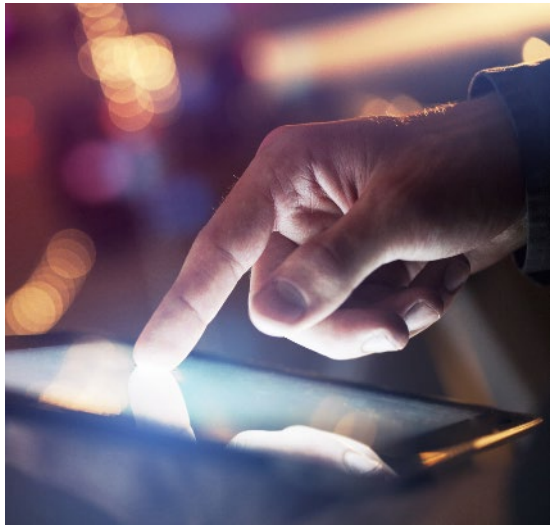


To navigate within this report, you may click on the icons on the right-hand side of the page

1. Executive summary

Thank you for the opportunity to present our audit plan for the financial statement audit of MidCentral District Health Board (the 'DHB') for the year ending 30 June 2021.

This report is designed to outline our respective responsibilities in relation to the audit, to present our audit plan and to facilitate a two-way discussion on the plan presented. Our report includes:

- Our audit plan, including key areas of audit focus and our planned procedures; and
- Key accounting, regulatory and corporate governance updates, relevant to you.

We have an evolving audit plan that is established with input from management. The audit plan is tailored to the DHB's environment and revised throughout the year to adjust for business developments, additional relevant matters arising, changes in circumstances and findings from activities performed.

This plan is intended for the Finance, Risk and Audit Committee (the 'Committee') (and other Board members) and should not be distributed further.

We appreciate the opportunity to serve the DHB. We hope the accompanying information will be useful to you, and we look forward to answering your questions about our plan.

Bruno Dente
Partner
for Deloitte Limited
Appointed Auditor on behalf of the Auditor-General

Hamilton | 04 May 2021

Key areas of audit focus

Our current assessment of the key areas of audit focus are as follows:

Valuation of land and buildings	↻
Financial pressures on DHBs	↻
Management's ability to override controls	↻
Revenue recognition	↻
Holiday Act 2003 non-compliance	↻
IT environment	↻
Progression of Regional Digital Health Service	↻
Impact of Coronavirus (COVID-19)	✳

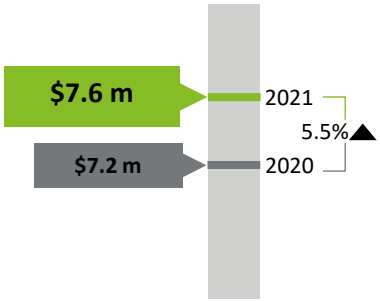
↻ Consistent with the prior year ✳ New area of focus

We comment further on these key areas of audit focus in Part 2B of this report.

1. Executive summary (cont.)

Planning materiality

Based on budgeted expenditure of the DHB, our quantitative planning materiality for the 2021 audit is as follows:



The planning materiality was determined based on a percentage of budgeted expenditure and consideration of other factors using our professional judgement.

Based on our planning materiality, we will report to you all misstatements found in excess of $0.38million. This is based on 5% of our materiality level. We will report to you misstatements below this threshold if we consider them to be qualitatively material in nature.

We comment further on our determination of materiality in Part 2A of this report.

Items for consideration

We look forward to discussing our audit plan with you and are interested in your views on the following matters:

- Any concerns regarding internal controls, including completeness over related parties;
- Any risk matters, including fraud, affecting the financial statements;
- Your assessment of materiality; and
- Any other matters that should be brought to our attention.

Quality and Independence

We take our independence and the quality of the audit work we perform very seriously. We confirm that we have maintained our independence in accordance with Professional and Ethical Standards.

There are no non-audit services or relationships which may reasonably be thought to bear on our independence.

Our fees are in accordance with our audit proposal letter dated 25 February 2019.

2. Our audit

2A. Our audit explained – a tailored approach

Identify changes in your business and environment

We obtain an understanding of changes in your business and environment in order to identify and assess the risks of material misstatement of the financial statements. Our initial assessment and planned audit responses are set out in Section 2C.

Scoping

We will conduct our audit in accordance with the Auditor-General's auditing standards which incorporate the International Standards on Auditing (New Zealand). When planning the audit, we apply our professional judgement in determining materiality, which in turn provides a basis for our risk assessment procedures and determining the extent of further audit procedures.

Our judgement of materiality is discussed further in Section 2B.

In our final report

In our final report to you we will conclude on the significant risks identified in this paper, report to you our other findings, and detail those items we will be including in our audit report, including key audit matters if applicable.

Understand the control environment

We also obtain an understanding of the control environment, sufficient to identify and assess the risks of material misstatement of the financial statements.

Our approach to internal control for the areas of audit focus is summarised in Section 2C.

Areas of audit focus / significant risk assessment

Based on our understanding of the DHB and key changes/developments during the year, we have identified four significant risks and seven other areas of audit focus. Details of these areas of audit focus and our audit response are set out in Section 2C.

2B. Identifying the areas of audit focus

Identification of audit risks

Our audit approach is underpinned by the identification of relevant audit risks and tailoring appropriate audit responses to address those risks. We consider a number of factors when deciding on the significant areas of audit focus, such as:

- the risk assessment process undertaken during the planning phase of our engagement;
- our understanding of the business risks faced by the DHB;
- discussions with management during the course of our audit;
- the significant risks and uncertainties previously reported in the financial statements, including any NZ IAS 1 critical accounting estimates or judgements;
- our assessment of materiality; and
- any changes in the business and the environment it operates in since the last annual report and financial statements.
- OAG Sector Brief requirements.

The next page summarises the significant risks and other areas that we will focus on during our audit.

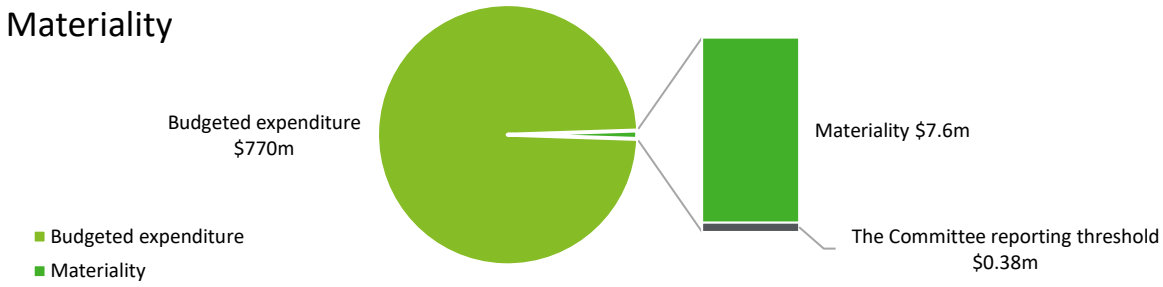
We continually update our risk assessment as we perform our audit procedures, so our areas of audit focus may change. We will report to you on any significant changes to our assessment as part of our final report to the Committee.

Determining materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Our quantitative materiality for the 2021 audit as shown below is based on budgeted expenditure as this is deemed to be a key driver of business value, is a critical component of the financial statements and is a focus for users of those statements.

