WHANGANUI
DISTRICT HEALTH BOARD
Te Poari Hauora o Whanganui

AGENDA

Whanganui District Health Board

Meeting date **Friday 9 August 2019**

Start	9.30 am	Public meet and greet Session
	10.00 am	Public session
		Public excluded session
		Board Workshop – Ruapehu Transformation Plan

Venue
Board Room
Taihape Medical Centre
3 Hospital Road
Taihape

Embargoed until Saturday 10 August 2019

Contact
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Also available on website
www.wdhb.org.nz

Distribution

Board members

- Mrs D McKinnon, Board Chair
- Mr S Hylton, Deputy Chair
- Mr G Adams
- Mr C Anderson
- Mrs P Baker-Hogan
- Ms M Bellamy
- Ms J Duncan
- Mr D Hull
- Mrs J MacDonald
- Ms A Main
- Dame T Turia
- Mrs N Mackintosh, Board Secretary

Executive Management Team

- Mr R Simpson, Chief Executive
- Mr M Dawson, Communications Manager
- Mr H Cilliers, General Manager, People and Performance
- Ms L Allsopp, Acting Director Allied Health
- Mrs R Kui, Director Māori Health
- Mr Paul Malan, General Manager, Service and Business Planning
- Mr L Adams, Director of Nursing
- Mr Brian Walden, General Manager Corporate

Ministry of Health

- Mrs N Holden, Relationship Manager, Ministry of Health

Agendas are available online one week prior to the meeting.

WHANGANUI
DISTRICT HEALTH BOARD
Te Poari Hauora o Whanganui

WHANGANUI DISTRICT HEALTH BOARD
TE POARI HAUORA O WHANGANUI

Kaua e rangiruatia te hāpai o te hoe, e kore to tātou waka e ū ki uta.
Do not lift the paddle out of unison or our canoe will never reach the shore.

We foster an environment that places the patient and their family at the centre of everything we do - an environment which values:

- learning and improvement
- courage
- partnering with others
- building resilience.

We are:

- open and honest
- respectful and empathetic
- caring and considerate
- committed to fostering meaningful relationships
- family-centred.

He wāhi whakamana tangata whaiora, whakamana whānau! Ko te whai anō hoki i ngā waiaro:

- ka whai matauranga
- ka whai mana
- ka toro atu te ringa
- ka whai rangatiratanga.

Koi anei tātou:

- ka ū ki te pono
- ka aroha ki te tangata
- ka manaaki tangata
- ko te mea nui he tangata, he tangata me ōna āhuatanga katoa
- ko te whānau te pūtake.

Nothing about me without me, and my whānau/family
Ko au ko toku whānau, to toku whānau ko au

AGENDA

Held on Friday, 9 August 2019
Board Room, Taihape Medical, 3 Hospital Road, Taihape

Commencing at 10.00am

BOARD	PUBLIC SESSION			
	ITEM	**PRESENTER**	**Time**	**Page**
1	**PROCEDURAL**			
1.1	Karakia/reflection	A Main	10.00	
1.2	Apologies	D McKinnon	10.05	
1.3	Conflict and register of interests update 1.3.1 amendments to the register of interests 1.3.2 declaration of conflicts in relation items on agenda	D McKinnon	10.08	5
1.3	Confirmation of Minutes	D McKinnon	10.10	13
1.5	Matters Arising	D McKinnon	10.12	21
1.6	Board and committee chairs reports 3.7.1 Board - verbal 3.7.2 Combined statutory advisory committee - verbal	 D McKinnon S Hylton	10.15	
1.7	Correspondence	D McKinnon	10.20	22
2	**Chief Executive report**	**R Simpson**	**10.25**	**23**
3	**Decision Papers**			
3.1	WDHB Board Strategic Direction	R Kui	10.35	27
3.2	WDHB Board member induction programme	R Kui	10.45	29
3.3	Allied Laundry Services Limited – director appointment	B Walden	10.55	31
4	**Information papers**			
4.1	June financial update	B Walden	11.00	33
4.2	Health and safety report	H Cilliers	11.10	47
4.3	People and performance six monthly report	H Cilliers	11.15	59
6	Date of next meeting 26 July 2019 – Combined statutory advisory committee 9 August 2019 – Board meeting – Taihape Hospital			
7	**Reasons to exclude the public**	**D McKinnon**	**11.20**	**67**

Appendices	
3.1.1	Strategic Drivers and Enablers
3.1.2	Infographic
3.2.1	Board candidate book

WHANGANUI DISTRICT HEALTH BOARD

REGISTER OF CURRENT CONFLICTS AND DECLARATIONS OF INTEREST

Up to and including 12 June 2019

BOARD MEMBERS

NAME	DATE NOTIFIED	CONFLICT/DECLARATIONS
Graham Adams	16 December 2016	Advised that he is: ▪ A member of the executive of Grey Power Wanganui Inc. ▪ A board member of Age Concern Wanganui Inc. ▪ Treasurer of NZCE (NZ Council of Elders) ▪ A trustee of Akoranga Education Trust, which has associations with UCOL.
Charlie Anderson	16 December 2016 3 November 2017	Advised that he is an elected councillor on Whanganui District Council. Advised that he is now a board member of Summerville Disability Support Services.
Philippa Baker-Hogan	10 March 2006 8 June 2007 24 April 2008 29 November 2013 7 November 2014 3 March 2017	Advised that she is an elected member of the Whanganui District Council. Partner in Hogan Osteo Plus Partnership. Advised that her husband is an osteopath who works with some surgeons in the hospital on a non paid basis but some of those patients sometimes come to his private practice Hogan Osteo Plus and that she is a partner in that business. Advised that she is Chair of the Future Champions Trust, which supports promising young athletes. Philippa Baker-Hogan declared her interest as: ▪ A member of the Whanganui District Council District Licensing Committee; and ▪ Chairman of The New Zealand Masters Games Limited Philippa Baker-Hogan declared her interest as a trustee of Four Regions Trust.
Maraea Bellamy	7 September 2017 4 May 2018 1 February 2019	Advised that she is: ▪ Te Runanga O Ngai Te Ohuake (TRONTO) Delegate of Nga Iwi O Mokai Patea Services Trust. ▪ Secretary of Te Runanga O Ngai Te Ohuake. ▪ Hauora A Iwi - Iwi Delegate for Mokai Patea. Advised that she is: ▪ a director of Taihape Health Limited. ▪ a member of the Institute of Directors. Trestee of Mokai Patea Waitangi Claims Trust
Jenny Duncan	18 October 2013 1 August 2014 5 April 2019	Advised that she is an elected member of the Whanganui District Council Advised that she is an appointed member of the Castlecliff Community Charitable Trust Member of the Chartered Institute of Directors Trustee of Four Regions Trust
Darren Hull	28 March 2014 27 May 2014	Advised that he acts for clients who may be consumers of services from WDHB. Advised that he: ▪ is a director & shareholder of Venter & Hull Chartered Accountants Ltd which has clients who have contracts with WDHB ▪ acts for some medical practitioners who are members of the Primary Health Organisation ▪ acts for some clients who own and operate a pharmacy ▪ is a director of Gonville Medical Ltd
Stuart Hylton	4 July 2014	Advised that he is: ▪ Executive member of the Wanganui Rangitikei Waimarino Centre of the Cancer Society Of New Zealand.

		▪ Appointed Whanganui District Licensing Commissioner, which is a judicial role and in that role he receives reports from the Medical Officer of Health and others.
	13 November 2015	Advised that he is an executive member of the Central Districts Cancer Society.
	15 March 2017	Advised that he is appointed as Rangitikei District Licensing Commissioner.
	2 May 2018	Advised that he is: ▪ Chairman of Whanganui Education Trust ▪ Trustee of George Bolten Trust
	2 November 2018	Advised that he is District Licensing Commissioner for the Whanganui, Rangitikei and Ruapehu districts.
Judith MacDonald	22 September 2006	Advised that she is: ▪ Chief Executive Officer, Whanganui Regional Primary Health Organisation ▪ Director, Whanganui Accident and Medical
	11 April 2008	Advised that she is a director of Gonville Health Centre
	4 February 2011	Declared her interest as director of Taihape Health Limited, a wholly owned subsidiary of Whanganui Regional Primary Health Organisation, delivering health services in Taihape.
	27 May 2016	Advised that she has been appointed Chair of the Children's Action Team
	21 September 2018	Declared her interest as a director of Ruapehu Health Ltd
Annette Main	18 May 2018	Advised that she a council member of UCOL.
Dot McKinnon	3 December 2013	Advised that she is: ▪ An associate of Moore Law, Lawyers, Whanganui ▪ Wife of the Chair of the Wanganui Eye & Medical Care Trust
	4 December 2013	Advised that she is Cousin of Brian Walden
	23 May 2014	Advised that she is a member of the Health Sector Relationship Agreement Committee.
	31 July 2015 and 10 August 2015	Advised that she is appointed to the NZ Health Practitioners Disciplinary Tribunal
	2 March 2016	Advised that she is a member of the Institute of Directors
	16 December 2016	Advised that she is Chair of MidCentral District Health Board
	3 February 2017	Advised that she is on the national executive of health board chairs
	8 June 2018	Advised that she is: ▪ a Director of Chardonnay Properties Limited (a property owning company) ▪ Chair of the DHB Regional Governance Group ▪ an advisory member on the Employment Relationship Strategy Group (ERSG)
Tariana Turia	16 December 2016	Declared her interests as: ▪ Pou to Te Pou Matakana (North Island) ▪ Member of independent assessment panel for South Island Commissioning Agency ▪ Life member CCS Disability Action ▪ National Hauora Coalition Trustee Chair ▪ Cultural adviser to ACC CEO
	15 November 2017	Recorded that she has been appointed Te Pou Tupua o te Awa.

COMBINED STATUTORY ADVISORY COMMITTEE MEMBERS

NAME	DATE NOTIFIED	CONFLICT/DECLARATIONS
Frank Bristol	8 June 2017	Advised that he is: ▪ Member of the WDHB Mental Health and Addiction (MH&A) Strategic Planning Group co-leading the adult workstream. ▪ In a management role with the NGO Balance Aotearoa which holds Whanganui DHB contracts for Mental health & addiction peer support, advocacy and consumer consultancy service provision. ▪ Working as the MH & A Consumer Advisor to the Whanganui DHB through the Balance Aotearoa as holder of a consumer consultancy service provision contract. ▪ Member of Sponsors and Reference groups of National MH KPI project. ▪ Member of Health Quality and Safety Commission's MH Quality Improvement Stakeholders Group. ▪ ▪ Has various roles in Whanganui DHB MHA WD, Quality Improvement programmes and Strategic planning ▪ Member of Whanganui DHB CCDM Council ▪ Steering group partner via Balance Aotearoa with Ministry of Health on Disability Action Plan Action 9d).This is legal and improvement work associated with MH Act, Bill of Rights and UN Convention on Rights of Disabled people. ▪ Balance Aotearoa is a Disabled Persons Organisation (DPO) and a member of the DPO Collective doing work with the Disability Action Plan representing the mental health consumers. ▪ Life member of CCS Disability Action
	14 July 2017	Advised that he is doing consultancy work for Capital and Coast District Health Board
	1 September 2017	Advised that he has been appointed to the HQSC Board's Consumer Advisory Group
	22 March 2019	Appointed to Te Pou Clinical Reference group.
Andrew Brown	13 July 2017	Advised that: ▪ he is an independent general practitioner and clinical director of Jabulani Medical Centre; ▪ he is a member of Whanganui Hospice clinical governance committee; and ▪ most of his patients would be accessing the services of Whanganui District Health Board.
Heather Gifford	20 November 2018	Advised that she is: ▪ Ngāti Hauiti representative on Hauora a Iwi; ▪ Senior Advisor and founding member of Whakauae Research for Māori Health and Development (currently engaged in research with WDHB); and ▪ Member of Te Tira Takimano partnership Board of Nga Pae o Te Maramatanga (Centre for Māori research excellence, Auckland University).
Leslie Gilsenan	11 September 2017	Advised that he is the Service Manager, CCS Disability Action Whanganui (formerly Whanganui Disability Resources Centre).
Matt Rayner	11 October 2012	Advised that: ▪ He is an employee of Whanganui Regional PHO – 2006 to present ▪ His fiancée, Karli Kaea-Norman, is an Employee of Gonville Health Limited
	26 October 2012	Advised that he is a member on the Diabetes Governance Group
	31 July 2015	Advised that he is: ▪ employed by the Whanganui Regional Health Network (WRHN) ▪ a trustee of the group "Life to the Max"
	27 May 2016	Advised that he is a member of the Health Solutions Trust
	1 September 2017	Advised that he is now a trustee of Whanganui Hospice

Grace Taiaroa	1 September 2017	Advised that she is: ▪ Hauora A Iwi (Ngā Wairiki Ngāti Apa) representative ▪ General Manager Operations – Te Runanga o Ngā Wairiki Ngati Apa (Te Kotuku Hauora, Marton) ▪ Member of the WDHB Mental Health and Addictions Strategic Planning Group ▪ Member of the Maori Health Outcomes Advisory Group.
	16 March 2018	Advised that she is deputy chair of the Children's Action Team

RISK AND AUDIT COMMITTEE MEMBERS

NAME	DATE NOTIFIED	CONFLICT/DECLARATIONS
Malcolm Inglis	12 September 2018	Advised that: ▪ He is Board member, Fire and Emergency New Zealand. ▪ He is Director/Shareholder, Inglis and Broughton Ltd.
	10 April 2019	▪ His niece, Nadine Mackintosh, is employed by Whanganui DHB as Board Secretary and EA to the chief executive.

NAME	DATE NOTIFIED	CONFLICT/DECLARATIONS
Anne Kolbe	26 August 2010	▪ Medical Council of NZ – Vocational medical registration – Pays registration fee ▪ Royal Australasian College of Surgeons – Fellow by Examination – Pays subscription fee ▪ Private Paediatric Surgical Practice (Kolbe Medical Services Limited) – Director – Joint owner ▪ Communio, NZ – Senior Consultant - Contractor ▪ Siggins Miller, Australia – Senior Consultant - Contractor ▪ Hospital Advisory Committee ADHB – Member – Receives fee for service ▪ Risk and Audit Committee Whanganui DHB – Member – Receives fee for service ▪ South Island Neurosurgical Services Expert Panel on behalf of the DGH – Chair – Receives fee for service
	18 April 2012	Advised that she is an employee of Auckland University but no longer draws a salary.
	20 June 2012	Advised that she holds an adjunct appointment at Associate Professor level to the University of Auckland and is paid a small retainer (not salary).
	17 April 2013	Advised that her husband John Kolbe is: ▪ Professor of Medicine, FMHS, University of Auckland ▪ Chair, Health Research Council of New Zealand, Clinical Trials Advisory Committee (advisory to the council) ▪ Member Australian Medical Council (AMC) Medical School Advisory Committee (advisory to the board of AMC) ▪ Lead, Australian Medical Council, Medical Specialties Advisory Committee Accreditation Team, Royal Australian College of General Practitioners ▪ Member, Executive Committee, International Society for Internal Medicine ▪ Chair, RACP (Royal Australasian College of Physicians) Re-validation Working Party ▪ Member, RACP (Royal Australasian College of Physicians) Governance Working Party
	12 February 2014	Advised that she is a Member of the Australian Institute of Directors – pays membership fee
	18 February 2016	Joined the inaugural board of EXCITE International, an international joint venture sponsored by the Canadian Government, to consider how to pull useful new technology into the marketplace. No fee for service, although costs would be met by EXCITE International.
	13 April 2016	Advised that she: ▪ is an observer to the Medicare Benefits Schedule Review Taskforce (Australia).
	10 August 2016	Advised that: ▪ Transition of the National Health Committee business functions into the NZ Ministry of Health was completed on 9 May 2016. The Director-General has since disbanded the NHC executive team.

	▪ Emma Kolbe, her daughter, has taken up a position at ESR (Institute of Environmental Science and Research), Auckland as a forensic scientist working in the national drugs chemistry team. ▪ She is chair, Advisory Council, EXCITE International. ▪ She is member of MidCentral District Health Board's Finance, Risk and Audit Committee.
12 September 2018	Advised that she: ▪ Is strategic clinical lead for Communio and its consortium partners – to deliver coronial post-mortem services from Waikato, Rotorua, Nelson, Dunedin and Southland hospitals, and forensic and coronial post-mortems from Wellington Hospital. ▪ provides strategic governance and management work for Hauora Tairawhiti (Tairawhiti DHB).

WHANGANUI
DISTRICT HEALTH BOARD
Te Poari Hauora o Whanganui

DRAFT
Minutes
Public session

Whanganui District Health Board
held in the Board Room, Fourth Floor, Ward/Administration Building
Whanganui Hospital, 100 Heads Road, Whanganui
on Friday, 28 June 2019, commencing at 10.00am

Present
Mr Stuart Hylton, Deputy Chair
Mr Charlie Anderson, Member
Mrs Philippa Baker-Hogan, Member
Ms Maraea Bellamy, Member
Mrs Jenny Duncan, Member
Mr Darren Hull, Member
Mrs Judith MacDonald, Member
Ms Annette Main, Member

Apologies
Mrs Dot McKinnon, Board Chair
Mr Graham Adams, Member
Dame Tariana Turia, Member

In attendance
Mr Russell Simpson, Chief Executive
Mrs Nadine Mackintosh, Board Secretariat
Ms L Adams, Director of Nursing
Mr Mark Dawson, Communications Manager
Mrs Rowena Kui, Director Maori Health
Mr Paul Malan, GM Service Business and Planning
Mr R Gulab, Finance

Public
Ms Debra Smith
Ms Ailsa Stewart
Ms Lucy Drake, reporter from the Chronicle

1. Procedural

1.1 Karakia/reflection
The meeting was opened by A Main delivering a piece on positive communications with our children.

1.2 Apologies

The board resolved to **accept** the apologies from D McKinnon, G Adams and Dame T Turia and **noted** an early departure for J Duncan.