The extent of our procedures is not based on materiality alone but also on considerations of the DHB, the quality of systems and controls in preventing material misstatement in the financial statements, and the level at which known and likely misstatements are tolerated by you in the preparation of the financial statements.



Although materiality is the judgement of the audit partner, the Committee must satisfy themselves that the level of materiality chosen is appropriate for the scope of the audit.

2C. Areas of audit focus – dashboard
Key areas

Area of audit focus	Significant risk	Fraud risk	Planned controls testing approach	Level of management judgement required
Valuation of land and buildings	✓	✗	D+I OE	🔴
Financial pressures on DHBs	✗	✗	D+I	🟡
Management's ability to override controls	✓	✓	D+I OE	🟡
Revenue recognition	✓	✓	D+I OE	🟡
Holiday Act 2003 non-compliance	✓	✗	D+I	🟡
IT environment	✗	✗	D+I	🟡
Progression of Regional Digital Health Service	✗	✗	D+I	🟡
Impact of Coronavirus (COVID-19)	✗	✗	N/A	🟡

Planned approach to controls

D+I: Testing of the design and implementation of key controls

OE: Testing of the operating effectiveness of key controls

Level of management judgement required

2C. Areas of audit focus – dashboard
Other areas

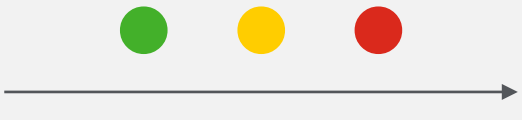
Area of audit focus	Significant risk	Fraud risk	Planned controls testing approach	Level of management judgement required
Asset management	✘	✘	D+I	●
Procurement	✘	✘	D+I OE	●
Public sector specific procedures	✘	✘	D+I	●

Planned approach to controls

D+I: Testing of the design and implementation of key controls

OE: Testing of the operating effectiveness of key controls

Level of management judgement required



2C. Areas of audit focus - Valuation of land and buildings

Risk identified

Land and buildings are held at fair value. As at 30 June 2020, the carrying value of land and buildings was $11.5m and $130.0m respectively.

The accounting policy is to revalue with sufficiently regularity to ensure the carrying value is not materially different to fair value, and at least every three years. Land and buildings were last formally revalued as at 30 June 2018. A revaluation will therefore be performed for the year ending 30 June 2021.

A revaluation of land and buildings is a complex process that utilises a number of assumptions and models. There is no developed market for part of these assets and they are relatively illiquid. It is therefore an area that requires significant judgement.

Management and the Committee will need to ensure that there is a robust and timely review of the valuation process.

Planned audit response

As part of our audit procedures we will:

- Obtain the revaluation of land and buildings;
- Obtain representation directly from the independent valuer confirming their methodology;
- Review the key underlying assumptions used to ensure these assumptions are reasonable and in line with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS"); and
- Ensure the revaluation transaction is correctly accounted for and disclosed in the financial statements in order to comply with PBE IPSAS.

2C. Areas of audit focus – Financial pressures on DHBs

Risk identified

The sector-wide financial situation for DHBs has continued to deteriorate.

For MidCentral DHB, the budgeted deficit for 2020 was $12.1 million compared to the actual deficit of $17.7 million.

The focus around the impact of the financial pressures are in two areas:

Earnings management
Manipulation of results using incorrect accounting treatments continues to be prevalent in the sector. Although we have not identified this occurring within the DHB, it continues to remain an area of focus in the sector.

Going concern
Last year, the DHB completed a going concern assessment and it was determined that a letter of support from the Ministry of Health was not required. With continuing deficits and the increased strain being placed in the sector the assessment of going concern is a matter that requires a high degree of judgement. A robust assessment with supporting evidence will be required again for this year.

Planned audit response

We plan to gain an understanding of how the DHB is tracking against budget including the DHB specific reasons for increased spending and corroborate this with available evidence.

We will increase our focus and review around key areas of judgement made by management including any estimates which impact the surplus or deficit. Furthermore we will pay close attention to the application of PBE standards for revenue related transactions to ensure the financial statements are a true reflection of the financial performance for the year.

We will review the going concern assessment completed and will challenge the assumptions being made. We expect to see:

- A robust assessment of how the DHB will manage its going concern risk into the foreseeable future;
- Supportable assumptions including forecasted information for the next 12 months (such as forecast cash flows); and
- Evidence the assessment has been considered by the Committee and they are comfortable with conclusions.

2C. Areas of audit focus – Management's ability to override controls

Risk identified

ISA (NZ) 240 The auditor's responsibility to consider fraud in an audit of financial statements requires us to presume there are risks of fraud in management's ability to override controls.

We are required to design and perform audit procedures to respond to those risks and therefore this is a focus area for our audit.

Management's override of controls is identified as a fraud risk because it represents those controls in which manipulation of the financial results could occur.

It has a potential impact to the wider financial statements and is therefore a significant risk for our audit.

Planned audit response

We plan to:

- Understand and evaluate the financial reporting process and the controls over journal entries and other adjustments made in the preparation of the financial statements;
- Test the appropriateness of a sample of journal entries and adjustments and make enquiries about inappropriate or unusual activities relating to the processing of journal entries and other adjustments;
- Test the operating effectiveness of controls around the monitoring of monthly reporting including budget to actual variances and balance sheet reconciliations;
- Review accounting estimates for biases that could result in material misstatement due to fraud, including assessing whether the judgements and decisions made, even if individually reasonable, indicate a possible bias on the part of management;
- Perform a retrospective review of management's judgements and assumptions relating to significant estimates reflected in last year's financial statements; and
- Obtain an understanding of the business rationale of significant transactions that we become aware of that are outside the normal course of business or that otherwise appear to be unusual given our understanding of the entity and its environment.

2C. Areas of audit focus – Revenue recognition

Risk identified

ISA (NZ) 240 The auditor's responsibility to consider fraud in an audit of financial statements requires us to presume there are risks of fraud in revenue recognition and therefore this is a focus area for the audit.

The DHB has various revenue streams which need to be considered separately to ensure they are in-line with PBE Standards. Significant risks have been pinpointed to specific aspects of certain revenue stream.

Material misstatement due to fraudulent financial reporting relating to revenue recognition often results from an overstatement of revenues through, for example, premature revenue recognition or recording fictitious revenues. It may also result from an understatement of revenues through, for example, improperly shifting revenues to a later period.

Planned audit response

We will perform the following audit procedures to ensure that revenue recognition is appropriate:

- Understand, evaluate and test the relevant controls that address the risks of revenue recognition;
- Complete analytical procedures by developing expectations, or perform tests of details; and
- Assess the impact of any changes to revenue recognition policies.

2C. Areas of audit focus – Holidays Act 2003 non-compliance

Risk identified

Compliance with the Holidays Act 2003 ('the Act') continues to be a focus for the health sector. DHBs have been investigating issues associated with the calculation of employee entitlements under the Holidays Act for a number of years but due to the nature of DHBs' employment arrangements and difficulties in interpreting the Act this has been a complex and time consuming process.

In the prior year some progress has been made to resolve the matter. A Memorandum of Understanding ("MoU") was reached. The MoU has allowed DHBs to consider how to compute a possible provision for remediation.