CARRIED

1.3 Continuous Disclosure

1.3.1 Amendments to the Interest Register
The amendment to J Duncan's interest as a Trustee of Four Region's Trust to be actioned.

1.3.2 Declaration of conflicts in relation to business at this meeting
Nil

1.4 Late Items

A brief discussion was held on the notifications and process of alcohol licensing (off license).

The board received the following conflicts of interest
1. S Hylton with his role as a district licensing commissioner and
2. P Baker-Hogan with herrole as a councillor.

Action
An information paper to be provided to CSAC on the expectations of the role of the medical officer of health outsourced to MidCentral DHB considering the previous reporting that the board received from the CMO on the detrimental impact caused by alcohol.

1.5 Confirmation of minutes

1.5.1 17 May 2019
The Board resolved to **accept** the minutes of the meeting held on 5 April 2019 as true and accurate record of the meeting subject to the correction of C Anderson's name on page 14 under heading apologies.

Moved J Duncan **Seconded** J MacDonald **CARRIED**

1.6 Matters Arising

The Board **received** and **noted** the actions reported in the matters arising schedule

The board requested management to undertake a reconciliation of staffing numbers, methodology, safe staffing and look at how we improve our data capturing and reporting.

It was requested that the public agenda includes the reporting of the Board Only session with time requirements to be set in line with the requirements of the discussion.

Board strategy
The Director of Maori provided a verbal update on the process, advising we have draft wording on the vision of thriving communities and completed a draft engagement strategy, the consultation pack and talking point and will be circulated when the words around 'thriving communities' are developed. Following endorsement of the process the appointed members of the Board can commence the engagement programme for socialising the strategy.

Action
Seek guidance from SSC and MoH in relation to public engagement during the election period for the Board strategy that has been in development since mid 2018.

1.7 Board and Committee Chairs Reports

1.7.1 Board Chair
The board noted the apologies for absence of the board chair.

1.7.2 CSAC Chair

The CSAC committee chair reported on the highlight of the presentation on the first 1000 days and how we can affect the health for the children.

Action
A member of the board requested for an update on the Wellbeing budget

2. Chief Executive Report

The paper was taken as read.

Discussion ensued on:
- Te Awhina occupancy levels with acknowledgment on the housing constraints and collaborative work with local agencies to address the issue.
- Spotless are the employer of their staff and pay increases are their responsibility. The DHB are obligated to pay the existing contractual arrangement and not above. Whanganui DHB will consider the positions of other DHBs.

Whanganui District Health Board resolved to:

a. **Receive** the paper entitled chief executive report

b. **Note** the positive partnership with some local schools in particular Whanganui Collegiate and their work with the Whanganui DHB chaplaincy

c. **Note** the financial results for May 2019 and the impacts of IDF outflows, MECA settlements and the Holiday act.

d. **Note** that there is no requirement to pay the spotless services claim $250k for the 2018/19 year under the contract and the next price adjustment is due on 1 August 2019.

Moved S Hylton **Seconded** A Main **CARRIED**

3. Decisions Papers

3.1 Purchase of Ultrasound Machine

The chief executive advised that this paper is in the public to provide transparency and reporting to our public on how we spend the tax payer money. No tendering process was required with this purchase.

Board discussion ensued on sonography resourcing and possibility of donating the equipment to another party for training. The chief executive supported the view to consider donating obsolete equipment where relevant, although on this occasion the equipment was decommissioned as it was not fit for purpose and we would not want to pass the risk and responsibility to another party.

Whanganui District Health Board resolved to:

a. **Receive** the paper detailing the purchase requirements for an ultrasound machine

b. **Note** that due to beneficial standardisation requirements and urgency we have taken the option of an “opt-out” procurement

c. **Note** that the total cost of the replacement programme is within budget.

d. **Approve** the immediate purchase of the Philips EPIQ 5G at a total cost of $151,773.00

Moved S Hylton **Seconded** D Hull **CARRIED**

3.2 Whanganui DHB Fraud Policy

The paper was taken as read.

Whanganui District Health Board resolved to:

a. **Receive** the report 'WDHB Fraud Policy'

b. **Note** that the WDHB Fraud Policy has been reviewed by the Risk and Audit Committee, who recommend it for board approval.

c. **Approve** the WDHB Fraud Policy for a further three-year term, noting that no changes are required to this policy.

Moved C Anderson **Seconded** J MacDonald **CARRIED**

3.3 Internal Audit

The prioritisation and selection process was discussed noting that during the process a number of factors are considered including leverage with other DHB audits and the advice from management and the auditors.

Whanganui District Health Board resolved to:

a. **Receive** the report 'Internal audit programme for 2019/20'.

b. **Note** that the Risk and Audit Committee have approved the internal audit programme for 2019/20, which is provided for the board's information only.

c. **Note** management supports the areas of internal audit approved by the Risk and Audit Committee.

d. **Notes** there is flexibility in the programme that enables it to be amended if necessary.

Moved S Hylton **Seconded** J MacDonald **CARRIED**

3.4 Treasury Policy

The paper was taken as read.

a. **Receive** the report 'WDHB Treasury Management Policy'.

b. **Note** that the WDHB Treasury Management Policy has been reviewed by the Risk and Audit Committee, who recommend it for board approval.

c. **Approve** the WDHB Treasury Management Policy for a further 12 months.

Moved S Hylton **Seconded** J MacDonald **CARRIED**

3.5 Annual Plan 2019/20

The paper was taken as read with full support from the board and acknowledgement of the endorsement from the CSAC committee on 14 June 2019.

Whanganui District Health Board resolved to:

a. **Receive** the draft Statement of intent (2019-2022) with Statement of performance expectations (2019/20) paper.

b. **Note** the Combined Statutory Advisory Committee endorsed board approval of the Statement of intent at the 14 June 2019 committee meeting subject to the changes listed in this paper.

c. **Note** the timeline for publishing of the Statement of intent is 1 July 2019

d. **Note** that the SOI can be amended at any time by providing to the Minister and being tabled in parliament.

e. **Approve** both the Statement of intent and Statement of performance expectations.

f. **Delegate** authority to two board members to sign the Statement of Intent on behalf of the Board

g. **Note** the updated advice and process for finalising the Annual Plan 2019-20

Moved S Hylton **Seconded** P Baker-Hogan **CARRIED**

4. Discussion Papers

4.1 Suicide Prevention Strategy

The paper was taken as read with the verbal advice received in relation to community consultation that will be held over a period of 12 months to ensure true engagement and co-design with our wider community. The chief executive recommended those that are interested should look at the Whanganui Healthy families Facebook page. Members of CSAC noted that the strategy was provided to the committee for discussion on 14 June 2019.

Whanganui District Health Board resolved to:

a. **Receive** the updated Draft Regional Service Plan

b. **Note** the process for finalising the Regional Service Plan

c. **Provide feedback** for the plan writers as appropriate

Moved S Hylton **Seconded** A Main **CARRIED**

Action
Circulate the engagement opportunities for members to share more widely to encourage wider participation.

6.2 Cancer Services Planning Update

The paper was taken as read.

Discussion ensued on service levels for our population due to our reliance on other regional DHBs service provisions, with acknowledgment that we have two centres to support our central region.

Through other forums there has been discussion on implications for districts that don't have the service and considerations of a national cancer service for management of the risk to the service with the limited number of clinical resources to support each service. For considerations will be undertaken in the context of change. Clarification on the local annual planning was provided.

The Whanganui District Health Board resolved to

a. **Receive** the paper giving an update to 2019-20 cancer service planning for Whanganui DHB

b. **Note** that national and regional planning is underway but not yet finalised for 2019-20;

c. **Note** that local planning and activities in the 2019-20 draft annual plan are awaiting feedback from the Ministry of Health.

Moved A Main **Seconded** S Hylton **CARRIED**

5. Information Papers

7.1 Detailed financial report – May 2019

The paper was taken as read noting the reporting received in the matters arising section of the meeting.

The chief executive highlighted the provisions on the Holiday Act are likely to come in higher than anticipated.

Discussion ensued on care of older people noting that across the four we are seeing less in rest home and hospital although more in dementia and an increase in our home level support service with consideration of expenditure versus priorities for our limited resources.

IDF and Community Pharmacy wash-up provisions have had a negative impact on the results.

Whanganui District Health Board resolved to:

a. **Receive** the report 'Detailed financial report – March 2019'.

b. **Note** the March 2019 month-end result is favourable to budget by $288k.

c. **Note** the year-to-date March 2019 result is unfavourable to budget by $148k.

d. **Note** that the forecasted $8.086 million deficit is subject to the following risks:

   i. Operating risks – mainly inter-district flows outflows (around $600k); community pharmacy expenditure; and multi-employer collective agreements (MECA) above 2.43% that are not funded by the Ministry of Health. The Ministry have funded all significant MECA settlements above 2.43% to date except for the single employer collective agreement which impacts Spotless Services staff. Spotless Services have claimed $200k for the 2018/19 financial year.

   ii. Holidays Act compliance – provision was made in the 2017/18 annual accounts of $550k but the cost is likely to be greater. The Risk and Audit Committee will review this issue in more detail at their meeting on 12 June.

   iii. One-off impairment of the National Oracle Solution (now known as Finance, Procurement and Information Management) asset $1,075k held as shares in NZ Health Partnerships is a risk, depending on the sector-wide agreed treatment.

Moved S Hylton **Seconded** G Adams **CARRIED**

7.2 Health and safety report

The paper was taken as read.

Board discussion ensued on the matters of

- Manual handling appears
- Te Awhina in particular day service and implications for staffing and unknown hours of service.
- Aggression in the mental health and addiction service.

The Board thanked management for the changes and further confirmed that by providing a 12 month rolling graph to get a better indication of the trends.

Whanganui District Health Board resolved to

a. **Receive** the paper entitled ‘Health and Safety update’.

b. **Noted** the spike in ED acknowledging this is a national issue and that management are working collaborative with the Police
c. **Noted** that we are trailing emergency pendants which is a dourest alarm with 12/7 response provided by the Police.

Moved J MacDonald **Seconded** M Bellamy **CARRIED**

6. Date of next meeting

The board **received** the dates of the CSAC and Board meetings for August noting that the August meeting has been advertised for Taihape hospital.

7. Reasons to exclude the public

Whanganui District Health Board:

Agrees that the public be excluded from the following parts of the of the Meeting of the Board in accordance with the NZ Public Health and Disability Act 2000 ("the Act") where the Board is considering subject matter in the following table;

Notes that the grounds for the resolution is the Board, relying on Clause 32(a) of Schedule 3 of the Act, believes the public conduct of the meeting would be likely to result in the disclosure of information for which good reason exists for withholding under the Official Information Act 1982 (OIA), as referenced in the following table.

Agenda item	Reason	OIA reference
Whanganui District Health Board minutes of meeting held on 17 May 2019	For reasons set out in the board's agenda of 17 May 2019	As per the board agenda of 17 May 2019
Chief executive's report Board & committee chair reports Risk and Audit Committee minutes of meeting held on 12 June 2019	To enable the district health board to carry out, without prejudice or disadvantage, commercial activities or negotiations (including commercial and industrial negotiations) To protect the privacy of natural persons, including that of deceased natural persons To avoid prejudice to measures protecting the health or safety of members of the public To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or would be likely otherwise to damage the public interest.	Section 9(2)(i) and 9(2)(j) Section 9(2)(a) Section 9(2)(c) Section 9(2)(ba)
Impairment of FPIM Letter of comfort	To enable the district health board to carry out, without prejudice or disadvantage, commercial activities or negotiations (including commercial and industrial negotiations	Section 9(2)(i) and 9(2)(j)
Annual planning update Central region annual plan	To maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any department or organisation in the course of their duty	Section 9 (2) (g) (i)

Persons permitted to remain during the public excluded session

That the following person(s) may be permitted to remain after the public has been excluded because the board considers that they have knowledge that will help it. The knowledge is possessed by the following persons and relevance of that knowledge to the matters to be discussed follows:

Person(s)	Knowledge possessed	Relevance to discussion
Chief executive and senior managers and clinicians present	Management and operational information about Whanganui District Health Board	Management and operational reporting and advice to the board
Board secretariat or board's executive assistant	Minute taking, procedural and legal advice and information	Recording minutes of board meetings, advice and information as requested by the board

Persons permitted to remain during the public excluded session

That the following person(s) may be permitted to remain after the public has been excluded because the board considers that they have knowledge that will help it. The knowledge is possessed by the following persons and relevance of that knowledge to the matters to be discussed follows:

Person(s)	Knowledge possessed	Relevance to discussion
Chief executive and senior managers and clinicians present	Management and operational information about Whanganui District Health Board	Management and operational reporting and advice to the board
Board secretariat or board's executive assistant	Minute taking, procedural and legal advice and information	Recording minutes of board meetings, advice and information as requested by the board

Moved S Hylton **Seconded** M Bellamy **CARRIED**

The deputy chair closed the public session of the meeting and welcomed the new staff from Communications and Planning and funding along with acknowledgements to the member of public for their attendance.

Matters Arising

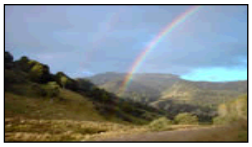
9 August 2019

Topic	Action	Due date
Wellbeing budget	Provide an update to the Board	**Completed verbal update at joint boards**
Suicide Prevention Strategy	Circulate engagement opportunities for members to share more widely to encourage wider participation.	**On-going**
DHB Board Elections	The Chair to discuss process of appointed board members and possibility of factsheet for Maori representative with the Minister	**August**
Fit for Surgery	A presentation from a patient in the programme and consider including a patient story for new patient information.	**October**
Service updates	Urology, renal and chemotherapy updates to outline what we are achieving against targets	**Deferred to September**
Smokefree 2025	Health promotion position to be presented to the Board	**October**

HAUORA-Ā-IWI








Whanganui **Ngā Rauru Kītahi** **Ngāti Hauiti** **Ngā Wairiki - Ngāti Apa** **Mōkai Pātea** **Ngāti Rangi**

23 July 2019

Dot McKinnon
Whanganui District Health Board Chair
Whanganui
Via email to dot@moorelaw.co.nz

Copies to: R. Simpson/R. Kui

Tēnā koe Dot

Re: Hauora-ā-Iwi (HAI) Representation

We have had some changes at the Hauora-ā-Iwi table with Hayden Potaka (Ngaa Rauru Kiitahi) and Valanique Callaghan (Ngāti Rangi) leaving us. We are awaiting advice from Ngāti Rangi as to who their new representative will be.

I am pleased to advise that Ngaa Rauru Kiitahi have appointed Wheturangi Walsh-Tapiata as their representative to Hauora-ā-Iwi

Wheturangi will attend her first ordinary Hauora-ā-Iwi hui on 23 July before joining the Joint Board hui at the WDHB.

Contact details for Wheturangi are:

Mobile:	027 431 4959
Email:	wheturangi.walsh-tapiata@teoranganui.co.nz
Physical address:	c/o Te Oranganui, 57 Campbell Street Whanganui 4541

If you have any queries Dot, please call or text me on 027 555 7747 or email as below.

Nāku noa, nā

Mary Bennett
Chair, Hauora-ā-Iwi
marytrulycontrary@gmail.com

WHANGANUI DISTRICT HEALTH BOARD Te Poari Hauora o Whanganui	**Chief Executive Paper**
	Item 2
Author	Russell Simpson, Chief Executive
Subject	**Chief Executive Report**

Recommendations

Management recommend that the Whanganui District Health Board:

a. **Receives** the paper entitled chief executive report

b. **Notes** the positive review received from MoH for our National Bowel Screening Program readiness assessment.

c. **Notes** the financial results for June 2019 and the impacts of IDF outflows, MECA settlements and the Holiday act.

d. **Note** that there is no requirement to pay the spotless services claim $250k for the 2018/19 year under the contract and the next price adjustment is due on 1 August 2019.

1. National Bowel Screening Program Readiness Assessment

The Ministry of Health undertook a readiness assessment for the national bowel screening programme on 17 July 2019. The feedback from this assessment was favourable.

The review team was impressed and congratulated the implementation team on the preparedness to implementing the bowel screening programme. They found that there was a clear commitment to the National Bowel Screening Program and to the quality of services that will be provided to participants. Of particular note they commented on the commitment from the whole team to achieving equity. The go live date is anticipated to be late September 2019.

2. Health Minister Visit to Whanganui Hospital

Health Minister David Clark got a beautiful surprise when he visited Whanganui Hospital on Wednesday, 3 July with the chance to give one-day old Hauora Nicholls a cuddle, son of our orthopaedic registrar Dr Lincoln Nicholls and his wife Nora.

An information session was attended by DHB staff, GPs, iwi representatives, providers and agencies. The participants shared with the Minister the importance of the 65,000 beds – "your best bed, is your own". The session highlighted the solid foundations established across our community and commitment to work collaborative towards building a resilient community.

3. Te Tohu Rangatira – Whanganui District Health Quality Awards

This year the award have been opened up to embrace all health workers doing good work in the community, including nonclinical staff and volunteers.

There is so much good work going on every day in our busy health sector, but so often it flies under the radar, unnoticed, unremarked. So Te Tohu Rangatira 2019 aims to turn that around and shine a little light on all those making a difference in our community.

There are 10 categories of award and Te Tohu Rangatira 2019 culminates with the winders being unveiled on 6 September at the gala evening at Whanganui Racecourse.

4. Summary financial results for June 2019

The report below shows an adverse variance to budget for the month of $631k and year to date adverse variance of $829k.