The DHB has continued working on its Holidays Act Compliance ("HAC") project which involved a review phase, rectifications phase and remediation phase..

The DHB has made a provision of $10.997 million in its 2019/20 financial statements.

Planned audit response

As part of our audit procedures we will:

- Continue to follow up and discuss with management on its process and status of the HAC project; and
- Work with the Office of the Auditor-General ("OAG"), Ministry of Health and management to determine an approach for assessing the appropriateness of the balance for inclusion in the financial statements.

2C. Areas of audit focus – IT environment

Risk identified

In the prior financial year our audit of the IT environment identified significant IT control deficiencies. These deficiencies exposed the DHB to additional risk and we urged urgent action to address the deficiencies. Due to the nature of the deficiencies we were unable to rely on the underlying information system controls in the past.

We acknowledge that the DHB is actively working to remediate these deficiencies.

Planned audit response

As part of our audit procedures we will gain an understanding as to what remediation activity has occurred and how this has impacted the IT environment controls.

The extent of the remediation and whether it has resolved the findings we identified, will determine the audit approach adopted for the current year. Where effective controls are not in place for the financial year we will not be able to adopt a control reliance approach and our audit will be substantive based.

2C. Areas of audit focus – Progression of Regional Digital Health Service

Risk identified

The roll-out of Regional Digital Health Service (RDHS) has continued but delays have been encountered in the project and some selected regional systems under RDHS will not be implemented by all DHBs. In addition the operating costs for existing systems under RDHS are high and the development process for further regional systems and improvements is long and costly.

The DHBs involved in the project are actively working to address these issues but given the delays and cost issues there is uncertainty as to whether key outcomes of the project will be achieved. As a result, the intangible asset related to the RDHS project needs to be assessed for impairment.

Planned audit response

We will keep abreast of developments within this project and will work with management to consider any resulting accounting implications.

As part of our audit processes at year end we will complete a review of management's assessment of impairment, testing key assumptions used in the assessment and will consider any resulting adjustments that may be required.

2C. Areas of audit focus – Impact of Coronavirus (COVID-19)

Risk identified

The long-term impact of COVID-19 in New Zealand, and how it might affect public entities, is unknown. However, it is likely that the uncertainties in the economic environment will increase the risk of material misstatement in financial statements. These effects might include uncertainties relating to revenue and asset valuations.

Sector wide, COVID-19 has had a significant effect on the operations of DHBs. In 2019/20 some activities – such as elective surgeries – were suspended, and there was rapid implementation of new activities, such as COVID-19 testing.

The impact has currently reduced in 2020/21 but is still significant for some DHBs, such as those managing quarantine isolation facilities.

For MidCentral DHB, the YTD result up to March 2021 has a COVID-19 net cost of $0.1 million.

Planned audit response

As part of our audit we will:

- Increase professional scepticism placed around management override of controls and other control processes;
- Heighten professional scepticism to challenge key assumptions applied by management in accounting estimates throughout preparation of the FY21 financial accounts;
- Focus around going concern and the disclosure of impact of COVID-19 on the DHB's ability to operate as a going concern; and
- Factoring impacts of COVID-19 into affected areas of testing.

We will also discuss with management:

- How the DHB has reconsider the risks that it faces;
- Whether there is any change in reporting and internal control system; and
- How the DHB measure and report adequately on significant new activities

2C. Areas of audit focus – other areas

Area of audit focus	Our approach
Asset management Every DHB holds significant assets, mainly land and hospital buildings, but also clinical and IT equipment. Although the sector has seen some improvement in DHBs' asset management recently, there is still much work to be done. In 2016 the OAG published its report *District health boards' response to asset management requirements since 2009*. They made several recommendations to help DHBs improve their asset management in this report.	We will update our understanding from previous years on how the DHB manages its assets. In particular, we will discuss with management: • Does the DHB know how well its assets meet its current and expected service delivery needs? • Is there alignment between the DHB's plans for developing its models of care and its asset planning? • Does the DHB have reliable information about its assets and their condition to support long-term service delivery? • Does the DHB use information from asset-management planning to inform financial forecasts and strategic planning, including at Board level? Any deficiencies or insights will be reported to the Committee as appropriate.
Procurement Procurement is particularly important for DHBs – up to 60% of DHB expenditure involves some form of procurement. Much of this is for services provided under contract by third parties. It is important for DHBs to have clear policies and processes that are up to date and adequate to guide staff on the DHB's expectations around procurement, particularly on long term contracts.	As part of our audit we will: • Update our understanding from previous years on the procurement and contract management practices employed by the DHB; • Gain an understanding of the DHB's overall procurement and contract management capability; and • Test the design and implementation of the DHB's controls in this area. Any deficiencies or insights will be reported to the Committee as appropriate.

2C. Areas of audit focus – other areas (cont.)

Area of audit focus	Our approach
Public sector specific procedures **1. Accounting for sensitive expenditure** - included but not limited to: • Board fees and expenses (including compliance with the cabinet fees framework); • Sensitive expenditure (travel, entertainment…etc.); • Severance payments; and • Chairperson, Chief Executive and Senior Management expenditure (reimbursements). **2. Policy and procedures in relation to fraud** – the Board needs to ensure that the DHB's current fraud policy continues to be in place and implemented by managers and employees. **3. Related party transactions and conflicts of interest** – the Board needs to ensure that there are appropriate procedures in place to identify and manage conflicts of interest and that related party disclosures in the financial statements are complete. **4. Legislative compliance** – The Board needs to ensure there are appropriate procedures in place to identify, mitigate and prevent breaches of legislation.	During the course of the audit we will: • Continue to remain alert to issues and risks related to effectiveness and efficiency, waste and a lack of probity or financial prudence; • Test a sample of items of sensitive expenditure against the OAG's guidelines for probity, performance and waste; • Check that the DHB has a current fraud policy in place and test that managers and employees know about the policy and its contents; • Make enquiries about fraud with the Board and senior management; • Test related party transactions and disclosures within the financial statements; and • Gain an understanding of the legislative compliance processes in place and test key aspects. We will report any areas of concern to the Finance, Risk and Audit Committee and the OAG.

2D. Continuous communication and reporting

As the audit plan is executed throughout the year, the results will be analysed continuously and conclusions (preliminary and otherwise) will be drawn. The following sets out the expected timing of our reporting to and communication with you.

Planning	Pre-year end fieldwork	Year end fieldwork	CFIS	Reporting activities
• Planning meetings • Engagement letter • Discussion of fraud risk assessment • Discussion of the scope of the audit	• Interim audit visits • Controls review and perform testing (including walk throughs) • Interim testing of work on behalf of the Auditor-General – matters of probity, performance and waste etc. • Identification of material performance measures and test relevant controls • IT audit work	• Year-end audit field work • Review of key judgement areas such as going concern • Testing of material performance measures • Year-end closing meetings	• Test CFIS schedules and related documents • Signing clearance memo in respect of the CFIS schedules	• Reporting of significant control deficiencies • Review statement of performance • Finalise review of financial statements • Read Annual Report commentary * • Signing audit report in respect of the financial statements
2021 Audit Plan	Interim close out meetings with management	Final close out meetings with management	Clearance on CFIS	Final report to the Committee
April	April – June	July - August	August	September - October

Ongoing communication and feedback

* We are required to read the other information to consider if there are any material inconsistencies which we are obliged to report on. We will need sufficient time to perform the review.

2E. Our team

Our audit will be led by Bruno Dente as Audit Partner and Appointed Auditor.

He will oversee the co-ordination of the audit and has primary responsibility for working with the Committee and your management team.

Lucy Nicol will be the primary point of contact for the finance team and will oversee the day to day execution of our audit.

In performing the audit we will also incorporate IT specialists within our engagement team to better understand and assess the IT processes and the control environment.

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IT specialists

Reenesh Bhana IT Specialist Partner	Pooja Joshi IT Specialist Manager

3. Other reporting matters

3A. Fraud responsibilities and representations

Your responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including designing, implementing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Our responsibilities:

- We are required to obtain representations from those charged with governance regarding internal controls, assessment of risk and any known or suspected fraud or misstatement.
- As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.
- As set out in the areas of audit focus section of this document, we have identified the risk of fraud in revenue recognition and management override of controls as a significant audit risk for your organisation.
- As required, we will consider any significant related party transactions outside the entity's normal course of business

Fraud characteristics:

- Misstatements in the financial statements can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in the misstatement of the financial statements is intentional or unintentional.
- Two types of intentional misstatements are relevant to us as auditors – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets.

We will make inquiries of management, internal audit and others within the entity as appropriate, regarding their knowledge of any actual, suspected or alleged fraud affecting the DHB. In addition, we are required to discuss the following with the Committee:

- Whether the Committee has knowledge of any fraud, suspected fraud or allegations of fraud;
- The role that the Committee exercises in oversight of the DHB's assessment of the risks of fraud and the design and implementation of internal control to prevent and detect fraud;
- The Committee's assessment of the risk that the financial statement may be materially misstated as a result of fraud.

We will be seeking representations in this area, including those relating to your assessment of any impacts resulting from COVID-19, from the Board in due course.

3B. Liaison with internal audit

The audit team, consistent with previous years, will leverage the work performed by internal audit wherever possible to allow efficiencies and limit a duplication of work.

Process

The audit team will evaluate whether the work of the internal audit function can be used by assessing the organisational status, objectivity, competence and whether the internal audit function applies a systematic and disciplined approach (including quality control).

Assessment of competence

As noted in prior year audits, the internal audit function applies a systematic and disciplined approach to their activities, and has utilised appropriately qualified staff or contractors to complete their activities in respect of the finance function.

Impact on audit scope

As part of our audit we will review the findings of internal audit and adjust our planned audit approach as is deemed appropriate. This normally takes a number of forms including:

- a discussion of the work plan for internal audit; and
- where internal audit identifies specific material deficiencies in the control environment, we consider adjusting our testing so that the audit risk is covered by our work.

3C. Prior year unadjusted differences

We take this opportunity to remind you of the unadjusted differences identified in the prior year. Unadjusted differences in the prior year had no material impact on profit before tax or net assets. The current year effect of these is summarised below.

Impact of prior year unadjusted differences on the current year financial statements	Assets Dr/(Cr) ($'000)	Liabilities Dr/(Cr) ($'000)	Equity Dr/(Cr) ($'000)	Profit or loss Dr/(Cr) ($'000)
IDF Funder Accrual			(805)	805
Total	**-**	**-**	**(805)**	**805**

Note: Immaterial balance sheet and income statement reclassifications have not been included in the summary of unadjusted differences

4. Financial reporting and other developments

4A. Developments in financial reporting – overview

The following table provides a high level summary of the major new accounting standards, interpretations and amendments that are relevant to the DHB. A full list of the standards on issue but not yet effective is released quarterly and is available here:

https://www2.deloitte.com/nz/en/pages/audit/articles/accounting-alert.html?icid=top_accounting-alert

Major new standard, interpretation or amendment	Effective date (periods beginning on or after)
PBE FRS 48 Service Performance Reporting	1 January 2022
PBE IFRS 9 Financial Instruments	1 January 2022*
PBE IPSAS 41 Financial Instruments	1 January 2022

*Will be superseded by PBE IPSAS 41 but early adoption is still permitted if the date of initial application was before 1 January 2020

Early implementation efforts recommended

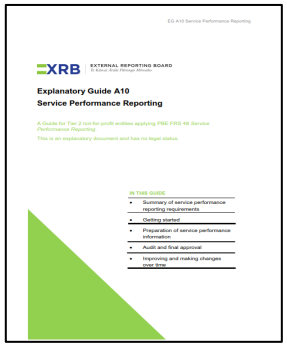
Early effort to consider the implementation of these standards is recommended in order to provide stakeholders with timely and decision-useful information. Implementation steps are outlined opposite.

Steps for implementation
Determine extent of impact & develop implementation plan
Monitor progress and take action where milestones are not met
Identify required changes to systems, processes, and internal controls
Determine the impact on covenants & regulatory capital requirements, tax, dividends & employee incentive schemes

4A. Developments in financial reporting – PBE FRS 48 *Service Performance Reporting*

PBE FRS 48 *Service Performance Reporting* establishes new requirements for the selection and presentation of service performance information. It applies to Tier 1 and 2 not-for-profit PBEs, and to public sector PBEs which are required by law to report service performance information in accordance with GAAP, and is effective for annual reporting periods beginning 1 January 2022.

The objective of PBE FRS 48 is to establish principles and requirements for presenting service performance information that is useful for accountability and decision-making purposes. The Standard establishes high-level requirements which provide flexibility so that an entity can determine how best to 'tell their story' in an appropriate and meaningful way.



Explanatory guidance available in the XRB's website

PBE FRS 48 Service Performance Reporting

Requirements under PBE FRS 48

Contextual information
Provide users with information to explain why the entity exists, what it intends to achieve in broad terms over the medium to long term and how it goes about this.

What the entity did during the period:
Provide users with an appropriate and meaningful mix of performance measures and/or descriptions for the period. Judgement may be required to achieve a balance between providing enough information and not too much information that could obscure the overall picture.

Disclose Judgements
Disclose the judgements that have the most significant effect on the selection, measurement, aggregation and presentation of service performance information reported.

Presentation

Ultimately, the statement of service performance must provide sufficient information to help answer the below questions, although the format is not prescribed:

Who are we?	Why do we exist?
What did we do?	How did we perform?

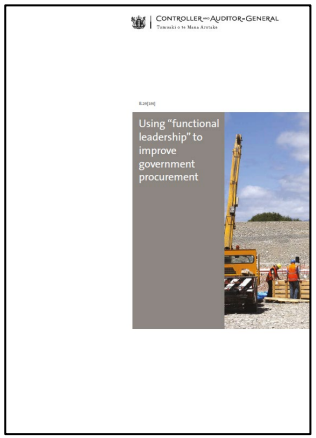
- Disclose performance measures: quantitative, qualitative and qualitative descriptions
- Use 'pop-up' boxes for explanatory comments, graphs, tables infographics or narrative
- Use effective cross-referencing to financial statements or other relevant other information
- Show comparisons (i.e. trend data, against target or standard)
- Balance between enough information to provide to users and not so much information that obscures overall picture

4B. Using “functional leadership” to improve government procurement

The OAG’s current performance audit focus is on procurement. From the work performed by the OAG in 2019, the OAG found that many public organisations have difficulty bringing together the financial and contract management information. Being able to do this would make it easier for the organisations to assess value for money.