STATEMENT OF FINANCIAL PERFORMANCE for the period ended 30 June 2019 ($000s)
CONSOLIDATED

	Month				Year to Date				Annual	
	Actual	Budget	Var		Actual	Budget	Var		Budget 2018-19	Actual 2017-18	
Provider division	149	345	(196)	U	(9,504)	(8,442)	(1,062)	U	(8,442)	(5,504)	U
Corporate	796	159	637	F	1,084	27	1,057	F	27	1,189	F
Provider & Corporate	**945**	**504**	**441**	**F**	**(8,420)**	**(8,415)**	**(5)**	**U**	**(8,415)**	**(4,315)**	**F**
Funder division	(1,012)	191	(1,203)	U	(751)	526	(1,277)	U	526	(366)	U
Governance	123	(8)	131	F	456	3	453	F	3	502	F
Funder division & Governance	**(889)**	**183**	**(1,072)**	**U**	**(295)**	**529**	**(824)**	**U**	**529**	**136**	**U**
Net Surplus/(Deficit) before one-off	**56**	**687**	**(631)**	**U**	**(8,715)**	**(7,886)**	**(829)**	**U**	**(7,886)**	**502**	**U**
NoS Impairment	(1,048)	–	(1,048)	U	(1,048)	–	(1,048)	U	–	–	U
Holiday pay provision	(1,541)	–	(1,541)	U	(1,541)	–	(1,541)	U	–	–	U
One-off	**(2,589)**	**–**	**(2,589)**	**U**	**(2,589)**	**–**	**(2,589)**	**U**	**–**	**–**	**U**
Net Surplus / (Deficit)	**(2,533)**	**687**	**(3,220)**	**U**	**(11,304)**	**(7,886)**	**(3,418)**	**U**	**(7,886)**	**(4,179)**	**U**

Note :- F = Favourable variance; U = unfavourable variance

June month - key variances contributing to $642k adverse impact.
Funder $1,203k adverse
The funder was $1,203k adverse to budget with Ministry of Health wash up advice received for IDF flows community pharmacy $210k (MCH and Capital Coast) and Outpatients $231k (MCH Chemotherapy and Oncology). In additional IDF inpatient volumes were 48 case-weight adverse or $243k. MOH also provided late advice of a revised "in between travel" wash-up received in January 2019 which was adverse $209k. In additional MOH top sliced $109k off the funding being the estimated cost for helicopter transfers. This adverse impact was offset by a favourable variance in the provider who reversed an accrual for the cost line.

Governance and Admin $131k favourable
This is due to personnel costs, professional fees, other operating costs, staff travel and board costs

Provider and Corporate $441 favourable
Personnel and outsourced were $176k adverse to budget reflecting higher nursing for medical and surgical and locum doctor costs. This was offset significantly by favourable variances in depreciation, corporate training and regional IT expenditure.

One off costs of $2,589k are unbudgeted
The Ministry of Health directed DHBs that these one off costs be shown separately to the operating results due to their historical nature. Write off the National Oracle System investment has previously been approved by the board $1,048k, whilst review of compliance with the Holidays Act following DHB, MBIE and Union agreement on interpretation of the Act amounts to an additional $1,590k. Previous provisions of $550k have been made in 2015/16 and 2016/17 years with our total provision at 30 June 2019 being $2,091k.

After discussion with Deloitte auditor the $354k restructuring provision for proposed restructure (released July 2019) has been included in 2019/20 budget. The liability does not arise until a final decision is made to restructure in the third week in August 2019.

June 2019 year to date results vs budget
Funder $1,277k adverse

IDFs were identified as a risk in the plan in 2018/19 with volume being based on an average of the previous four years. Including inpatient inflows total variance to budget was $2,613k. Across the three years the major growth has been in acute volumes with Capital Coast being the major contributor.

Inpatient IDF caseweight outflows				
	2016/17	2017/18	2018/19	Budget 18/19
Acute	2,476	2,825	2,852	
Elective	1,450	1,383	1,578	
Total	3,926	4,208	4,430	4,022
Growth Cwds		282	222	
IDF cost growth		$1,400k	$1,125k	
Cwds variance to budget				408
variance to budget $				$2,067k

- In addition to inpatient unfavourable variance there has been growth in Community pharmacy costs and outpatient IDFs mostly at Mid Central relating to Oncology and Radiation therapy.
- In addition there were unfavourable wash-ups for Outpatient $291k (Mid central Chemo-therapy and Oncology) and Community Pharmacy $190k. (mostly Mid Central and Capital Coast)
- Aged care activity overall was in line budget for the year with small reduction in residential care offset by increase in costs to care for people at home.
- Community pharmacy was $281k unfavourable to budget.
- There was a favourable elective wash-up with the provider of $1,124k and in between travel wash-up of $625k.

Governance $453k favourable
Governance was $453k favourable to budget due to personnel costs, professional fees and board costs. The personnel savings related to staff movements which resulted in periods of vacancy. Also as a result the consultancy budget activity was lower.

Provider and corporate $5k favourable
Revenue is $225k adverse to budget mostly due to ACC.

Staff costs including outsourced is on budget overall. What is notable is high doctor locum costs offsetting vacancies. Nursing costs were driven by 12 FTE higher than budget overall driven by acute load particularly Medical, ATR, ED and Mental Health. Vacancies in Allied Health helped to offset the impact. The nursing impact and additional locum cost for Doctors is expected to continue impact in 2019/20.

Clinical Supplies are $610k adverse to budget driven by new IV therapy system and pharmaceuticals and cost of patient transfers out. This impact was offset by $808k savings in IT costs, depreciation, corporate training and various other.

The detailed financial report for May is included as ***Information item 5.1***.

WHANGANUI DISTRICT HEALTH BOARD Te Poari Hauora o Whanganui	**Decision paper**
	Item 3.1
Author	Rowena Kui, Kaiuringi, Director Māori Health
Subject	WDHB Board Strategic Direction

Recommendations

Management recommend the board of Whanganui District Health Board:

a. **Receives** the paper entitled WDHB Board Strategic Direction
b. **Notes** the acceptance of the descriptor for thriving communities with Hauora A Iwi and the joint meeting
c. **Adopts** the descriptor for "Thriving Communities"
d. **Accepts** the key message for use a discussion points
e. **Agrees** to a soft socialisation process with community
f. **Endorses** the next steps

Appendix

3.1.1 Strategic direction – drivers and enablers

3.1.2 WDHB Strategic Direction Infographic

1. Purpose

This paper provides an update on the WDHB strategic direction socialisation.

2. Background

The WDHB board has been working on revitalising the WDHB strategic direction and Hauora A Iwi have attended strategic sessions and received information on progress.

The Whanganui DHB Board resolved the following on 17 May 2019

a. **Accept** the strategic drivers and enablers
b. **Accept** the vision of "thriving communities"
c. **Agreed** that a Maori translation for the strategic vision, drivers and enablers is required.
d. **Adopt** in principle the Whanganui DHB Board Strategic Direction with socialising for endorsement with our iwi, partners and community.

The strategic direction, strategic drivers, enablers and objectives ***Appendix 3.1.1*.**

The Hauora A Iwi board and Whanganui DHB board resolved to

a. **Receives** the paper entitled WDHB Board Strategic Direction
b. **Confirmed** the descriptor of "Thriving Communities" as "**Together we build resilient communities, with empowered whanau and individuals to determine their own wellbeing.**"
c. **Endorses** the next steps

Moved C Anderson **Seconded** H Gifford **CARRIED**

3. Descriptor and Socialisation

The board confirmed with Hauora A Iwi board at the joint board hui on 23 July 2019 the thriving communities descriptor "**Together we build resilient communities, with empowered whanau and individuals to determine their own wellbeing.**"

The following points were agreed as key messages that could be used as examples:

- Whānau/family centred care and services are delivered in the most appropriate environment and setting.
- Health services are delivered by the right person, at the right time, and in the right place, which may not necessarily be at a hospital.
- Whānau/families and individuals are empowered to make healthy choices and to take control of the social determinants that impact on their health.
- People are forward-thinking, putting their health and that of those around them at the core of all activities, and keeping themselves engaged with the health system.
- Health providers, agencies, social organisations and iwi work in partnership to build resilient and robust communities.
- The emphasis is on prevention rather than cure; on staying well rather than being ill.
- The community is mutually supportive and does not discriminate against any of its members on the grounds of race, ethnicity, disability, religion or sexual orientation.
- People will know where to go for help and advice; people will be happy to ask for help and advice; people will be ready to give help and advice.
- People will look out for one another.

Infographic

The infographic uses the waka to symbolises our culture and values as a DHB work for our community and is linked to our whakatauki and waka values. *Appendix 3.1.2*

Socialisation

The board have agreed that we have already commenced socialising our strategic direction and we will continue to undertake the soft socialisation approach as follows.

Iwi and Maori communities

Hauora Ā Iwi members would discuss at their leadership hui over the next two months. Management will provide a communication pack to support the korero.

Staff

Management will talk to staff about the WDHB strategic direction as part of the Proposal for Change - developing a responsive and efficient healthcare system. Also included in key documents, on the WDHB website, included in presentations, on the values poster and as manager's talk about our organisation in all settings.

Communities

Reflect in media releases, referred to in board discussion and include in board and committee papers as appropriate. Update the WDHB internet and intranet.

Governance and provider partners

Chief executive and executive team, board members can continue to include in conversation, hui and when providing information to governance partners, providers and agencies.

Ministry of Health and DHBs

Already socialised through current planning documents, information and hui.

Next steps

1. Confirm the descriptor of the vision of Thriving Communities.
2. Confirm the infographic including kupu Māori.
3. Include the descriptor and infographic in WDHB board papers 9 August 2019.
4. Compile the communication pack for Hauora A Iwi by 16 August 2019.
5. Disseminate the descriptor and infographic to executive team to discuss with teams and continue to reflect in work streams, initiatives and service improvements 16 August 2019.

WHANGANUI DISTRICT HEALTH BOARD Te Poari Hauora o Whanganui	**Decision paper**
	Item 3.2
Author	Rowena Kui, Kaiuringi, Director Māori Health
Subject	**2019 WDHB Board induction programme**

Recommendations

It is recommended that the WDHB and Hauora A Iwi boards :

a. **Receives** the paper entitled 2019 WDHB Board induction programme.
b. **Notes** the programme was endorsed for board approval at the joint HAI and WDHB meeting
c. **Endorses** the agenda, proposed dates and next steps for the WDHB board induction programme

1. Purpose

The purpose of the paper to inform the Whanganui DHB board of the proposed induction programme for the newly elected 2019 WDHB board.

2. Background

Following the 2017 DHB election the board induction programme included an overview of relevant legalisation, DHB strategy and services; and for the first time Hapai Te Hoe cultural awareness and education. Over the following months, members had the opportunity to attend information sessions on particular aspects of DHB responsibilities and functions such as management of inter district flows, patient safety and risk management etc.

On reflection, the 2017 program was lengthy and too detailed; primarily DHB and hospital focused and included legislative responsibilities and accountabilities that are part of the Ministry of Health induction programme for newly elected Boards.

3. Proposed 2019 Program

The purpose of the induction programme is to assist the new board with their understanding of our local system, our strategic direction and how we are going to get there, DHB values, partners and priorities and the key discussions that are likely to be held during a board or committee meeting.

Described below is the proposed dates and programme content:

3.1 Pre reading

The WDHB information for candidate's booklet has been revised to reflect our strategy and direction, demographic information, services and legislative accountabilities outlined in *Appendix 3.2.1*.

The booklet will referenced as pre reading and the induction programme will be delivered in a relaxed conversational manner, supported with short snappy slides.

3.2 Day One Tuesday 29 October 2019

Powhiri – Te Piringa Whānau

Presentation on the following topics:

- WDHB Strategic Direction - WDHB board chair
- Our approach : relationships with communities, working across systems, partnering with families and organisational culture - chief executive

Morning Tea

Partnership with Iwi – Hauora A Iwi chair and Pahia Turia

Lunch with Hauora A Iwi

Hapai te Hoe cultural awareness programme

3.3 Day Two Wednesday 30 October 2019

- Hapai te Hoe cultural awareness programme
- Waka journey

4. Board workshop topics

The following topic's will be provided as workshops as part of the six weekly board meetings.

December 2019

Maori Health and Equity (Pro-equity and Waitangi Tribunal) - Gabrielle Baker and director Māori health

January 2020

Corporate - information, finances and risk

March 2020

Planning and commissioning - priorities and WALT

May 2020

Services and professions - challenges and opportunities, rural and community

July 2020

Patient Safety - innovation and evaluation

Acknowledgement of the foundational relationships for our community

Management recommend that we hold a Christmas gathering with the key governance and relationship partners that are working towards community lead outcome improvements.

5. Next Steps

The following dates have been confirmed for the induction programme for the new board. It is essential for all new board members to attend a powhiri prior to the first board meeting in December 2019.

WHANGANUI DISTRICT HEALTH BOARD Te Poari Hauora o Whanganui	**Decision paper**
	Item 3.3
Author	Brian Walden, general manager corporate
Subject	**Allied Laundry Services Limited – change of director**

Recommendations

Management recommend that the board:

1. **Receive** the report 'Allied Laundry Services Limited – change of director'.
2. **Approve** that Lucy Adams, director of nursing, be appointed as WDHB's director on the Allied Laundry Services Limited Board, effective from 1 October 2019.
3. **Note** that the chief executive will continue to act as an alternative director if the director of nursing is unavailable.

1 Purpose

To confirm the appointment of Lucy Adams, director of nursing, as a director of Allied Laundry Services Limited, to replace Brian Walden, general manager corporate.

2 Background

Allied Laundry Services Limited provides laundry services to Whanganui, MidCentral, Taranaki, Wairarapa, Hawke's Bay, Hutt Valley and Capital and Coast District Health Boards. As outlined in the Shareholders Agreement, Whanganui District Health Board's shareholding is approximately 17%.

The Constitution of Allied Laundry Services Limited requires each district health board to appoint one director, who is either a board member or employee of the DHB.

In addition, the board may also appoint an alternative director who can act if the appointed director is unavailable. Management consider that it is important to have an alternative director available to ensure the board maintains representation for key decisions that need to be made.

The WDHB's current director is Brian Walden, general manager corporate. Brian has announced his resignation from the WDHB, effective from 25 October 2019. Therefore, the board needs to appoint a new director of Allied Laundry Services Limited.

3 Management comment

At its meeting on 16 July 2019, the executive management team recommended that Lucy Adams, director of nursing, be appointed as WDHB's director on Allied Laundry. They also recommended that Russell Simpson, chief executive, continue to act as an alternative director.

WHANGANUI DISTRICT HEALTH BOARD Te Poari Hauora o Whanganui	**Information paper**
	Item 4.1
Author	Brian Walden, General Manager Corporate
Subject	**Detailed financial report – June 2019**

Recommendations

Management recommend that the board:

1 **Receive** the report 'Detailed financial report – June 2019'.

2 **Note** the June 2019 month-end result of $0.056m surplus is unfavourable to budget by $631k.

3 **Note** the year-to-date June 2019 result of $8.751m deficit is unfavourable to budget by $829k.

4 **Note** that the interim year-end result is $8.781m deficit compared to the forecast $8.086m deficit and is $695k unfavourable to forecast.

5 **Note** the additional one-off costs of $2.590m are additional to the above operating results and are due to the write-off of the National Oracle Solution investment and the provision for potential liability to achieve compliance with the Holidays Act 2003.

STATEMENT OF FINANCIAL PERFORMANCE for the period ended 30 June 2019 ($000s)
CONSOLIDATED

	Month				Year to Date				Annual		
	Actual	Budget	Var		Actual	Budget	Var		Budget 2018-19	Actual 2017-18	
Provider division	149	345	(196)	U	(9,504)	(8,442)	(1,062)	U	(8,442)	(5,504)	U
Corporate	796	159	637	F	1,084	27	1,057	F	27	1,189	F
Provider & Corporate	**945**	**504**	**441**	**F**	**(8,420)**	**(8,415)**	**(5)**	**U**	**(8,415)**	**(4,315)**	**F**
Funder division	(1,012)	191	(1,203)	U	(751)	526	(1,277)	U	526	(366)	U
Governance	123	(8)	131	F	456	3	453	F	3	502	F
Funder division & Governance	**(889)**	**183**	**(1,072)**	**U**	**(295)**	**529**	**(824)**	**U**	**529**	**136**	**U**
Net Surplus/ (Deficit) before one-off	**56**	**687**	**(631)**	**U**	**(8,715)**	**(7,886)**	**(829)**	**U**	**(7,886)**	**502**	**U**
NoS Impairment	(1,048)	-	(1,048)	U	(1,048)	-	(1,048)	U	-	-	U
Holiday pay provision	(1,541)	-	(1,541)	U	(1,541)	-	(1,541)	U	-	-	U
One-off	**(2,589)**	**-**	**(2,589)**	**U**	**(2,589)**	**-**	**(2,589)**	**U**	**-**	**-**	**U**
Net Surplus / (Deficit)	**(2,533)**	**687**	**(3,220)**	**U**	**(11,304)**	**(7,886)**	**(3,418)**	**U**	**(7,886)**	**(4,179)**	**U**

Note :- F = Favourable variance; U = unfavourable variance

Overview

Result for the month of June 2019 was unfavourable to budget by $3,220k

This was mainly due to the impairment of the National Oracle Solution $1,048k and Holidays Act compliance provision of $1,541k.

- Provider $196k unfavourable to budget result was mainly due to higher nursing personnel costs, medical personnel including locum costs, outsourced clinical services including radiology, rest home and ACC contract, clinical supplies (mainly pharmaceutical). This was partly offset by cervical screening revenue, internal revenue and non-clinical supplies costs.
- Corporate $637k favourable to budget was due to IT costs, corporate training, other operating expenses and depreciation costs.
- Governance $131k favourable to budget was due to personnel costs, professional fees, other operating expenses, staff travel and board expenses.
- Funder $1,203k unfavourable to budget was mainly due to the wash up provision for community pharmacy IDFs, outpatient IDFs, inpatient IDFs, inter-hospital transfers (offset by provider patient travel costs) and mental health other provider costs.