The OAG has published a report, ‘Using “functional leadership” to improve government procurement’, to present their findings and recommendations. The full report is accessible here:

https://oag.parliament.nz/2019/functional-leadership



The summary includes some questions that executive leaders should ask in order to ensure that they have a comprehensive understanding of the organisation’s procurement spending.

The summary is accessible here:

https://oag.parliament.nz/2019/functional-leadership/docs/summary-functional-leadership.pdf

The questions to consider include:

- What are we buying?
- Who are we buying from?
- Is all buying going through all-of-government contracts when it should be?
- Who is buying?
- How often do we buy?
- When did we buy?
- How much did we pay?
- Are we getting what we had been promised?
- What location were the items delivered to?
- How does the data compare to previous years?

The aim should be for senior leaders to:

- Be confident that procurement is helping achieve the strategic outcomes;
- Have easy access to good quality procurement spending data which is regularly analysed to improve cost-effectiveness;
- For all-of-government contracts, be confident that all spending is going through those contracts.

Deloitte.

Information papers

Part 1 and 2 Board Packs

Printed from Stellar by
Margaret Bell <margaret.bell@midcentraldhb.govt.nz>

BOARD REPORT

For:

X	Approval
	Endorsement
	Noting

Key questions the Board should consider in reviewing this paper:

- Does the work programme include the topics needed to confidently govern?

To	Board
Author	Margaret Bell, Board Secretary
Endorsed by	Rory Matthews, Interim Director of the Office of the Chief Executive
Date	11 May 2021
Subject	**Board's Work Programme – 2021**

RECOMMENDATION

It is recommended that the Board:

- **note** the Board's annual work programme for 2021
- **endorse** that the Board's work programme for 2021 be extended to 30 June 2022.

Strategic Alignment

This report is aligned to the DHB's strategy and key enabler 'Stewardship'. It discusses an aspect of effective governance.

1. PURPOSE

To provide an update on the Board's work programme for 2021 and suggest a process for updating the work programme until June 2022.

2. 2021 BOARD WORK PROGRAMME

The Board's work programme for 2021 was approved in December 2020. Reporting is occurring in line with the work programme.

The work programme notes that the programme for 2022 would be presented to the May 2021 Board meeting for consideration.

The recent announcement on the Government's response to the Health and Disability System Review advised that Health NZ would take responsibility for the day-to-day running of the health system from 1 July 2022.

It is therefore proposed that the Board's work programme be 'rolled over' for the period from 1 January 2022 to 30 June 2022, based on the current activities for the first six months of the calendar year.

MDHB BOARD Work Programme

	Frequency	Feb	Apr	May	Jul	Aug	Sep	Nov	Dec	Responsible
Key Updates										
CEO's Report to update on key progress of the DHB	Each meeting	X	X	X	X	X	X	X	X	CEO
FRAC Minutes and Verbal Update from the FRAC Chair to update on the Board on key committee discussions	Each meeting Minutes	X Dec/Feb	X March	X May	X June	X July	X Sept	X Oct	X Nov	FRAC Chair
HDAC Minutes and Verbal Update from the HDAC Chair to update on the Board on key committee discussions	Each meeting Minutes	X None	X Feb	X April	X None	X July	X None	X Sept	X Nov	HDAC Chair
Strategy and Planning										
DHB Strategy to review/refresh the DHB's strategy to ensure it remains relevant, and to consider how it has been advanced, and priorities for the future	Triennial (due Dec 2023)									GM SPP
Annual Plan and Budget to determine the draft and final budget and priorities for the next three years, including capex plan	One off then six-weekly from Dec-Jun	X	X	X	X				X	GM SPP GM F&CS
Workforce Strategy to establish / review the strategy based on the national framework (support the execution of the DHB's Strategy)	Triennial (due TBC)									GM P&C
Organisational Development Plan review/refresh (relevant and supports the execution of the DHB's Strategy)	Triennial (due Nov 2022)									GM P&C
Contract Renewal and Planning Outcomes Framework review planning outcomes achieved and general approach to contracting for year ahead	Annual			X						GM SPP
Quality Improvement										
Quality Account to determine the Quality Account for the financial year (via HDSAC)	Annual								X	GM Q&I
Quality and Safety Walk-rounds to provide the Board a summary of the walk-rounds from over the last 12 months	Annual			X						GM Q&I
Workforce										
Health and Safety to monitor the implementation of the H&S Strategy, mitigations required, priorities for the future, including investment	Quarterly	X		X		X		X		GM P&C
Health and Safety Workshop	Annual							X		GM P&C
Workforce to monitor the health of the DHBs workforce, including trends and performance against workforce dashboard and adequacy of any mitigations	Six-monthly			X				X		GM P&C
Organisational Development to monitor the implementation of the OD strategy has been advanced, what's changed, and priorities for the future (three to five years) including investment and resources required, and the adequacy of any mitigations	Six-monthly	X				X				GM P&C
Preventing Occupational Violence Strategy to monitor the implementation, priorities, investment and adequacy of any mitigations	Annual	X								GM P&C

MDHB BOARD Work Programme	Frequency	Feb	Apr	May	Jul	Aug	Sep	Nov	Dec	Responsible
Wellbeing Plan to monitor the implementation of the DHB's health and wellbeing plans	Annual	X								GM P&C
Care Capacity Demand Management to monitor the implementation of the national Accord and local CCDM decisions	Six-monthly	X				X				ED N&M
Remuneration Policy to consider the Remuneration Policy as recommended by the Rem Committee	Triennial (Due Nov 2022)									GM P&C
IEA Remuneration Strategy to consider the Remuneration Strategy (IEAs) as recommended by the Rem Committee	Triennial (due Mar 2023)									GM P&C
IEA Remuneration Parameters to consider the remuneration parameters for annual changes to staff on IEA agreements following Rem Committee	Annual								X	GM P&C
Performance										
Financial Performance to monitor the DHB's financial performance against budget, including trends, forecasts, the impact of business improvement initiatives and opportunities and challenges, and confirm the adequacy of any mitigations	Six-weekly	X	X	X	X	X	X	X	X	GM F&CS
DHB Performance Metrics to monitor high level KPIs across the DHB	Six-weekly	X	X	X	X	X	X	X	X	GM SPP
Digital Strategy – implementation of roadmap to monitor implementation, challenges and opportunities, priorities and initiatives/investments for future, and confirm the appropriateness of any mitigations	Six-weekly	X	X	X	X	X	X	X	X	CDO
Sustainability Plan to monitor the implementation of the performance improvement programme	Six-weekly	X	X	X	X	X	X	X	X	GM Q&I
Non-Financial Performance Measures to monitor the overall performance of the DHB	Quarterly		X		X		X		X	GM SPP
CEO's Performance Review	Annual					X				Chair
Audit										
Annual Accounts to determine the annual accounts for the financial year and to determine ENZ Limited annual reporting requirements	Annual						X			GM F&CS
Year End Audit Process (Government) to determine year end financial result for inclusion in Government accounts	Annual				X					GM F&CS
Enable NZ Limited Annual Reporting Arrangements to determine annual reporting requirements of this paper company	Annual			X						GM F&CS
Iwi Partnerships										
Memorandum of Understanding to review the Memorandum of Understanding	Triennial (due Sept 2021)						X			GM M
DHB Board and Manawhenua Hauora Joint Work Programme health to monitor progress against shared work programme, including opportunities & challenges	Six-monthly		X				X			GM M