Year-to-date June 2019 result was unfavourable to budget by $3,418k

- Provider $1,062k unfavourable to budget result was mainly due to nursing personnel, medical locum costs, clinical supplies (mainly wards and pharmaceuticals), facility maintenance costs and outsourced clinical services (mainly in radiology). This was partly offset by theatre consumables due to lower elective surgery output, accreditation costs and additional MECA funding received.
- Corporate $1,057k favourable to budget was due to IT personnel costs (vacancies), corporate training, IT Regional Digital Health Services (formerly known as the Regional Health Informatics Programme) favourable wash up and depreciation costs. This was partly offset by NZ Health Partnerships costs and the National Oracle Solution write-off.
- Governance $453k favourable to budget was due to personnel costs, professional fees, other operating expenses, board fees and board expenses.
- Funder $1,277k unfavourable to budget was mainly due to greater than expected expenditure on inter-district flows, community pharmaceuticals, older people home-based support services, aged residential care rest homes and mental health provider. This was partly offset by the elective wash up with own provider (internal), as well as less than expected patient travel subsidies, hospital aged residential care expenditure, a one-off favourable wash up on in-between travel and the current year funding wash up.

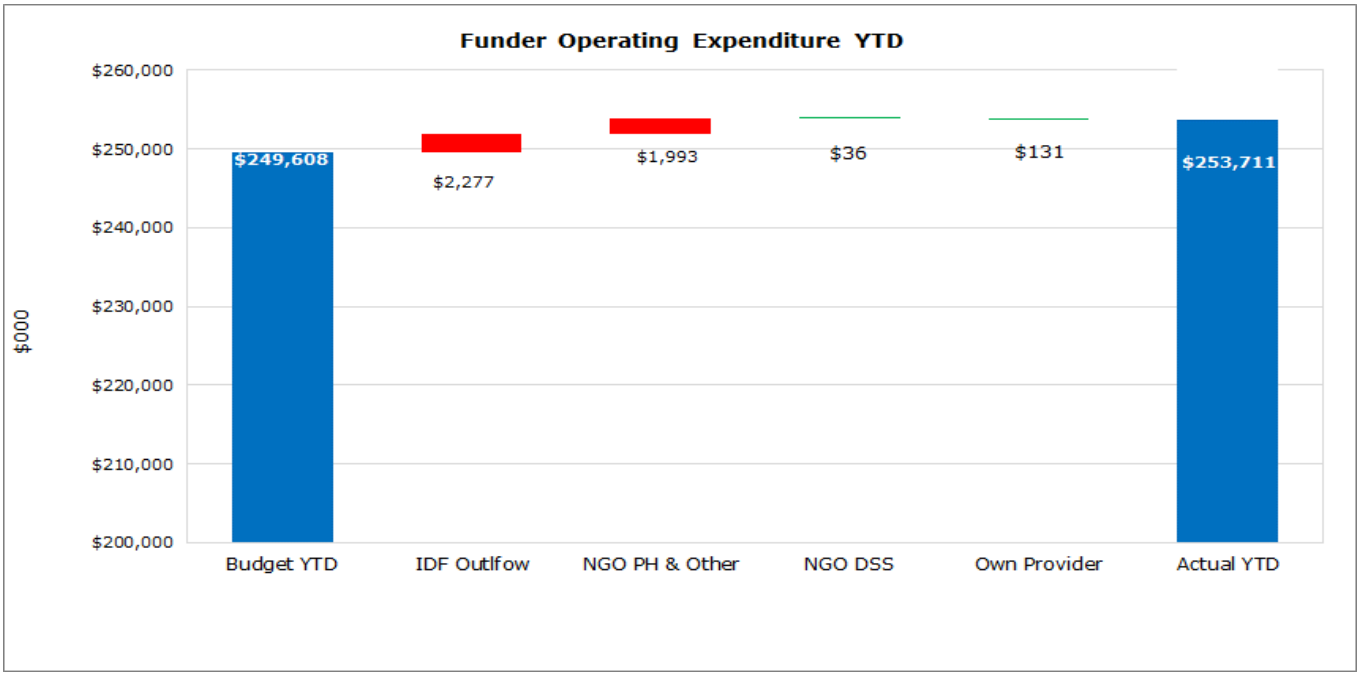
1. Funder financial performance

STATEMENT OF FINANCIAL PERFORMANCE for the period ended 30 June 2019 ($000s)
FUNDER DIVISION

	Month				Year to Date				Annual	Annual
	Actual	Budget	Variance		Actual	Budget	Variance		Budget 2018-19	Actual 2017-18
Personal Health	(514)	126	(640)	U	(1,456)	120	(1,576)	U	120	(2,719)
Disability Support	(205)	27	(232)	U	689	-	689	F	-	991
Public Health	(4)	-	(4)	U	128	-	128	F	-	131
Maori Services	11	7	4	F	59	-	59	F	-	93
Other	35	31	4	F	315	406	(91)	U	406	502
Mental Health	(335)	-	(335)	U	(486)	-	(486)	U	-	636
Net Surplus / (Deficit)	**(1,012)**	**191**	**(1,203)**	**U**	**(751)**	**526**	**(1,277)**	**U**	**526**	**(366)**

STATEMENT OF FINANCIAL PERFORMANCE for the period ended 30 June 2019 ($000s)
FUNDER DIVISION

	Month				Year to Date				Annual	Annual
	Actual	Budget	Variance		Actual	Budget	Variance		Budget 2018-19	Actual 2017-18
REVENUE										
Government and Crown agei	20,229	20,301	(72)	U	245,570	242,267	3,303	F	242,267	234,232
Inter-district Inflow	382	622	(240)	U	7,075	7,461	(386)	U	7,461	7,313
Other Income Revenue	35	31	4	F	315	406	(91)	U	406	502
Total Revenue	**20,646**	**20,954**	**(308)**	**U**	**252,960**	**250,134**	**2,826**	**F**	**250,134**	**242,047**
EXPENDITURE										
Personal Health	8,396	8,288	(108)	U	98,831	99,079	248	F	99,079	95,358
Disability Support	268	268	-	F	3,214	3,214	-	F	3,214	3,054
Mental Health	1,529	1,529	-	F	18,367	18,343	(24)	U	18,343	17,897
Public Health	14	6	(8)	U	166	73	(93)	U	73	245
Maori Services	9	9	-	F	110	110	-	F	110	108
Total own provider expendit	**10,216**	**10,100**	**(116)**	**U**	**120,688**	**120,819**	**131**	**F**	**120,819**	**116,662**
Personal Health	3,365	3,635	270	F	45,146	44,049	(1,097)	U	44,049	42,352
Disability Support	2,617	2,403	(214)	U	29,118	29,154	36	F	29,154	28,575
Mental Health	853	641	(212)	U	8,882	7,688	(1,194)	U	7,688	7,380
Public Health	90	91	1	F	855	1,094	239	F	1,094	869
Maori Services	127	131	4	F	1,595	1,654	59	F	1,654	1,557
Inter-district Outflow	4,060	3,432	(628)	U	43,466	41,189	(2,277)	U	41,189	41,134
Total Other provider expend	**11,112**	**10,333**	**(779)**	**U**	**129,062**	**124,828**	**(4,234)**	**U**	**124,828**	**121,867**
Governance	330	330	-	F	3,961	3,961	-	F	3,961	3,884
Total Expenditure	**21,658**	**20,763**	**(895)**	**U**	**253,711**	**249,608**	**(4,103)**	**U**	**249,608**	**242,413**
Net Surplus / (Deficit)	**(1,012)**	**191**	**(1,203)**	**U**	**(751)**	**526**	**(1,277)**	**U**	**526**	**(366)**



Comments on results	
	Positive
Month comments	
Funder $1,203k favourable to budget, mainly due to IDF wash up community pharmacy $210k (MidCentral DHB $118k and Capital and Coast DHB $45k), outpatient wash up $231k (MidcCntral DHB IV chemotherapy and oncology radiotherapy, offset by renal medicine $215k), IDF inpatient CWD $243k (48 CWD), in-between travel prior year wash up as per Ministry of Health advice $209k, inter-hospital transfer (offset by provider) $119k, domiciliary and district nursing $68k, internal wash up $116k, mental health suicide prevention $32k; partly offset by other various underspends $25k.	
Year-to-date comments	
Funder $1,277k unfavourable to budget is mainly due to greater than expected expenditure on inter-district flows for community pharmacy, community pharmaceuticals, older people home-based support services, aged residential care rest homes and mental health provider. This was partly offset by the elective wash up with own provider (internal), less than expected patient travel subsidies, hospital aged residential care expenditure, a one-off favourable wash up on in-between travel, and the current year funding wash up.	

Funder YTD variance to budget	**Variance $000**	**Impact on forecast**
Revenue	**$2,826 F**	
Crown revenue	**$3,303,F**	
▪ Personal health – PSA nurses and allied health MECA settlement	$462 F	Offset by costs
▪ Personal health side contract – primary care top-up	$1,108 F	Offset by costs
▪ Personal health side contract – after hours funding for zero fees	$16 F	
▪ Personal health side contract – school-based health	$235 F	Offset by costs
▪ Personal health side contract – cardiovascular screening	$36 F	
▪ Personal health side contract – Well Child Tamariki Ora	$25 F	Offset by costs
▪ Personal health side contract – contraception access	$38 F	
▪ Personal health side contract – ACC fit for surgery contract	$9 F	Offset by costs
▪ Personal health – ACC SAAT admin and management fee	$11 F	
▪ Personal health – falls prevention	$34 F	
▪ Personal health – ACC injury prevention	$75 F	Offset by costs
▪ Personal health – first contact	($44) U	
▪ Personal health – practice sustainability	($42) U	Offset by costs

▪ Personal health – inter-hospital transfer	($120) U	
▪ Personal health – minor other	($39) U	
▪ Health of older people – in-between travel wash up	$625 F	Prior year wash up
▪ Health of older people – pay equity	$108 F	Offset by costs
▪ Health of older people – autism spectrum disorder	(15) U	
▪ Mental health – sleepover	$6 F	Offset by costs
▪ Mental health – AOD	$6 F	Offset by costs
▪ Mental health – pay equity	$748 F	Offset by costs
▪ Public health – cervical and newborn hearing screening	($18) U	Offset by costs
Inter-district inflows – close to budget	**($386) U**	
Other income – mainly interest	**($91) U**	
Expenditure	**($4,103) U**	
Payment to own provider	**$131 F**	
▪ Personal health – elective wash up	$1,124 F	No overall impact – offset by provider internal revenue
▪ Personal health – PSA nurses and allied health MECA settlement	($462) U	
▪ Personal health – adolescent dental demand-driven	($8) U	
▪ Personal health – pharmaceuticals	($281) U	
▪ Personal health – school-based health	($125) U	
▪ Public health – Smokefree	($93) U	
▪ Mental health AOD	($24) U	
Payment to external provider (excluded IDF)	**($1,957 U**	
Personal health	**($1,097) U**	
▪ Laboratory	($118) U	Uplift not budgeted
▪ Dental service	($18) U	
▪ Pharmaceutical	($340) U	
▪ General medical subsidy	($88) U	Partly offset by primary health care
▪ Primary health care	($784) U	Offset by revenue
▪ Rural support	$82 F	
▪ Immunisation	($25) U	
▪ Domiciliary and district nursing	($337) U	
▪ Community-based allied health – home (offset by mental health advocacy peer support family and whānau)	$242 F	Offset by mental health costs
▪ Surgical outpatient and other	$94 F	
▪ Minor expenses	(35) U	Offset by public health
▪ Price adjuster premium and other minor expenses	$75 F	
▪ Travel and accommodation	$155 F	
Health of older people	**$36 F**	Offset by revenue
▪ Pay equity	($114) U	Offset by revenue
▪ Personal care and household management	$66 F	
▪ Age-related residential care	($168) U	
▪ Residential care hospitals	$257 F	
▪ Ageing in place	($168) U	
▪ Respite care	$73 F	
▪ Day programmes	$34 F	
▪ Carer support	$43 F	
▪ Need assessment and other	$13 F	
Mental health	**($1,194) U**	
▪ Mental health – pay equity	($748) U	Offset by revenue
▪ Sub-acute and long-term inpatient	($56) U	
▪ Child and youth mental health service (mainly primary mental health services initiatives – youth)	($58) U	
▪ Advocacy peer support family and whānau (offset by personal health community-based allied health)	($200) U	Offset by costs under personal health
▪ Community residential beds	($58) U	not budgted
▪ Mental health funded services for older people	$58 F	Not contracted
▪ Minor mental health – suicide prevention	($32) U	

▪ Various other – pay equity overpayment	($100) U	
Public health side contracts	**$239 F**	
▪ Tobacco control and other	$93 F	Offset by own provider cost
▪ Screening programme and other	$7 F	Offset by revenue
▪ Nutrition and physical activity and other (obesity strategy cost paid to Whanganui Sports Foundation through personal health minor expenses, $30k saving due to timing of the contract start date)	$139 F	Offset by costs under personal health minor expenses
Māori health service	**$59 F**	Offset by costs under personal health
Inter-district outflows	**($2,277) U**	
▪ Based on 12-month rolling average, mainly in cardiology, cardiothoracic, neurosurgery, specialist neonates and general surgery	($2,277) U	Longer-term trend uncertain, volume varies month-to-month

Governance and funding administration financial performance		
Month comments		
The result was $131k favourable to budget due to personnel costs related to leave and vacancies, operating expenses, professional fees and board expenses.		
Year-to-date comments		
The result was $453k favourable to budget due to other operating expenses, professional fees, board fees and expenses, and personnel costs.		**Positive**
	Variance $000	**Impact on forecast**
▪ Personnel costs	$167 F	
▪ Staff travel and accommodation	$22 F	
▪ Professional fees	$200 F	
▪ Board expenses, advisory committee fees, corporate training, printing, forms and stationery	$37 F	
▪ Photocopier rental and other	$27 F	

Provider and corporate financial performance

STATEMENT OF FINANCIAL PERFORMANCE for the period ended 30 June 2019 ($000s)
PROVIDER & CORPORATE

	Month				Year to Date				Annual	Actual
	Actual	Budget	Variance		Actual	Budget	Variance		Budget	2017-18
REVENUE										
Government and Crown agency	1,830	1,715	115	F	11,301	11,608	(307)	U	11,608	10,508
Funder to Provider Revenue (internal)	10,216	10,100	116	F	120,688	120,819	(131)	U	120,819	116,987
Other income	320	323	(3)	U	1,742	1,529	213	F	1,529	1,382
Total Revenue	**12,366**	**12,138**	**228**	**F**	**133,731**	**133,956**	**(225)**	**U**	**133,956**	**128,877**
EXPENDITURE										
Personnel										
Medical	1,798	1,982	184	F	22,357	23,786	1,429	F	23,786	21,788
Nursing	3,342	3,227	(115)	U	39,990	39,471	(519)	U	39,471	34,978
Allied	996	973	(23)	U	11,719	12,471	752	F	12,471	10,861
Support	72	62	(10)	U	852	794	(58)	U	794	745
Management & Admin	846	875	29	F	11,199	11,234	35	F	11,234	10,332
Total Personnel(Exl other & outsourced)	**7,054**	**7,119**	**65**	**F**	**86,117**	**87,756**	**1,639**	**F**	**87,756**	**78,704**
Personnel Other	247	227	(20)	U	2,319	2,163	(156)	U	2,163	1,720
Outsourced Personnel	776	535	(241)	U	7,105	5,980	(1,125)	U	5,980	5,912
Total Personnel Expenditure	**8,077**	**7,881**	**(196)**	**U**	**95,541**	**95,899**	**358**	**F**	**95,899**	**86,336**
Outsourced Clinical Service	697	616	(81)	U	7,447	7,103	(344)	U	7,103	6,888
Clinical Supplies	1,358	1,276	(82)	U	16,571	15,961	(610)	U	15,961	15,102
Infrastructure & Non Clinical Supplies Costs	498	1,055	557	F	13,061	13,754	693	F	13,754	13,286
Capital Charge	280	284	4	F	3,521	3,543	22	F	3,543	3,262
Depreciation & Interest	477	489	12	F	5,423	5,517	94	F	5,517	5,206
Internal Allocation	34	33	(1)	U	587	594	7	F	594	696
Total Other Expenditure	**3,344**	**3,753**	**409**	**F**	**46,610**	**46,472**	**(138)**	**U**	**46,472**	**44,440**
Total Expenditure	**11,421**	**11,634**	**213**	**F**	**142,151**	**142,371**	**220**	**F**	**142,371**	**130,776**
Net Surplus / (Deficit) before one-off	**945**	**504**	**441**	**F**	**(8,420)**	**(8,415)**	**(5)**	**U**	**(8,415)**	**(1,899)**
NoS Impairment	1,048	-	(1,048)		1,048	-	(1,048)		-	-
Holiday pay provision	1,541	-	(1,541)		1,541	-	(1,541)		-	-
Total one-off	**2,589**	**-**	**(2,589)**	**U**	**2,589**	**-**	**(2,589)**	**U**	**-**	**-**
Net Surplus / (Deficit) after one-off	**(1,644)**	**504**	**(2,148)**	**U**	**(11,009)**	**(8,415)**	**(2,594)**	**U**	**(8,415)**	**(1,899)**
FTEs										
Medical	104.6	115.1	10.5	F	103.9	112.3	8.5	F	112.3	101.2
Nursing	489.0	454.4	(34.6)	U	466.6	455.0	(11.6)	U	455.0	424.2
Allied	158.2	159.9	1.7	F	151.5	160.7	9.2	F	160.7	147.5
Support	16.4	15.9	(0.4)	U	15.6	16.0	0.4	F	16.0	14.8
Management & Admin	177.4	170.5	(6.9)	U	172.2	171.4	(0.8)	U	171.4	166.1
Total FTEs	**945.6**	**915.8**	**(29.8)**	**U**	**909.7**	**915.4**	**5.7**	**F**	**915.4**	**853.9**

Comments on result	**Positive**

Month comments

Inpatient volumes were 98.7% to target in June 2019, with acute at 98.2% and elective at 99.9% of budget for the month.