MDHB BOARD Work Programme

	Frequency	Feb	Apr	May	Jul	Aug	Sep	Nov	Dec	Responsible
Board-to-Board Hui	Quarterly	X		X		X		X		GM M
to monitor progress against shared work programme, including opportunities & challenges										
Manawhenua Hauora Update	Six-weekly	X	X	X	X	X	X	X	X	GM M
to monitor update the Board on the Manawhenua Hauora discussions										
Partnership										
Clinical Council	Six-monthly	X				X				GM Q&I
to consider the work, findings and recommendations from the Councils, provide endorsement or support as required										
Consumer Council	Six-monthly	X				X				GM Q&I
to consider the work, findings and recommendations from the Councils, provide endorsement or support as required										
Professional Work Groups	Four-monthly		ED N&M		CMO				ED AH	Prof Leads
Profession										
Governance of shareholding companies										
to monitor the annual results and plans of shareholding companies and determine actions in respect of AGM recommendations										
Regional Service Plan	Annual				X					GM SPP
to approve the draft and final regional budget and priorities										
Allied Laundry Services Limited	Annual							X		GM F&CS
Central TAS AGM (DHB Shared Services)	Annual							X		GM SPP
Health Partnerships Limited	Quarterly		X		X		X		X	GM F&CS
Board Governance Arrangements										
Board Governance arrangements and Committee Terms of Reference	Triennial or as required				X					Chair
Annual Reporting Framework (work programme)	Annual			X				X		CEO
Annual Board Evaluation	Annual							X		GM P&C
Annual meeting schedule	Triennial						X			CEO
Committee membership	Triennial							X		Chair
External committee membership and appointments	Triennial							X		Chair
Te Tiriti o Waitangi	Triennial						X			GM M
Review of Board policies	As required									CEO
Review of policies related to the Board or those requiring Board approval										

Key:

CEO	Chief Executive Officer
ED N&M	Executive Director, Nursing and Midwifery
GM F&CS	General Manager, Finance and Corporate
GM M	General Manager, Māori Health
CMO	Chief Medical Officer
FRAC Chair	Chair of the Finance, Risk and Audit Committee
Chair	Board Chair of the MidCentral District Health Board
GM P&C	General Manager, People and Culture
GM Q&I	General Manager, Quality and innovation
GM SPP	General Manager, Strategy, Planning and Performance
ED AH	Executive Director, Allied Health
Prof Leads	CMO, ED N&M, ED AH
HDAC Chair	Chair of the Health and Disability Audit Committee
CDO	Chief Digital Officer

Workshop Schedule

As at May 2021

Date	Time	Topic
16 February 2021	Following HDAC meeting	Stellar Board Management Platform
23 February 2021	Following Board meeting	Midwifery Workforce Engagement
13 April 2021	Following Board meeting	Board Self-evaluation (with Broad Horizons)
20 April 2021	From 9am to noon	Annual Planning and Budget
27 April 2021	Following HDAC meeting	Consumer Story
25 May 2021	Following Board meeting	Manawhenua Hauora Board to Board hui
15 June 2021	Following FRAC meeting	Conjoint meeting of Board and FRAC – 2021/22 Annual Plan
6 July 2021	Following Board meeting	Annual Risk Workshop
28 September 2021	Following Board meeting	Health and Safety – with Buddle Findlay
9 November 2021	Following Board meeting	Manawhenua Hauora Board to Board hui

Glossary of terms

Part 1 and 2 Board Packs

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Glossary of Terms

AC	**Assessment Centre**
ACC	**Accident Compensation Corporation** The New Zealand Crown entity responsible for administering the country's no fault accidental injury compensation scheme.
ACCPP	**Accident Compensation Corporation Partnership Plan**
ACE	**Advanced Choice of Employment**
ACT	**Acute Crisis Team**
ADL	**Activities of Daily Living**
ADON	**Associate Director of Nursing**
AESS	**Te Uru Arotau Acute and Elective Specialist Services**
ALOS	**Average Length of Stay**
Anti- VEGF	**Anti-Vascular Endothelial Growth Factor**
AoG	**All of Government**
AP	**Annual Plan** The organisation's plan for the year.
APEX	**Association of Professional and Executive Employees**
API	**Application Programming Interfaces**
ARC	**Aged Residential Care**
ASH	**Ambulatory Sensitive Hospitalisations**
AS/NZS ISO 31000	**2018 Risk Management Principles and Guidelines**
AWS	**Amazon Web Services**
B Block	**Wards, Laboratory, Admin and Outpatients**
BAG	**Bipartite Action Group**
BAU	**Business as Usual**

BN	**Bachelor of Nursing**
BSCC	**Breast Screen Coast to Coast**
BYOD	**Bring Your Own Device**
CAG	**Cluster Alliance Group** A group or 10-12 members from across the health and wider sector supporting the Cluster Leadership Team to identify population health needs, planning, commissioning and evaluating services and developing models of care. Members include consumer and Māori representatives.
CAPEX	**Capital Expenditure**
CBAC(s)	**Community Based Assesment Centre(s)**
CCDHB	**Capital and Coast District Health Board**
CCDM	**Care Capacity Demand Management** A programme that helps the organisation better match the capacity to care with patient demand.
CCTV	**Closed Circuit Television**
CCU	**Critical Care Unit**
CDO	**Chief Digital Officer**
CDS	**Core Data Set**
CE	**Clinical Executive** (of a service)
CE Act	**Crown Entities Act**
CEO	**Chief Executive Officer**
CFIS	**Crown Financial Information System**
CHF	**Congestive Heart Failure**
CIMS	**Coordinated Incident Management System**
CIO	**Chief Information Officer**
CLAB	**Central Line Associated Bacteraemia**
CME	**Continuing Medical Education**

CMO	**Chief Medical Officer**
CN	**Charge Nurse(s)**
CNM	**Clinical Nurse Manager**
CNS	**Clinical Nurse Specialist**
COI	**Committee of Inquiry**
ComM	**Communications Manager**
COPD	**Chronic Obstructive Pulmonary Disease** A common lung disease which makes breathing difficult. There are two main forms, Chronic bronchitis - a long term cough with mucus. Emphysema - which involves damage to the lungs over time.
COVID-19	**Novel Coronavirus**
CPB	**Combined Pharmaceutical Budget**
CPHO	**Central Primary Health Organisation**
CPI	**Consumer Price Index**
CPOE	**Computer Physician Order Entry**
CRM	**Cyber Risk Monitoring**
CSB	**Clinical Services Block**
CT	**Computed Tomography** A CT scan combines a series of X-ray images taken from different angles around your body and uses computer processing to create cross-sectional images of the bones, blood vessels and soft tissues inside your body.
CTAS	**Central Technical Advisory Services** (also TAS)
CTCA	**Computed Tomography Coronary Angiography** A CT scan that looks at the arteries that supply blood to the heart. Can be used to diagnose the cause of chest pain or other symptoms.
CVAD	**Central Venous Access Device**