The overall result for the month was $2,148k unfavourable to budget (excluding Holidays Act compliance provision and FPIM impairment, result would have been $441k favourable to budget).

- **Revenue $228k favourable to budget** – mainly due to:
  - Internal revenue $116k favourable related to school-based health services $21k, Smokefree $7k, additional PSA nurses and allied health MECA settlement funding $46k and pharmaceutical and dental $42k.
  - Government revenue $115k favourable due to ACC contract $25k (offset by costs), ACC non-acute inpatient $24k, bowel screening $73k, cervical screening $51k. This was partly offset by Health Workforce revenue, volume $54k and various other $4k.
  - Other income $3k unfavourable mainly related to prison contract $14k. This was partly offset by ACC contract revenue $11k.
- **Total personnel costs $196k unfavourable** to budget, mainly due to high nursing costs in the Medical Ward, ED, AT&R Ward, AT&R community service, mental health service and Paediatric Ward; medical personnel outsourced locum costs to cover vacancies in ED, mental health, RMOs, gynaecology and maternity leave in general medicine. Support and management personnel costs relate to the MECA uplift.
- **Outsourced clinical and other services $81k unfavourable** to budget, mainly due to ACC contract $32k, radiology $37k, rest home convalescence $22, dental $11k. This was partly offset by NZHP $14k, DHB infectious disease support (from SMOs at Capital and Coast DHB) $5k, and various other $2k.
- **Clinical supplies $82k unfavourable** to budget, mainly due to pharmaceutical costs $76k and dental supplies $28k. This was partly offset by radiology $11k, other equipment minor purchases and other $11k.
- **Infrastructure and non-clinical supplies $557k favourable** due to IT-related costs and other operating costs (offset by NZHP and NOS impairment).
- **Depreciation** was unfavourable to budget by $12k, mainly related to IT.
- **National Oracle Solution impairment** $1,048k.
- **Holidays Act compliance provision** $1,541k.

Year-to-date comments

Inpatient volumes were 95% to target in June 2019, with acute at 95.7% and elective at 93.1% of budget.

The overall result is $2,594k unfavourable to budget (excluding Holidays Act compliance provision and FPIM impairment result would have been $5k unfavourable to budget).

- **Revenue is $225k unfavourable** to budget mainly due to:
  - **Internal revenue $131k unfavourable** mainly due to under-delivery of elective volumes, resulting in an unfavourable wash up of $1,124k (offset by funder). This was partly offset by pharmaceutical and dental $290k, Smokefree $92k, mental health AOD $24k, school-based health service $125k, and PSA nurses and allied health MECA settlement funding $462k.
  - **Government revenue $307k** u**nfavourable** mainly due to ACC contract $371k (offset by costs), ACC home-based support $166k, ACC patient with high blood use reimbursement $70k (patient discharged), ACC implants and other ACC $71k, Health Quality and Safety Commission (HQSC) falls prevention contract $31k, haematology outpatient clinics $24k, Health Workforce medical personnel training $109k. This was partly offset by ACC non-acute inpatient rehabilitation $137k, bowel screening $73k, ACC radiology $16k, training fees $87k, cervical screening $34k, one-off HQSC $10k, national travel assistance $23k, colonoscopy revenue $10k and radiology outpatient clinics $145k.
  - **Other income $213k favourable** due to one-off Capital and Coast DHB secondment revenue $41k, ACC contract patient consumables revenue $34k, non-resident and other $46k, dental $35k, donation from Countdown supermarket and laser machine $77k, Auckland DHB air ambulance wash up $18k, flight nurses cost recovery $41k, ophthalmology cost recovery $18k, Spotless Services catering rights $19k, accommodation for units $33k, other $4k. This was partly offset by prison contract $86k and triage nurses support to Whanganui Regional Health Network primary health organisation (contract expired) $36k and Pharmac rebate $31k (devolved into funder division rebate).

- **Total personnel costs is $220k favourable** to budget mainly due to:
  - Medical personnel favourable variance of $1.4m partly offset by locum cost of $1.2m. (Main area of locum costs in general medicine to cover maternity leave $222k, locum to cover vacancies in ED $62k, anaesthetics $75k, mental Health $452k, gynaecology $415k, RMOs $226k. This was partly offset by favourable locum costs in urology $189k.
  - Nursing costs in the Medical Ward, ED, AT&R Ward, CCU, AT&R community service, mental health service, Paediatric Ward and the Centre for Patient Safety.
  - Support and management personnel accrued based on the current MECA offer. This was partly offset by allied health and management and admin personnel.
  - Personnel costs other $156k unfavourable due to gratuities and parental leave $156k.

- **Outsourced clinical and other services is $344k unfavourable** to budget due to radiology service $266k, ophthalmology $21k, rest home convalescence $28k, audiology $11k, dental $24k, Echo service $7k, NZHP $111k (food service negotiated settlement costs (FSA) $25k, IBM IaaS settlement costs $54k and NOS Oracle licence $46k, less insurance $11k). This was partly offset by ACC contract $66k (offset by revenue), infectious disease SMO support from Capital and Coast DHB $58k.

- **Clinical supplies is $610k unfavourable** to budget due to:
  - wards consumables $222k – treatment and disposable consumables $42k ($101k IV supplies for new IV pump), pharmaceutical $160k (Medical Ward $53k mainly fungal infection control drug, mental health inpatient service $51k, CCU $25k, ED $23k and Paediatric Ward $11k), Hovermatt for CCU and Medical Ward $28k. This was partly offset by other client-related costs $8k.
  - pharmaceutical $285k (cytotoxic $141k, eye $92k, musculoskeletal and joint $20k, respiratory and other $32k. This was partly offset by $281k pharmaceuticals (internal revenue).
  - orthotics – mobility aids and wheelchairs $69k (demand-driven).
  - patient travel $190k (demand-driven).
  - radiology $17k (contrast media, syringes and repairs and maintenance).
  - district nursing $36k (bandages, dressing, ostomy – partly offset by pharmaceutical costs).
  - dental supplies $32k (demand-driven).
  - various other $23k.

    These costs have been partly offset by theatre consumables $264k (lower than budgeted output).

- **Infrastructure and non-clinical supplies is $693k favourable** to budget due to accreditation $60k (will be resumed in November 2019), IT $472k (partly offset by NZHP cost offset by NOS impairment), travel and accommodation $23k, stationery, printing and forms $86k, advertising $24k, other equipment minor purchases $20k, professional fees $26k, corporate training $72k, utility costs $31k, Health Workforce training $50k (offset by revenue) and other $14k. This was partly offset by orderlies service additional $12k, dental caravan maintenance $14k, insurance risk share cost provision $17k, facilities additional cost $79k, laundry service $30k, patient meals $68k, postage and courier $31k, telecommunications $17k.

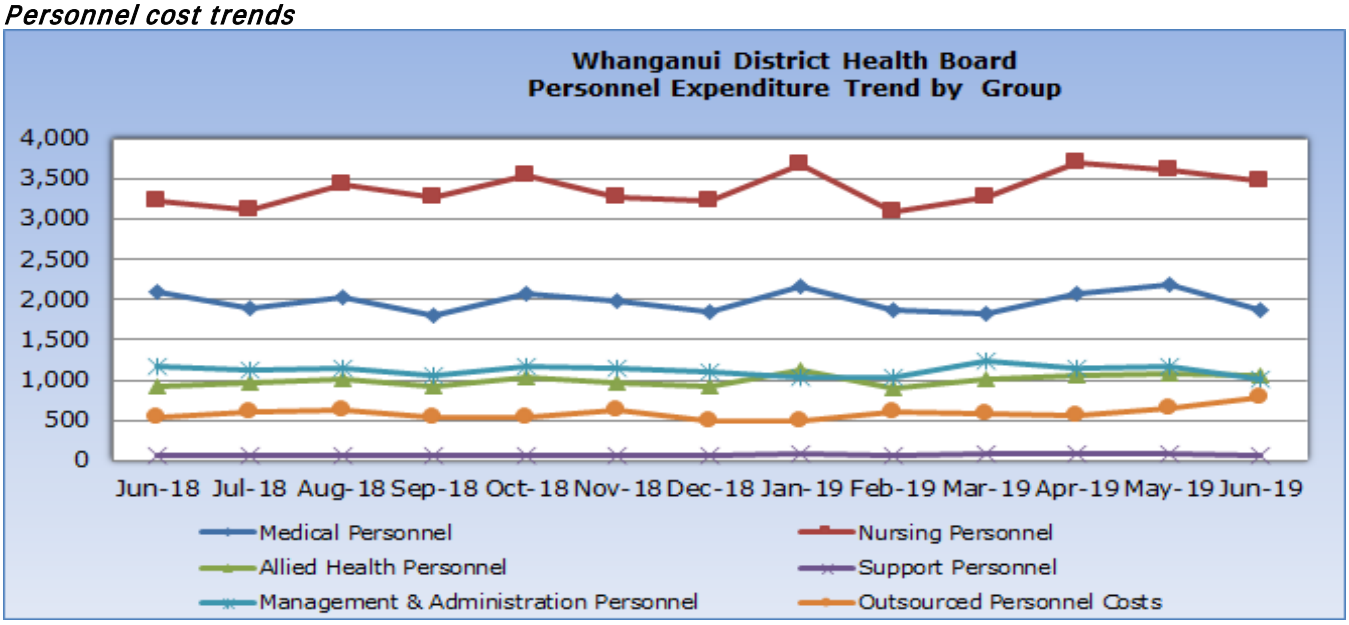
- **Depreciation** is $94k favourable due to the timing of the purchase of clinical and IT equipment.

- **NoS impairment** $1,048k.

- **Holidays Act compliance provision** $1,541k.

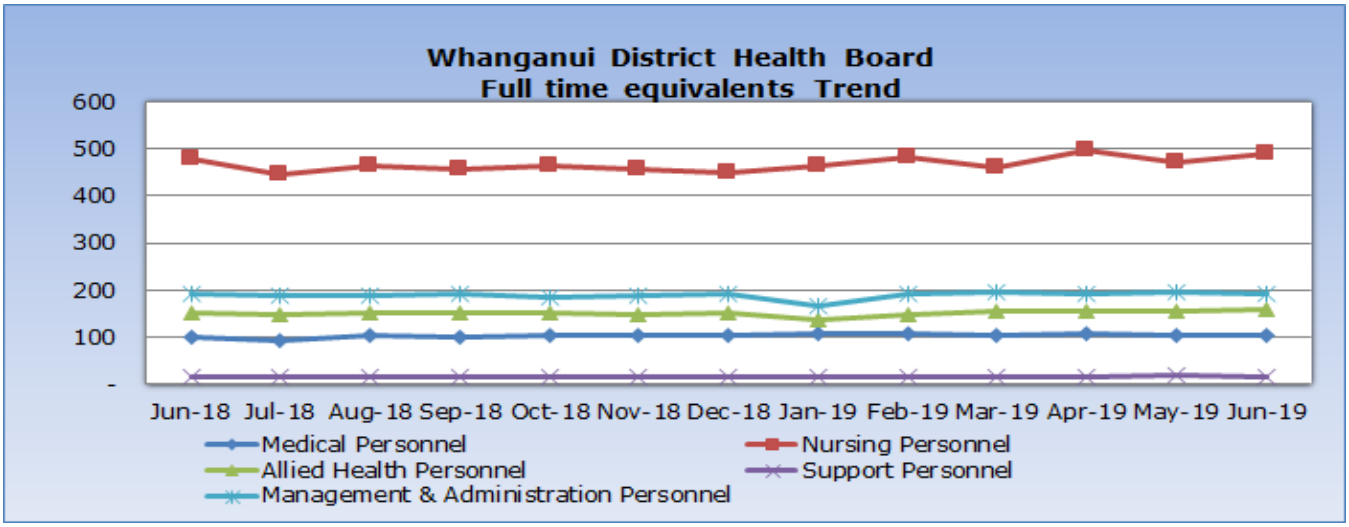
Supplementary information on costs

Personnel cost trends



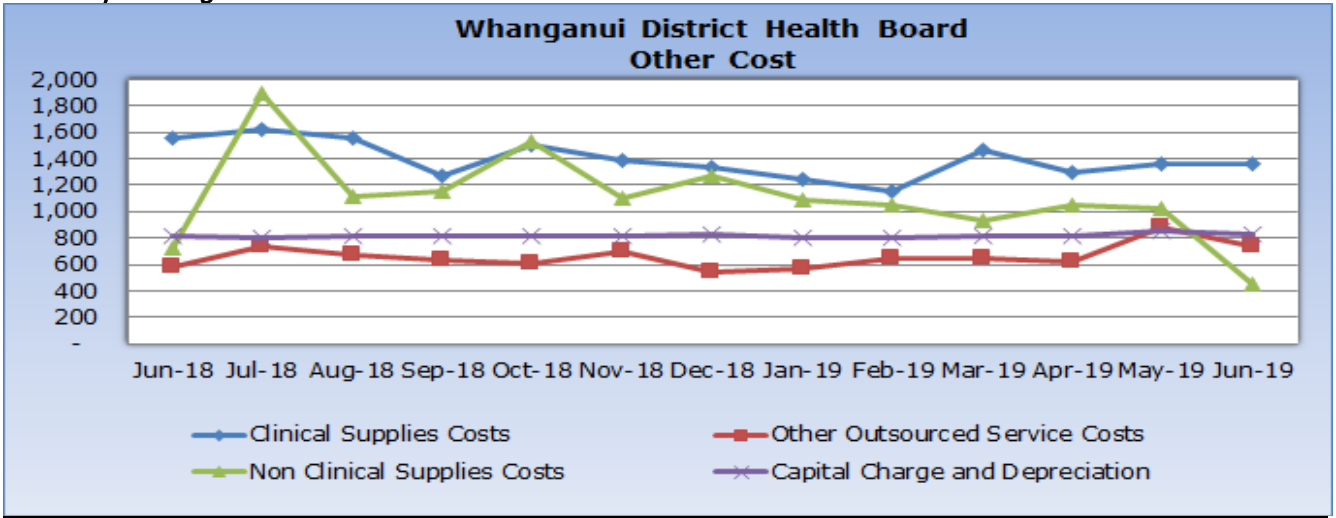
- Personnel cost downward trend in June 2019 compared to the prior month was mainly due to three less working days and one statutory holiday in June.
- Outsourced personnel upward trend in June 2019 compared to the prior month was due to IT and governance and admin professional personnel.

FTE trends



- The FTE trend largely reflects the impact of statutory holidays and timing of leave. Otherwise, the trend is comparable to the prior period.

Other operating costs



- Clinical supplies upward trend in June 2019 compared to the prior month was due to blood costs and pharmaceutical costs.
- Non-clinical supplies downward trend in June 2019 compared to prior month was due to IT-related costs.
- Other outsourced downward trend in June 2019 compared to the prior month was due to radiology, rest home convalescence and ACC contracts.
- Interest, capital charge and depreciation trend in June 2019 was comparable to the prior month.

Statement of financial position

Summary Statement of Financial Position as at 30 Jun 2019 ($000)

	Actual 2017-18	Actual YTD 2018-19	Budget YTD 2018-19	Variance	Annual Budget 2018-19
ASSETS					
Current Assets (exl trade other receivable	5,841	4,631	(3,476)	8,107	1,562
Trade and Other Receivables	8,750	**5,875**	**7,495**	(1,620)	7,495
Fixed Assets	83,342	81,579	84,771	(3,192)	84,771
Work in Progress (WIP)	5,841	5,428	5,841	(413)	5,841
Long Term Investments	1,121	1,146	1,167	(21)	1,167
Total Assets	**104,895**	**98,659**	**95,798**	**2,861**	**100,836**
LIABILITIES					
Bank Overdraft	-	-	-	-	-
Bank Overdraft - HBL	-	-	-	-	(5,038)
Employee Related - Current Liabilities	(12,874)	(14,989)	(11,827)	(3,162)	(11,827)
Trade and Other Payables	(13,922)	(17,546)	(14,140)	(3,406)	(14,140)
Crown Loan - Current	(135)	(135)	(135)	-	(135)
Finance Leased - Current	(92)	(95)	(95)	-	(95)
Crown Loan - Non-Current	(236)	(101)	(101)	-	(101)
Non - Current Liabilities	(805)	(873)	(808)	(65)	(808)
Finance Leased - Non- Current	(678)	(583)	(583)	-	(583)
Total Liabilities	**(28,742)**	**(34,322)**	**(27,689)**	**(6,633)**	**(32,727)**
EQUITY					
Equity	(76,153)	(64,337)	(68,109)	3,772	(68,109)
Total Equity	**(76,153)**	**(64,337)**	**(68,109)**	**3,772**	**(68,109)**
Total Equity and Liabilities	**(104,895)**	**(98,659)**	**(95,798)**	**(2,861)**	**(100,836)**

Comments on result

There are no material concerns on the financial position. **Positive**

Current assets reflect the better cash position (see cash flow explanation for detail).
Refer to working capital analysis and consolidated summary of cash flows for further variance explanations.