CWDs	**Case Weighted Discharges** Case weights measure the relative complexity of the treatment given to each patient. For example, a cataract operation will receive a case weight of approximately 0.5, while a hip replacement will receive 4 case weights. This difference reflects the resources needed for each operation, in terms of theatre time, number of days in hospital, etc.
DCFO	**Deputy Chief Financial Officer**
DDIGG	**Digital and Data Informatics Governance Group**
DHB	**District Health Board**
DIVA	**Difficult Intravenous Access**
DNA	**Did Not Attend**
DNW	**Did Not Wait**
DoN	**Director of Nursing**
DS	**Digital Services**
DSA	**Detailed Seismic Assessment**
DSA	**Digital Subtraction Angiography**
DWP	**Digital Workplace Programme**
DX	**Data Exchange** A data exchange software mechanism developed with the Social Investment Agency (SIA) to support encrypted data sharing between public services.
EAP	**Employee Assistance Programme**
EBITA	**Earnings Before Interest, Taxes and Amortisation**
ECM	**Enterprise Content Management**
ED	**Emergency Department**
EDAH	**Executive Director Allied Health**
EDG-VPSR	**Electrocadiograph – Visual Positioning System Rhythm**
EDN&M	**Executive Director, Nursing & Midwifery**

EDOA	**Emergency Department Observation Area**
EDON	**Executive Director of Nursing**
EECA	**Energy and Efficiency Conservation Authority**
ELT	**Executive Leadership Team**
EMERGO	**Emergo Train System**
EMR	**Electronic Medical Record**
EN	**Enrolled Nurse**
ENT	**Ear Nose and Throat**
ENZ	**Enable New Zealand**
EOC	**Emergency Operations Centre**
EP	**Efficiency Priority**
EPA	**Electronic Prescribing and Administration**
EPMO	**Enterprise Project Management Office**
ERCP	**Endoscopic Retrograde Cholangio Pancreatography**
ERM	**Enterprise Risk Management**
ESPI	**Elective Services Patient Flow Indicator** Performance measures that provide information on how well the District Health Board is managing key steps in the electives patient journey.
EV	**Electric Vehicle**
EWS	**Early Warning System**
EY	**Ernst & Young**
FACT	**Flexible Assertive Community Assessment Team**
FHC	**Feilding Health Care**
FHIR	**Fast Healthcare Interoperability Resources**
FIT	**Faecal Immunochemical Test**

FM	**Facilities Management**
FM Services	**Facilities maintenance and hotel services required by the DHBs**
FPIM	**Finance and Procurement Information Management System**
FPM	**Financial Planning Manager**
FRAC	**Finance, Risk and Audit Committee**
FSA	**First Specialist Appointment**
FSL	**Fire Service Levies**
FTE	**Full Time Equivalent** The hours worked by one employee on a full-time basis.
FU	**Follow Up**
Gap	**Analysis used to examine current performance with desired, expected performance**
GETS	**Government Electronic Tenders Service**
GHG	**Greenhouse Gases**
GM	**General Manager**
GMFCS	**General Manager, Finance and Corporate Services**
GMM	**General Manager, Māori Health**
GMPC	**General Manager, People and Culture**
GMQI	**General Manager, Quality and Innovation**
GMSPP	**General Manager, Strategy, Planning and Performance**
GP	**General Practitioner**
GST	**Goods and Services Tax**
H&S	**Health and Safety**
HaaG	**Hospital at a Glance**
HAI	**Healthcare Associated Infection**
HAR	**Te Uru Whakamauora, Healthy Ageing and Rehabilitation**

HBDHB	**Hawke's Bay District Health Board**
HCA(s)	**Health Care Assistant(s)**
HCSS	**Home and Community Support Services**
HDAC	**Health and Disability Advisory Committee**
HDU	**High Dependency Unit**
HEAT	**Health Equity Assessment Tool**
HEEADSSS	**Home, education/employment, eating, activities, drugs, sexuality, suicide and depression, safety (wellness assessment)**
HIP	**Health Infrastructure Programme**
HISO	**Heath Information Security Framework**
HQSC	**Health, Quality and Safety Commission**
HR	**Human Resources**
HRC	**Health Research Council**
HRIS	**Human Resources Information System**
HROD	**Human Resources and Organisational Development**
HSWA	**Health and Safety at Work Act**
Hui	**Formal meeting**
HV	**High Voltage**
HVAC	**Heating, Ventilation and Air Conditioning**
HVDHB	**Hutt Valley District Health Board**
HWIP	**Health Workforce Information Programme**
HWNZ	**Health Workforce New Zealand**
IA	**Internal Audit**
IAAS	**Infrastructure as a Service**
IAP	**Incident Action Plans**

ICNet	**Infection Control Surveillance**
ICPSA	**Integrated Community Pharmacy Services Agreement**
ICT	**Information and Communications Technology**
ICU	**Intensive Care Unit**
IDF	**Inter-district Flow** The default way that funding follows a patient around the health system irrespective of where the are treated.
IEA	**Individual Employment Agreement**
IFHC	**Integrated Family Health Centre** General practice teams with the patient at the centre, providing quality health care when, where and how patients need it.
IFM / IFM20	**Integrated Facilities Management**
IL	**Importance Level** Seismic assessment rating
IMAC	**Immunisation Advisory Centre**
IMT	**Incident Management Team**
Insourced	**Delivered directly by the DHBs via its staff**
IOC	**Integrated Operations Centre**
IOL	**Intraocular Lens**
IOT	**Internet of Things**
IPSAS	**International Public Sector Accounting Standards**
IS	**Information Systems**
ISM	**Integrated Service Model**
ISP	**Internet Service Provider**
IT	**Information Technology/Digital Services**
ITSM	**Integrated Service Module**

IV	**Intravenous**
IVP	**Improving Value Programme**
JDE	**JD Edwards** Name of software package
Ka Ao Ka Awatea	**Māori Health Strategy for the MDHB District**
KPI(s)	**Key Performance Indicator(s)** A measurable value that demonstrates how effectively an objective is being achieved.
LDC	**Local Data Council**
LEO	**Leading an Empowered Organisation**
LMC	**Lead Maternity Carer**
LOS	**Length of Stay**
LSP	**Leadership Success Profile**
LTC	**Long Term Condition(s)**
LV	**Low Voltage**
MALT	**Māori Alliance Leadership Team**
MAPU	**Medical Assessment and Planning Unit**
MBIE	**Ministry of Business, Innovation and Employment**
MCH	**MidCentral Health**
MCIS	**Maternity Clinical Information Service**
MDBI	**Material Damage and Business Interruption**
MDHB	**MidCentral District Health Board**
MDM	**Master Data Management**
MDT	**Multi-disciplinary Team**
MECAs	**Multi Employer Collective Agreements**
MEED	**Midwifery External Education and Development Committee**