Working capital

Working Capital as at 30 Jun 2019 ($000s)

	Actual 2016-17	Actual 2017-18	Actual YTD 2018-19	Budget YTD 2018-19	Variance	Annual Budget 2018-19
CURRENT ASSETS						
Cash and cash equivalents	7,406	1,284	3,020	(5,033)	8,053	5
Trust / special funds	138	145	184	145	39	145
Trade and other receivables	7,525	8,750	5,875	7,495	(1,620)	7,495
Investment	3,000	3,000	-	-	-	-
Inventory / Stock	1,327	1,412	1,427	1,412	15	1,412
Total Current Assets	**19,396**	**14,591**	**10,506**	**4,019**	**6,487**	**9,057**
CURRENT LIABILITIES						
Bank Overdraft	-	-	-	-	-	-
Bank Overdraft - HBL	-	-	-	-	-	(5,038)
Trade and other payables	(13,171)	(13,476)	(17,277)	(13,638)	(3,639)	(13,638)
Income Received in Advance	(1,624)	(446)	(269)	(502)	233	(502)
Capital Charge Payable	-	-	-	-	-	-
Term Loans – Private (current portion)	(20)	(92)	(95)	(95)	-	(95)
Crown Loan - Current	(135)	(135)	(135)	(135)	-	(135)
Payroll Accruals & Clearing Account	(2,330)	(3,810)	(4,626)	(2,041)	(2,585)	(2,041)
Employee Related - Current Liabilities	(8,365)	(9,064)	(10,363)	(9,786)	(577)	(9,786)
Total Current Liabilities	**(25,645)**	**(27,023)**	**(32,765)**	**(26,197)**	**(6,568)**	**(31,235)**
Working Capital	**(6,249)**	**(12,432)**	**(22,259)**	**(22,178)**	**(81)**	**(22,178)**
Working Capital ratio	**75.6%**	**54.0%**	**32.1%**	**15.3%**		**29.0%**

Comments on result	
	Neutral

Working capital variances	**Variance $000**	**Impact on forecast**
Working capital is better than budget.	($81) U	
Current assets	$6,487 F	
▪ Slightly higher in funds cash position than budget is due to capital projects being behind schedule – mainly clinical equipment, facilities and IT which is a timing variance that will be spent in due course, MECA backpay for expired MECA, funding received for in-between travel $1.1 million (normally paid next financial year). ▪ Trade and other receivables increased due to funder IBT and elective accrual provision.	$8,053 F ($1,620) U	Mainly timing

Current liabilities	($81) U	
▪ Trade and other payables actual increased due to provision for IDF funder demand-driven expenditure (budgeted projection was based on historical information). ▪ Payroll related and employee related provision expiry MECA provision.	($3,639) U ($2,585) U	Mainly timing

Cash flows

Consolidated Summary Statement of Cash Flows for the period ended 30 Jun 2019 ($000)

	Actual 2016-17	Actual 2017-18	Actual YTD 2018-19	Budget YTD 2018-19	Variance	
Net surplus / (deficit) for year	(712)	(4,179)	(11,658)	(7,886)	(3,772)	U
Add back non-cash items						
Depreciation and assets written off on PPE	4,687	4,720	5,417	5,528	(111)	U
Revaluation losses on PPE	-	-	-	-	-	F
Total non cash movements	**4,687**	**4,720**	**5,417**	**5,528**	**(111)**	**U**
Add back items classified as investment Activity						
(loss) / gain on sale of PPE	8	16	15	-	15	F
Profit from associates	(100)	(129)	-	(46)	46	F
Gain on sale of investments				-	-	F
Write-down on initial recognition of financial assets		83	1,048			
Movements in accounts payable attributes to Ca	(476)	64	268	412	(144)	U
Total Items classified as investment Activity	**(568)**	**34**	**1,331**	**366**	**(83)**	**U**
Movements in working capital						
Increase / (decrease) in trade and other payables	(1,094)	(873)	3,624	218	3,406	F
Increase / (decrease) employee entitlements	681	2,112	2,183	(1,044)	3,227	F
				-	-	F
(Increase) / decrease in trade and other receivable	(857)	(1,091)	2,850	1,255	1,595	F
(Increase) / decrease in inventories	34	(85)	(15)	-	(15)	U
Increase / (decrease) in provision	-	-	-	-	-	F
Net movement in working capital	**(1,236)**	**63**	**8,642**	**429**	**8,213**	**F**
Net cash inflow / (outflow) form operating activ	**2,171**	**638**	**3,732**	**(1,563)**	**4,247**	**F**
	-	-	-	-		
Net cash flow from Investing (capex)	(5,371)	(6,402)	(4,572)	(7,369)	2,797	F
Net cash flow from Investing (Other)	26	(7)	(39)	-	(39)	U
Net cash flow from Financing	(327)	(351)	(385)	(385)	-	F
Net cash flow	(3,501)	(6,122)	(1,264)	(9,317)	8,053	F
Net cash (Opening)	13,907	10,406	4,284	4,284	-	F
Cash (Closing)	**10,406**	**4,284**	**3,020**	**(5,033)**	**8,053**	**F**

Comment on result	**Neutral**

Cash flow variance	**Variance $000**	**Impact on forecast**
Closing cash is better than budget, made up of the following:	$8,053 F	
Net cash flow from operations	$4,272 F	
▪ Trade and other payables difference between forecast mainly related IDF $3.2m, inter-hospital transfer $0.1m and rest home $0.1m.	$3,406 F	Timing
▪ Employee entitlement relates mainly to the provision for Holidays Act compliance provisions $2.1m, expiry of MECA backpay provision $0.5m and timing accruals $0.2m, gratuities $0.2m and increased annual leave entitlement $0.2m.	$3,227 F	
▪ Trade and other receivables difference mainly relates in-between travel $1.2m ($1.1m funding received from the Ministry of Health usually washed up in next financial year) and elective accruals $0.5m.	$1,595 F	

Net cash outflow from investing ▪ Capital expenditure programme running behind schedule, mainly clinical equipment, facilities and IT-related projects (timing).	$2,797 F	Behind budget

Colour coding description	**Strong positive impact with high probability that gain can be extrapolated**
	One-off impact – trend uncertain
	Neutral
	Strong negative impact with high probability that loss can be extrapolated

WHANGANUI DISTRICT HEALTH BOARD Te Poari Hauora o Whanganui	**Information paper**
	Item 4.2
Author	**Hentie Cilliers, General Manager People and Performance**
Subject	**Health and Safety update**

Recommendation

Management recommend that the board:

a. **Receive** the health and safety update.

b. **Note** that there were no notifiable events reported to WorkSafe New Zealand in the 2017/18 or 2018/19 financial years.

c. **Note** the detailed three year trend reporting by risk, risk element and area.

d. **Note** that the WDHB will retain ACC Tertiary Accredited Employer Programme (AEP) status following the 2019 Audit.

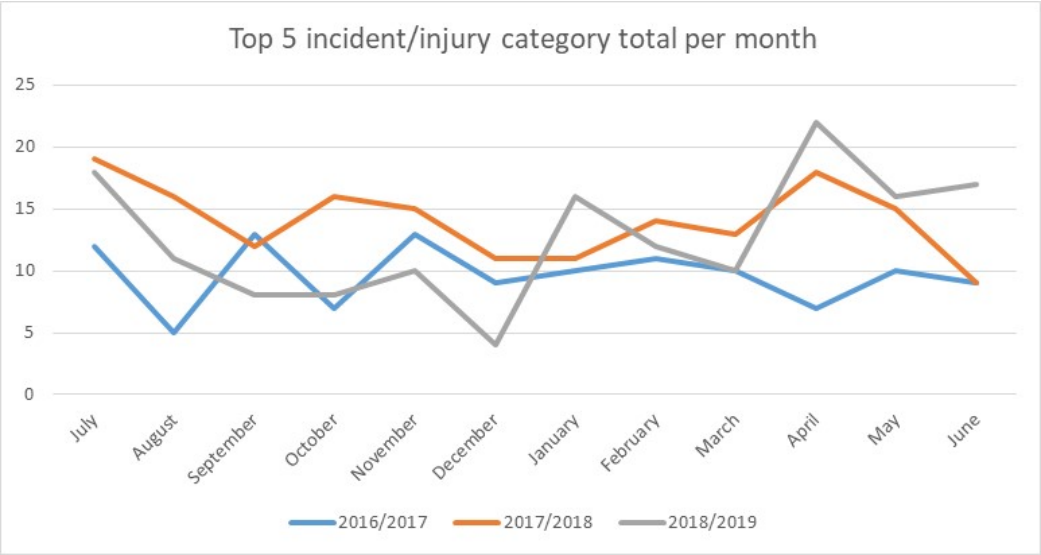
1 Purpose

To enable the board to exercise due diligence on health and safety matters. This report on key health and safety system risks covers:

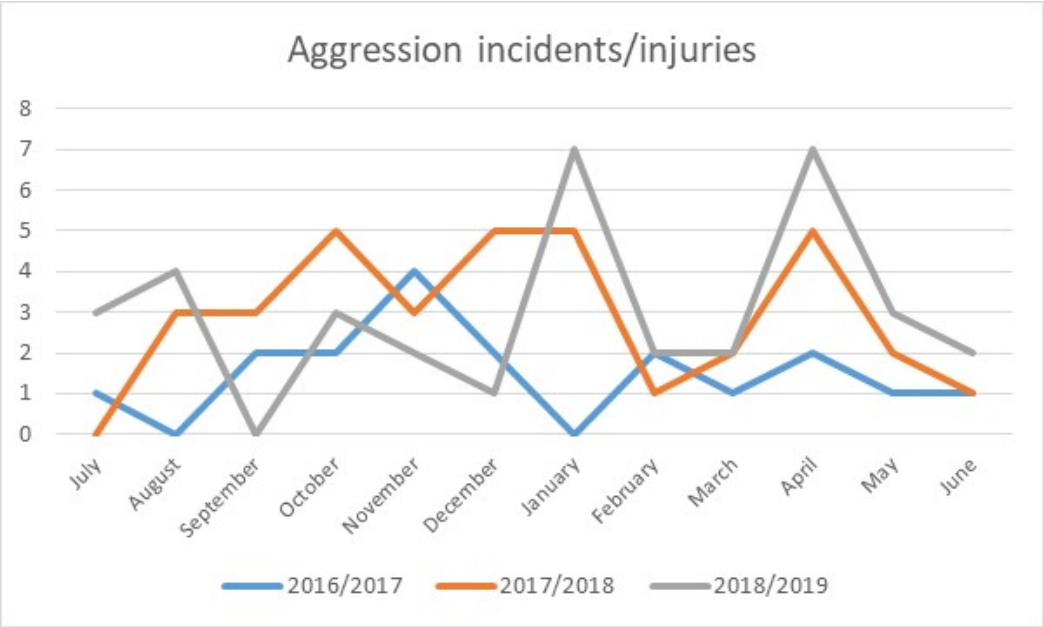
- incident/injury trends.
- 2018/19 incident/injury details.
- employee participation.
- contractor management.

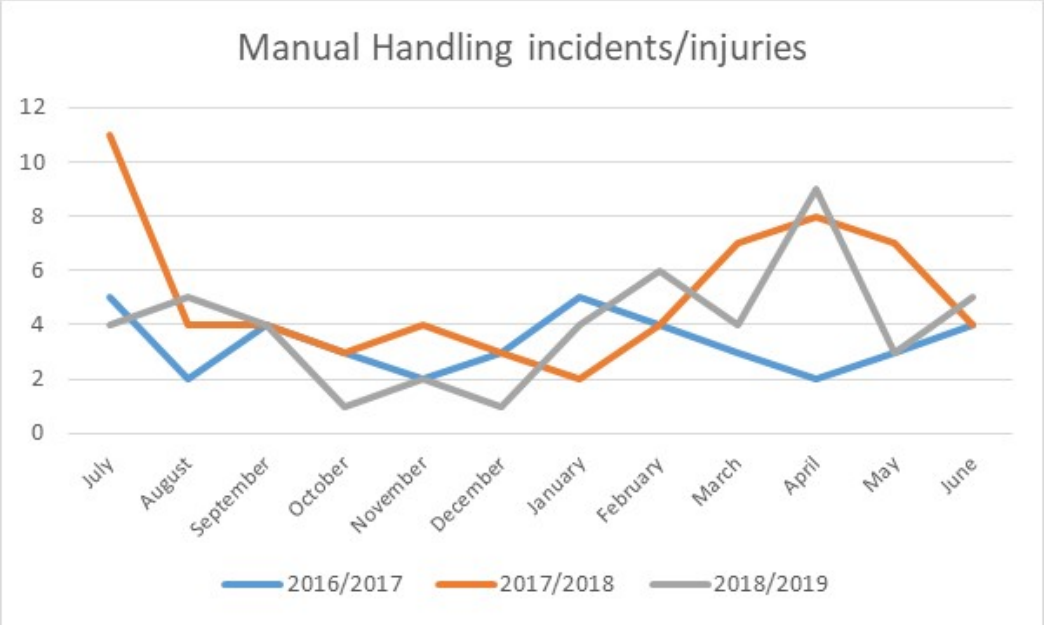
2 Incident/injury trends

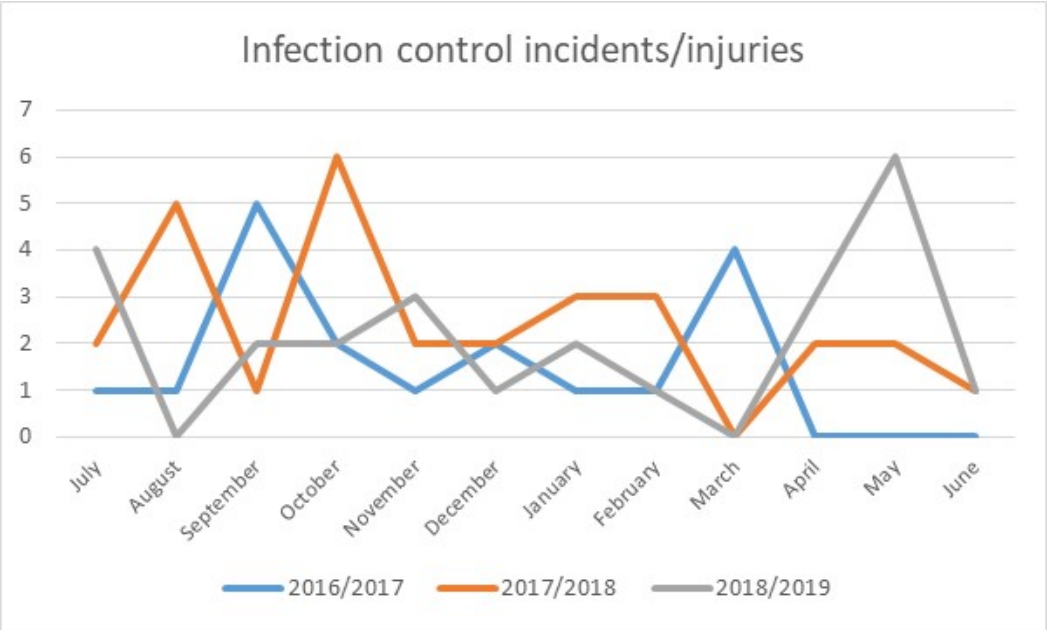
The graph below provides a summary of the last three financial years' injury/incident trends.

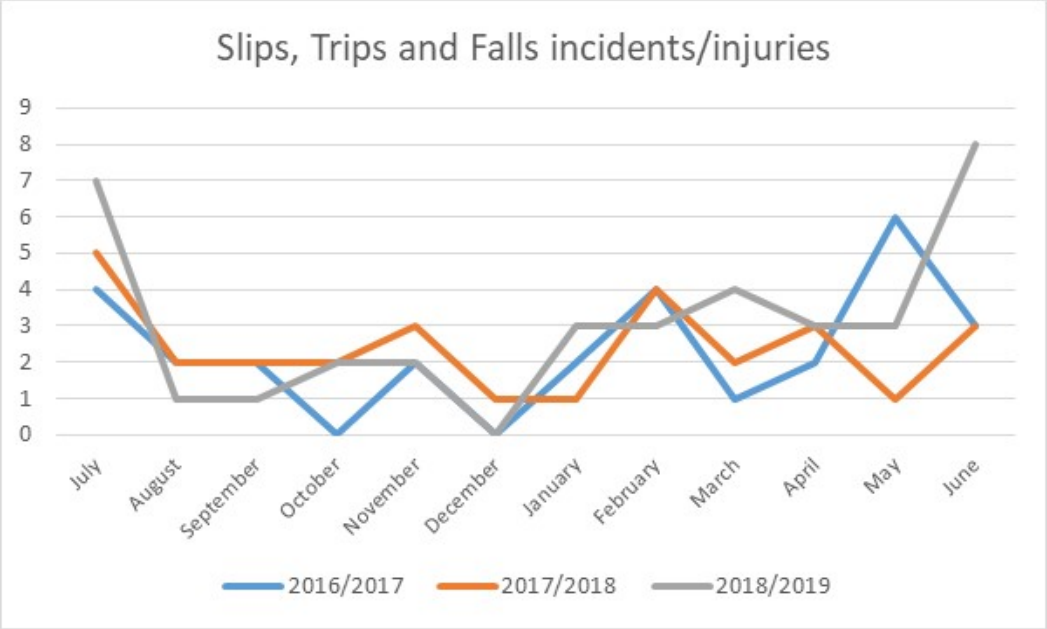


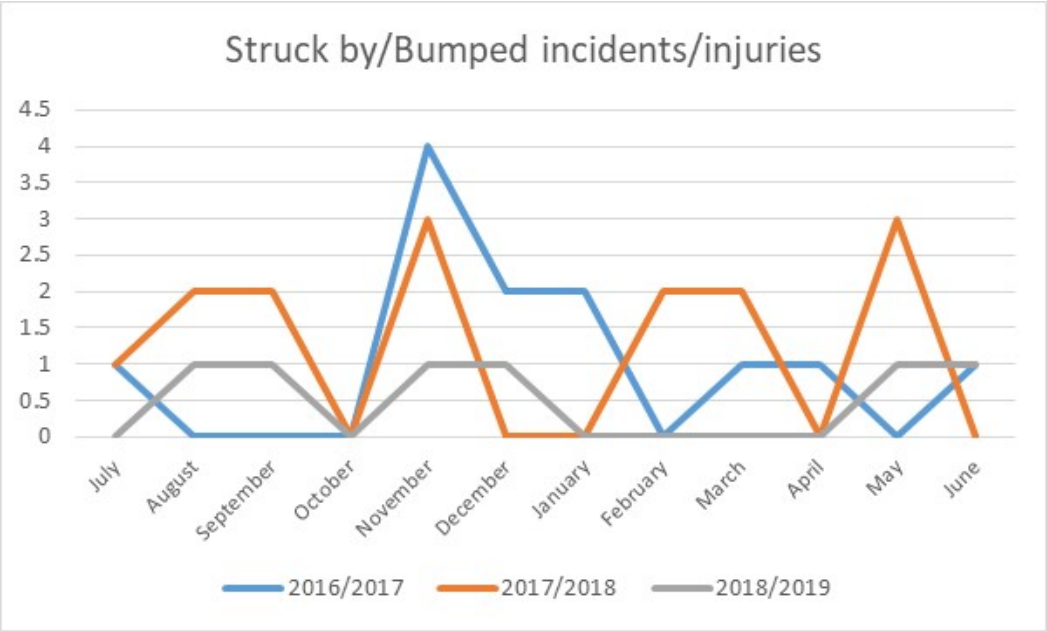
The following graphs provide a three year breakdown of monthly incidents for each of the top five incident/injury categories.