MERAS	**Midwifery Employee Representation and Advisory Service**
MFA	**Multi-Factor Authentication**
MIT	**Medical Imaging Technologist** A radiographer who works with technology to produce X-rays, CT scans, MRI scans and other medical images.
MIYA	**MIYA Precision Platform**
MoH	**Ministry of Health**
MOU	**Memorandum of Understanding**
MRI	**Magnetic Resonance Imaging** A medical imaging technique used in radiology to form pictures of the anatomy using strong magnetic fields and radio waves.
MRSO	**Medical Radiation Officer**
MRT	**Medical Radiation Therapist(s)**
MSD	**Ministry of Social Development**
MWH	**Manawhenua Hauora**
MYFP	**Midwifery First Year of Practice Programme**
NAMD	**Neovascular Age-Related Macular Degeneration**
NARP	**Non-Acute Rehabilitation Programme**
NBSP	**National Bowel Screening Programme**
NCAMP19	**National Collections Annual Maintenance Programme 2019**
NCEA	**National Certificate of Educational Achievement**
NCNZ	**Nursing Council of New Zealand**
NEAC	**National Ethics Advisory Committee**
NEED	**Nursing External Education and Development Committee**
NESP	**Nurse Entry to Specialty Practice Programme (Mental Health)**
NETP	**Nurse Entry to Practice**

NFSA	**National Food Services Agreement**
NGO	**Non Government Organisation**
NHAWG	**National Holidays Act Working Group**
NNU	**Neo Natal Unit**
NOS	**National Oracle Solution**
NP	**Nurse Practitioner**
NPC	**Nurse Practitioner Candidate**
NPTP	**Nurse Practitioner Training Programme**
NZ	**New Zealand**
NZCOM	**New Zealand College of Midwives**
NZCPHCN	**New Zealand College of Primary Health Care Nurses**
NZCRMP	**New Zealand Code of Radiology Management Practice**
NZD	**New Zealand Dollar**
NZHP	**New Zealand Health Partnerships**
NZHRS	**New Zealand Health Research Strategy**
NZNO	**New Zealand Nurses Organisation**
NZPHD Act	**New Zealand Public Health and Disability Act**
O&G	**Obstetrics and Gynaecology**
OAG	**Office of the Auditor-General**
OD	**Organisational Development**
ODP	**Organisational Development Plan**
OE	**Operations Executive** (of a service)
OHS	**Occupational Health and Safety**

OLT	**Organisational Leadership Team** OLT comprises all General Managers, Chief Medical Officer, Executive Directors - Nursing & Midwifery and Allied Health, General Manager of Enable NZ, all Operations Executives and Clinical Executives.
OPAL	**Older People's Acute Assessment and Liaison Unit**
OPERA	**Older People's Rapid Assessment**
OPF	**Operational Policy Framework**
Outsourced	**Contracted to a third-party provider to deliver**
Pae Ora Paiaka Whaiora	**(Base/Platform of health) Healthy Futures (DHB Māori Directorate)**
PACS	**Picture Archiving Communication System**
PANE	**Proactive, Advocacy, Navigation and Education Team**
PAS	**Patient Administration System**
PBE	**Public Sector Benefit Entity**
PCBU	**Person Conducting a Business or Undertaking**
PCT	**Pharmacy Cancer Treatment**
PDRP	**Professional Development and Recognition Programme**
PDSA	**Plan Do Study Act**
PEDAL	**Post Emergency Department Assessment Liaison**
PET	**Positron Emission Tomography**
PHC	**Primary Health Care**
PHO	**Primary Health Organisation (THINK Hauora)**
PHU	**Public Health Unit**
PICC	**Peripherally Inserted Central Catheter**
PICU	**Paediatric Intensive Care Unit**

PIP	**Performance Improvement Plan** This plan is designed to support the OLT in the prioritisation and optimisation of system wide efforts to achieve our vision. The plan was presented to the MoH as part of MDHB's 2019/20 strategic discussion.
PNCC	**Palmerston North City Council**
POAC	**Primary Options for Acute Care**
PPE	**Personal Protective Equipment**
Powhiri	**Formal Māori Welcome**
PPA	**Promoting Professional Accountability**
PPC	**Public, Primary and Community**
PP&CH	**Public, Primary and Community Health**
PPPR	**Protection of Personal and Property Rights**
PR&RO	**Principal Risk and Resilience Officer**
PSA	**Public Service Association**
PSe	**PS Enterprise**
PSR	**Protective Security Requirements**
PVC	**Poly Vinyl Chloride**
QEAC	**Quality & Excellence Advisory Committee**
QHP	**Qualified Health Plan**
Qlik	**Qlik Sense Data Visualisation Software (Dashboard Analytics)**
Q&SM	**Quality and Safety Markers**
RACMA	**Royal Australasian College of Medical Administrators**
RDHS	**Regional Digital Health Services**
RFP	**Request for Proposal**
RHIP	**Regional Health Infometrics Programme** Provides a centralised platform to improve access to patient data in the central region.

Risk ID	**Risk Identifer**
RM	**Registered Midwife**
RMO	**Resident Medical Officer**
RN	**Registered Nurse(s)**
RP	**Risk Priority**
RSI	**Relative Stay Index**
RSO	**Research Support Officer**
RSP	**Regional Service Plan**
RTL	**Round Trip Logistics** A technology platform.
Rules	**Government Procurement Rules (4th Edition 2019)**
SAC	**Severity Assessment Code**
SBA	**Smoking Brief Advice (Smoking Cessation)**
SFIA	**Skills Framework for the Information Age**
SGOC	**Shared Goals of Care**
SIEM	**Security Information Event Monitoring**
SLA	**Service Level Agreement**
SLMs	**System Level Measures**
SME	**Subject Matter Expert(s)**
SMO	**Senior Medical Officer**
SNE	**Services Not Engaged**
SOI	**Statement of Intent**
SOR	**Standard Operating Responses**
SPE	**Statement of Performance Expectations**

SPIRE	**Surgical Procedural Interventional Recovery Expansion** A project to establish additional procedural, interventional and surgical resources within MDHB.
Spotless	**Spotless Services (NZ) Limited**
SRG	**Shareholder's Review Group**
SSC	**State Services Commission** (from 2020 - Te Kawa Mataaho Public Service Commission)
SSHW	**Safe Staffing, Healthy Workplaces**
SSIED	**Shorter Stays in Emergency Department**
SSP	**Statement of Service Performance**
SSU	**Sterile Supply Unit**
SUDI	**Sudden Unexpected Death in Infancy**
SUG	**Space Utilisation Group**
STAR	**Services for Treatment, Assessment and Rehabiliation**
TAS	**Technical Advisory Services** (also CTAS)
TCO	**Total Cost of Ownership**
tC02e	**tons of carbon dioxide equivalent**
TCU	**Transitional Care Unit**
THG	**Tararua Health Group Limited**
TKMPSC	**Te Kawa Maataho Public Service Commission** (formerly State Services Commission)
TLP	**Transformational Leadership Programme**
Trendly	A national database capture tool and dashboard that focuses on the measurement of DHBs to the National Māori Health Measures
TTOR	**Te Tihi o Ruahine Whānau Ora Alliance**
UCOL	**Universal College of Learning**
VBS	**Voluntary Bonding Scheme**

VRM	**Variance Response Management**
WDHB	**Whanganui District Health Board**
WebPAS	**Web Based Patient Administration System**
WebPASaas	**Web Based Patient Administration System as a Service**
WHEI	**Whole Hospital Escalation Indicators**
Y	**Yes**
YD	**Yes and delegable**
YTD	**Year To Date**

Late items - discussion

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Late items

Discussion on any late items advised at the start of the meeting

Date of next meeting

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Date of next meeting

Tuesday, 6 July 2021

Exclusion of the public

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Exclusion of public

Resolution:

That the public be excluded from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons outlined in the agenda.