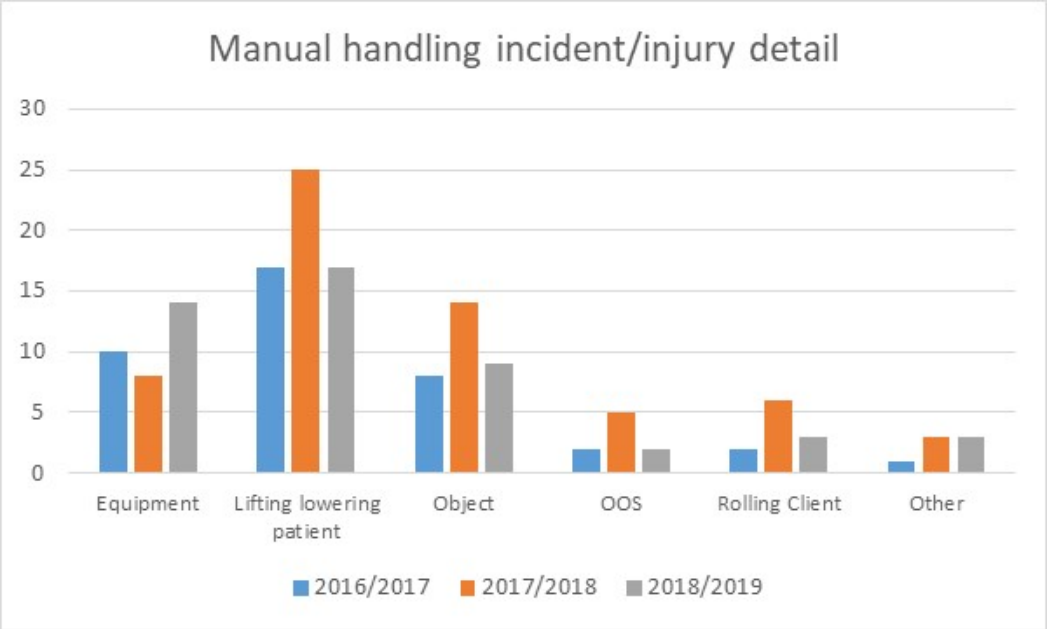


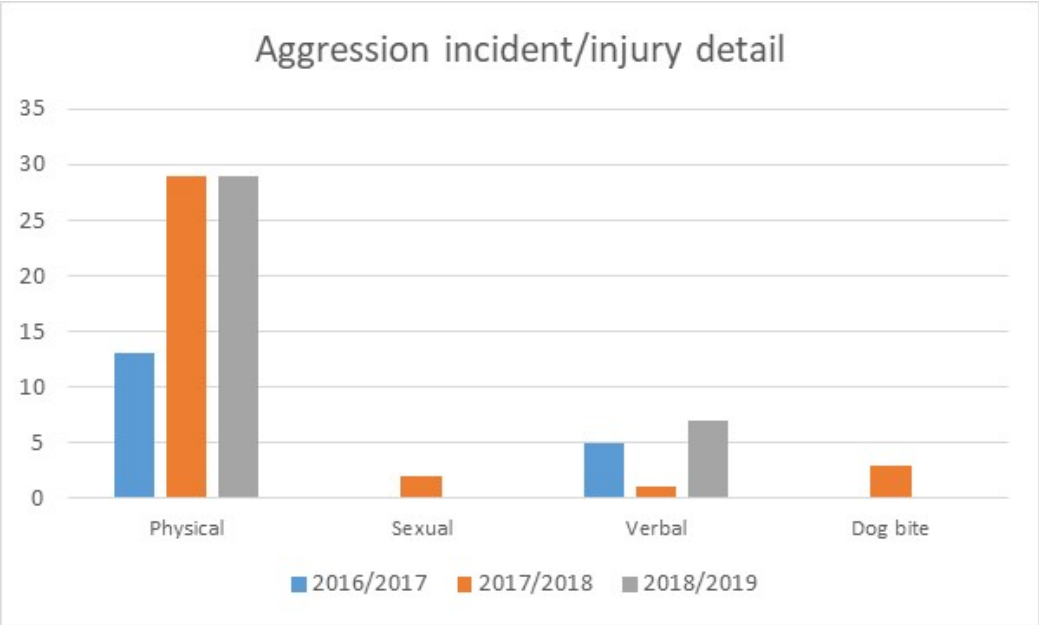

Infection control incidents/injuries
7
6
5
4
3
2
1
0
July
August
September
October
November
December
January
February
March
April
May
June
2016/2017
2017/2018
2018/2019

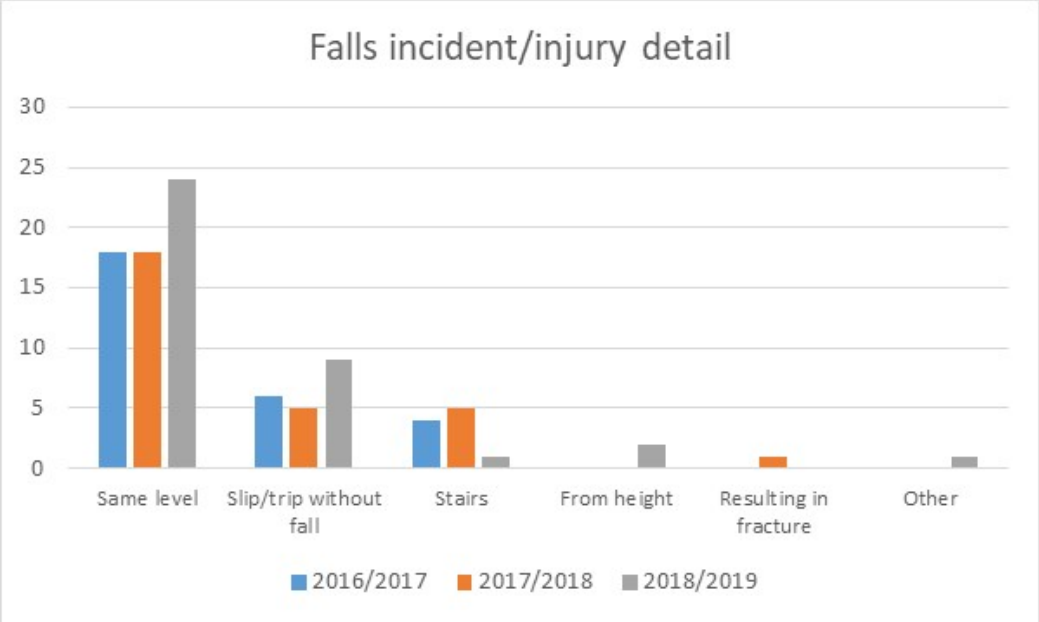

Slips, Trips and Falls incidents/injuries
9
8
7
6
5
4
3
2
1
0
July
August
September
October
November
December
January
February
March
April
May
June
2016/2017
2017/2018
2018/2019

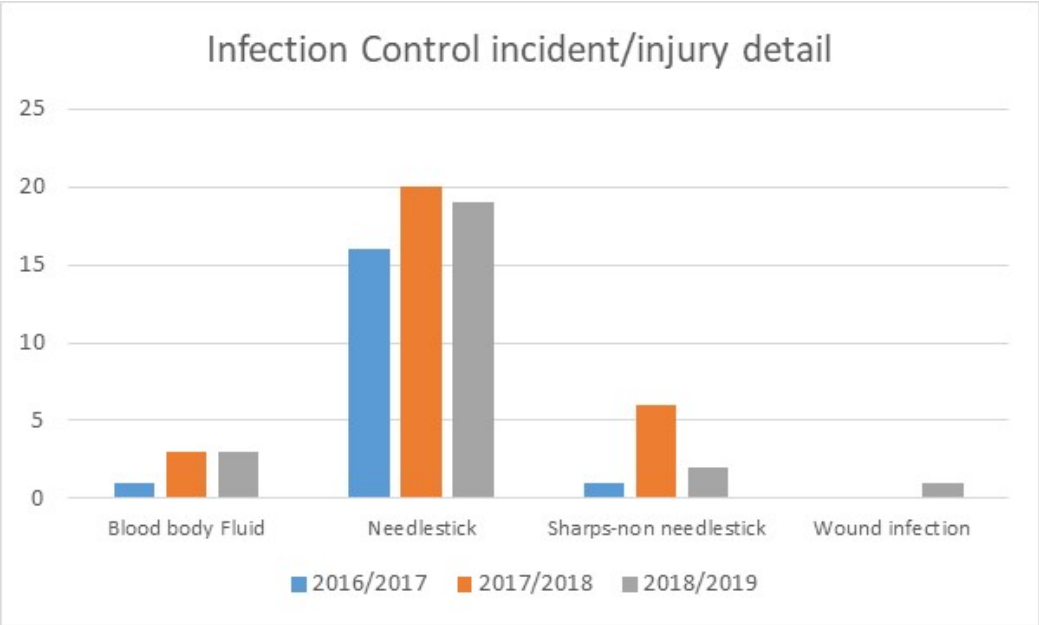


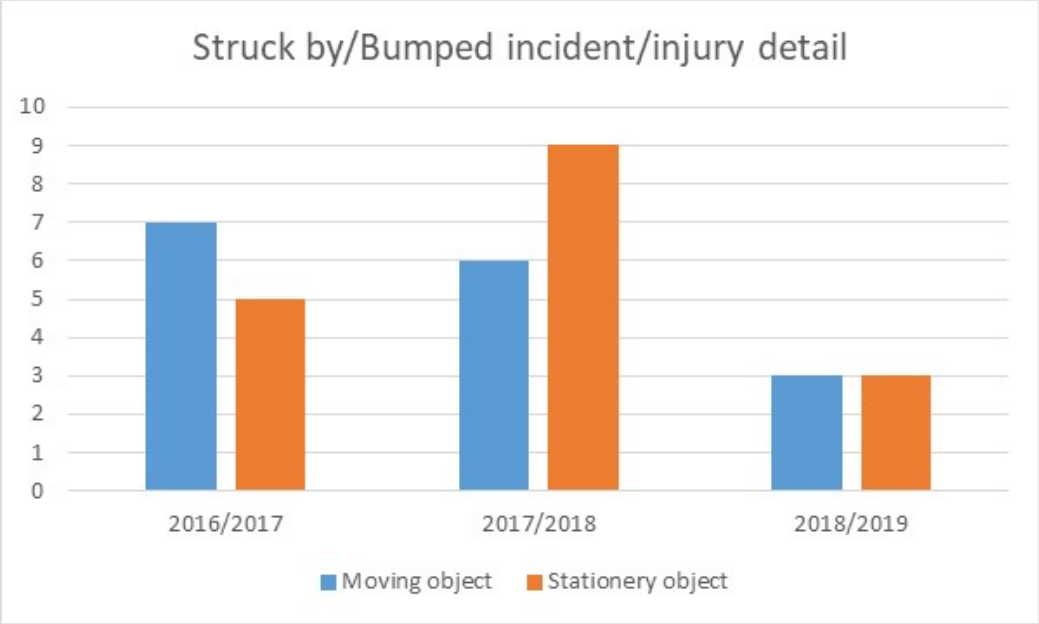
The following graphs provide a breakdown of the elements for each incident/injury type.



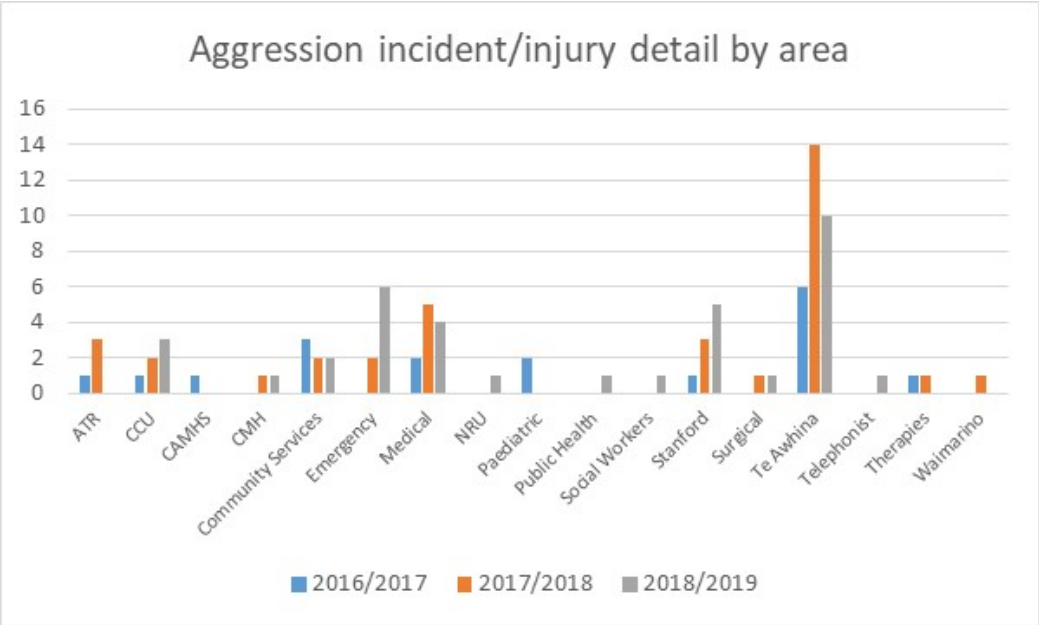

Aggression incident/injury detail
35
30
25
20
15
10
5
0
Physical
Sexual
Verbal
Dog bite
2016/2017
2017/2018
2018/2019

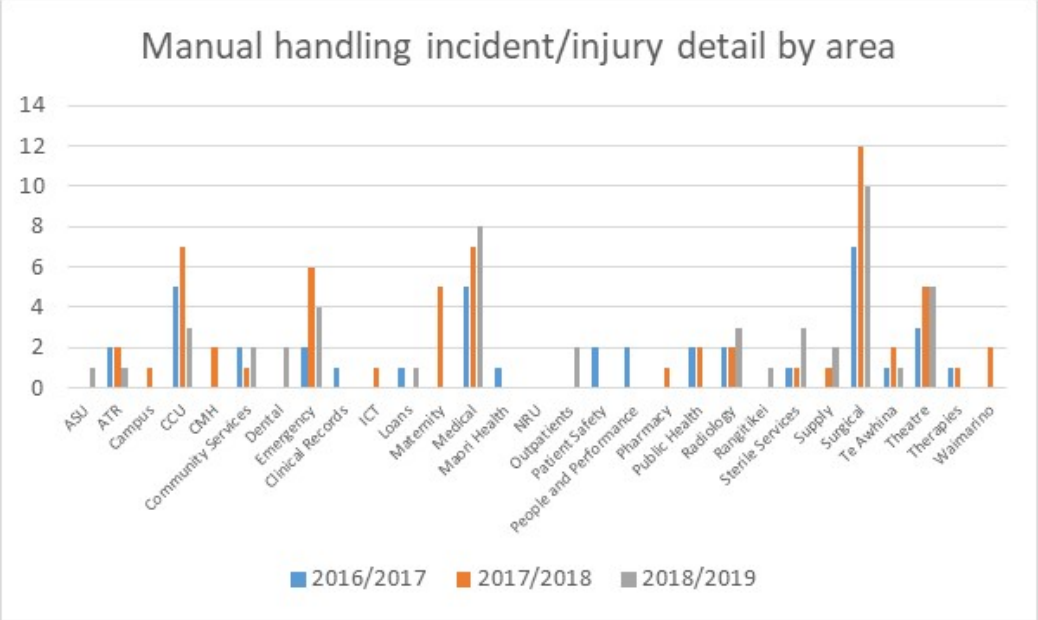

Falls incident/injury detail
30
25
20
15
10
5
0
Same level
Slip/trip without fall
Stairs
From height
Resulting in fracture
Other
2016/2017
2017/2018
2018/2019

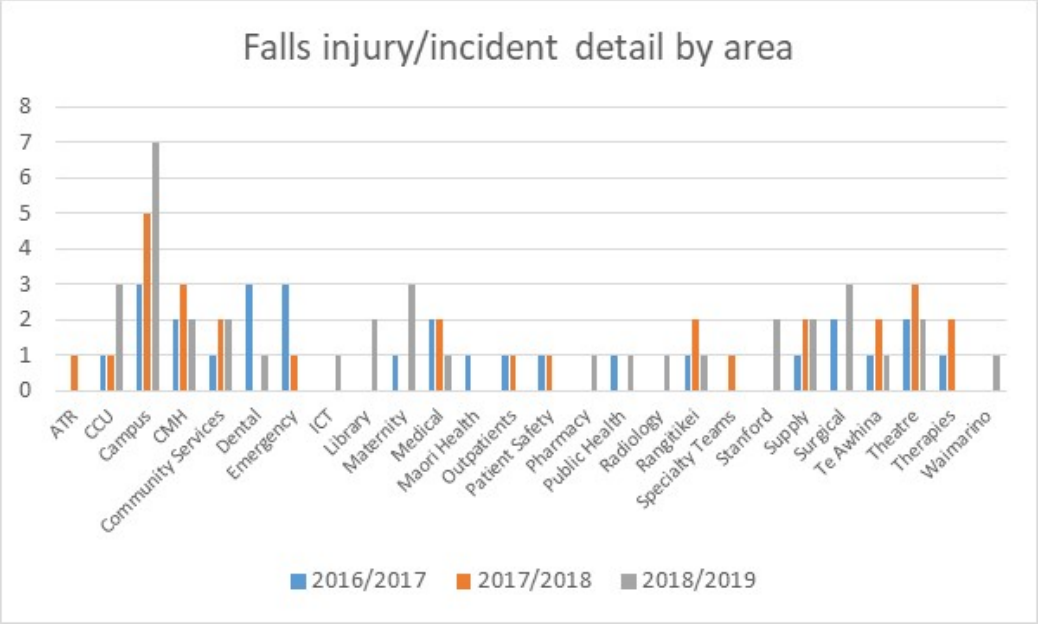


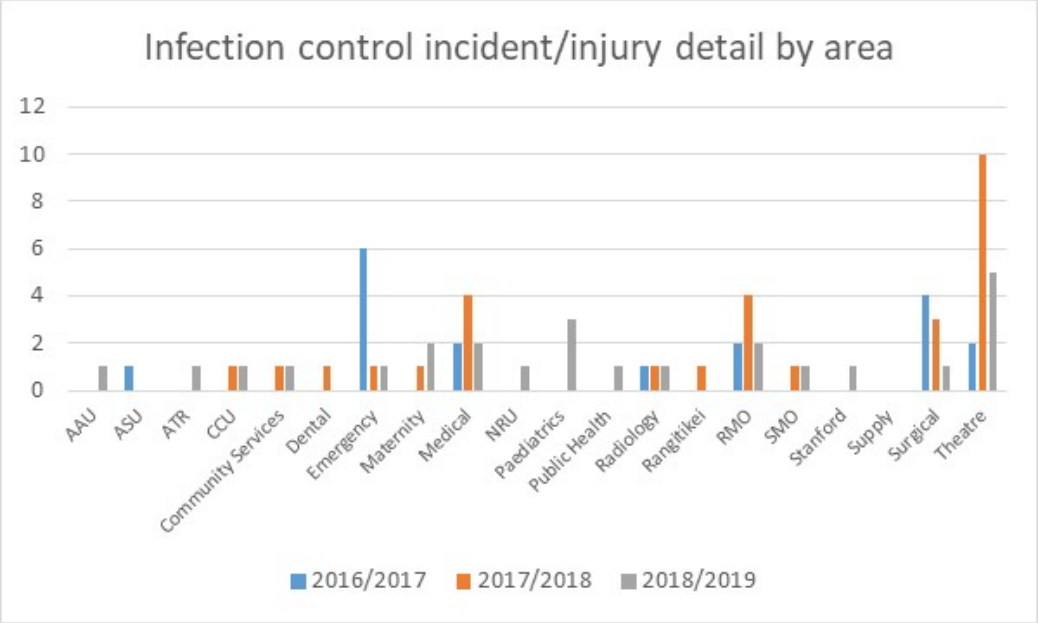


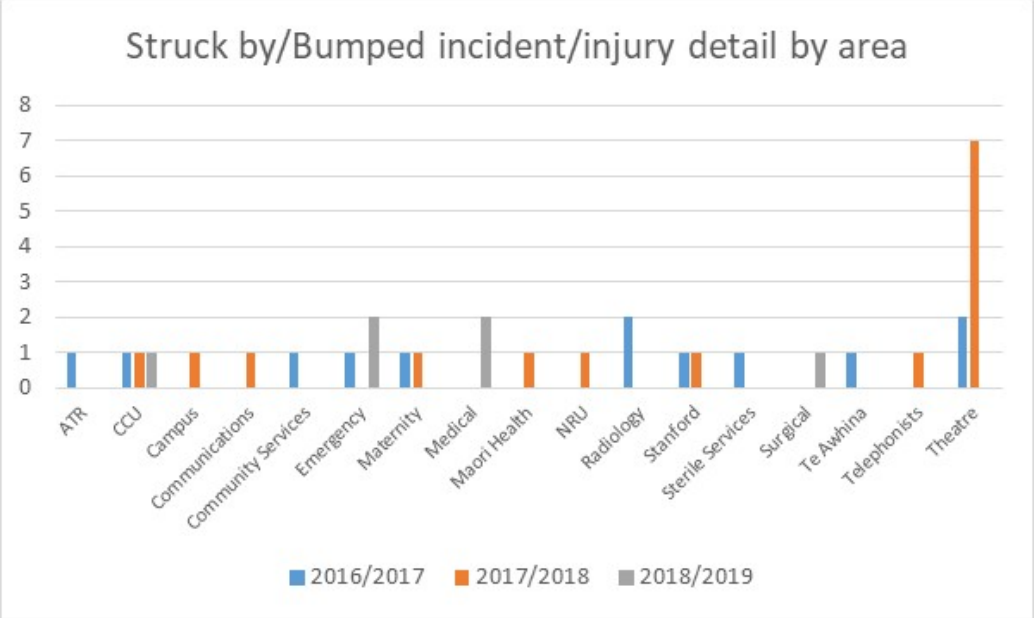
The following graphs provide location details for each incident/injury.


Aggression incident/injury detail by area
16
14
12
10
8
6
4
2
0
ATR
CCU
CAMHS
CMH
Community Services
Emergency
Medical
NRU
Paediatric
Public Health
Social Workers
Stanford
Surgical
Te Awhina
Telephonist
Therapies
Waimarino
2016/2017
2017/2018
2018/2019


Manual handling incident/injury detail by area
14
12
10
8
6
4
2
0
ASU
ATR
Campus
CCU
CMH
Community Services
Dental
Emergency
Clinical Records
ICT
Loans
Maternity
Medical
Maori Health
NRU
Outpatients
Patient Safety
People and Performance
Pharmacy
Public Health
Radiology
Rangitikei
Sterile Services
Supply
Surgical
Te Awhina
Theatre
Therapies
Waimarino
2016/2017
2017/2018
2018/2019


Falls injury/incident detail by area
8
7
6
5
4
3
2
1
0
ATR
CCU
Campus
CMH
Community Services
Dental
Emergency
ICT
Library
Maternity
Medical
Maori Health
Outpatients
Patient Safety
Pharmacy
Public Health
Radiology
Rangitikei
Specialty Teams
Stanford
Supply
Surgical
Te Awhina
Theatre
Therapies
Waimarino
2016/2017
2017/2018
2018/2019

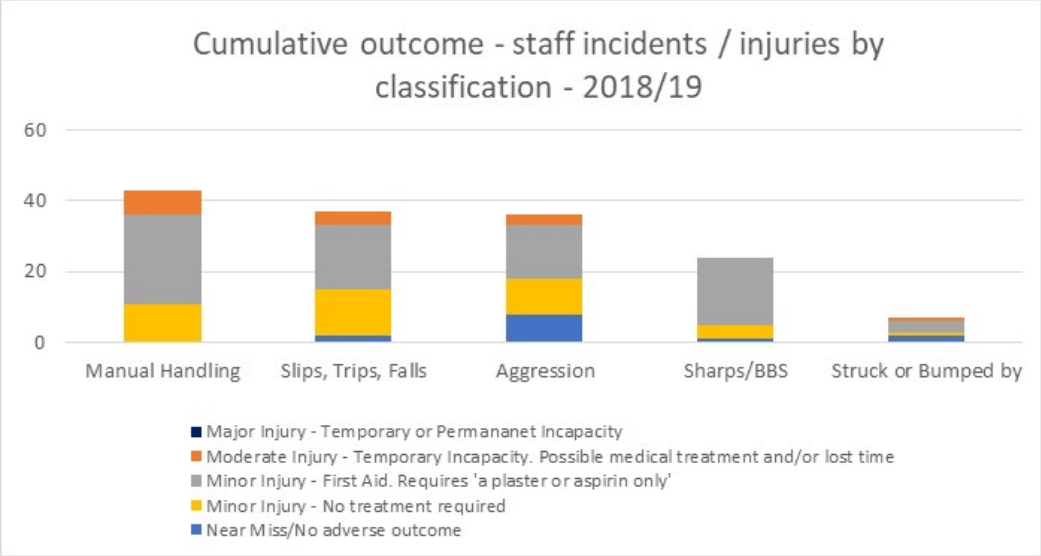




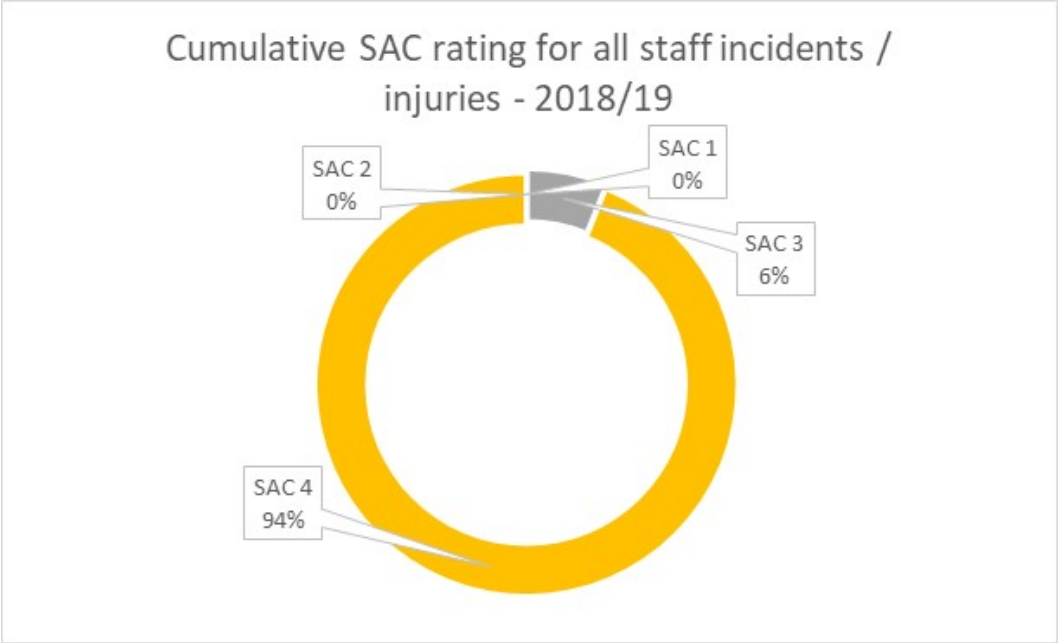
3 2018/19 Incident/injury details

There were 19 staff incidents (injuries/potential injuries) recorded by staff on RiskMan in June.

The graph below provides a cumulative view of outcomes classifications for 2018/19.



The graph below provides a cumulative SAC rating (Likelihood x Consequence) for all staff incidents/injuries for 2018/19.



Definitions used in the graph:

SAC 4 Minor/minimal – no injury
SAC 3 Moderate - permanent moderate or temporary loss of function
SAC 2 Major - permanent major or temporary severe loss of function
SAC 1 Severe – death or permanent severe loss of function

SAC 1 incidents/injuries (and potentially SAC 2 incidents/injuries) requires WorkSafe notification. No notifiable events were reported to WorkSafe New Zealand in the 2017/18 or 2018/19 financial years. For all SAC 1 and 2 incidents/injuries, a Critical Systems Analysis (CSA) is undertaken. All injuries reported to Wellnz (tertiary ACC provider) are investigated.

4 Employee participation

The Unit Health and Safety Committee met in June and the WDHB Health and Safety Committee met in June and July.

The following issues were discussed at the WDHB Health and Safety Committee meeting:

- WorkWell wellness programme.
- Review of monthly incident trends.
- Monitor and update of health and safety objectives for 2019/2020.
- Communication plan
- Excellence and innovation in health and safety.
- Nominations for unit health and safety representatives
- Action plan for personal and duress alarms
- Security of reception staff in clinical areas
- Mass casualty exercise
- Debriefing workshop

5 Contractor management

Spotless Services, as our key on-site contractor, provided the following health and safety report, which is evidence of having active health and safety systems in place.

Spotless H&S	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Category A: Fatality / Disabling	0	0	0	0	0	0	0	0	0	0	0	0	0
Category B: Lost Time Injury	0	0	0	0	0	0	0	0	0	0	0	0	0
Category C: Medical Treatment	0	0	0	0	0	0	0	0	0	0	0	0	0
Category D: First Aid / Allied Health	0	0	0	0	0	0	0	0	0	0	0	0	0
Category E: Injury with no treatment	2	0	4	3	0	1	0	0	0	0	0	0	0
Category G: Non-work	0	0	0	0	0	0	0	0	0	0	0	0	0
Near Miss	0	0	0	0	0	0	0	0	0	0	0	0	0
Spotless H&S	**Jun-18**	**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Dec-18**	**Jan-19**	**Feb-19**	**Mar-19**	**Apr-19**	**May-19**	**Jun-19**
Hazard	10	10	14	12	7	9	15	8	10	10	10	9	8
Safety Observations	14	17	18	15	16	14	18	17	17	18	17	11	15
Sub-Contracted to Spotless	**Jun-18**	**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Dec-18**	**Jan-19**	**Feb-19**	**Mar-19**	**Apr-19**	**May-19**	**Jun-19**
Contractor Safety Interactions	3	3	3	2	7	10	7	12	11	8	9	12	8
Contractor Hazard	0	0	0	0	0	0	0	0	0	0	0	0	0
Contractor Injury	0	0	0	0	0	0	0	0	0	0	0	0	0
Contractor Near Miss	0	0	0	0	0	0	0	0	0	0	0	0	0

6 Health and Safety Audit

The annual audit of the WDHB health and safety systems were undertaken on 23 and 24 July by Quality Management Services (NZ) Ltd to review and validate the WDHB:

- Safety management practices (partial audit).
- Injury management practices (full audit).

Feedback from the Auditor is that the WDHB will retain Tertiary Accreditation Status. The formal auditor report have not yet been released.

The auditor's feedback highlighted the following:

- H&S and Wellbeing are regular agenda items at staff meetings.
- Sound reporting and governance arrangements in place.
- The work of the aggression workgroup is noted.
- Return to work programmes are working well and progress monitoring is done exceptionally well.

- Increased attendance at H&S unit meetings noted.

Recommendations for improvement includes:

- Improve work-injury reports to meet the 48 hour AEP programme standard for investigations and reports completed following notification of an incident/accident.
- Ensuring that the WDHB manages all privacy breeches including those by our third party providers (Wellnz). It is the employer's responsibility to inform the ACC compliance advisor of all privacy breeches including those by third party provider(s).
- Improving our practices by creating and maintaining an H&S privacy breach register.
- Improving our practices by creating and maintaining an H&S disputes register.

WHANGANUI DISTRICT HEALTH BOARD Te Poari Hauora o Whanganui	**Information Paper**
	Item 4.3
Author	**Hentie Cilliers, general manager people and performance**
Subject	**People and Performance six-monthly update**

RECOMMENDATION

Management recommend that the board:

a. **Receive** the paper entitled 'People and Performance six-monthly update'.

b. **Note** WDHB continues to experience low average turnover

c. **Note** further detail provided regarding reasons for leaving as per board request

d. **Note** the open recruitment positions

e. **Note** the annual leave liabilities for WDHB

f. **Note** WDHB continues to experience low sick leave trends

g. **Note** performance indicators will be aligned with board strategy, chief executive key performance indicators and role accountability

h. **Note** the achievement of WorkWell Bronze Standard Accreditation.

1. Purpose

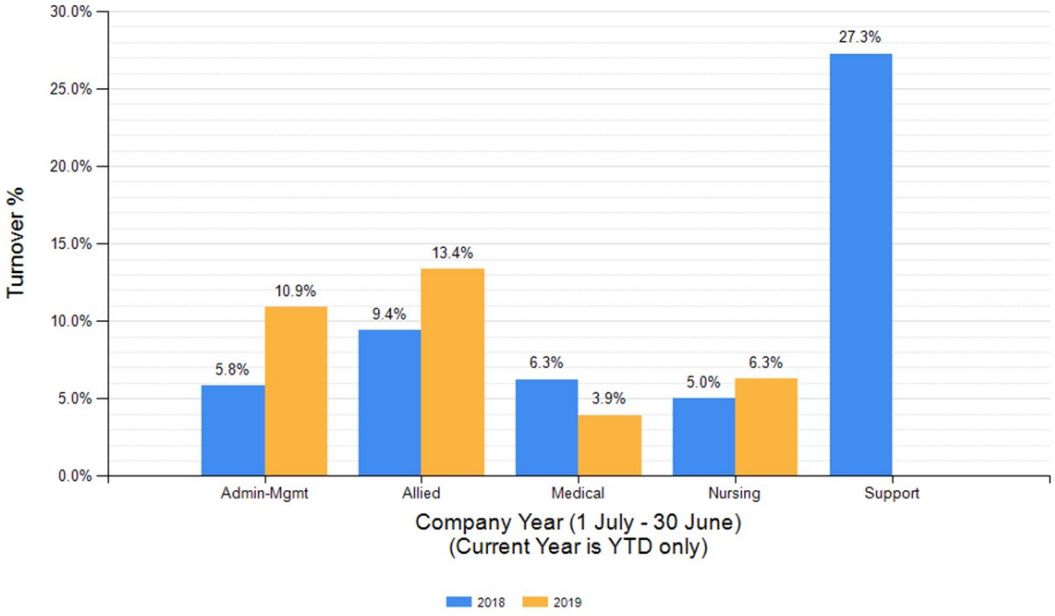
This paper updates the board on the current employment status and staff wellbeing throughout Whanganui District Health Board (WDHB), at the board's request. This report covers:

- Turnover
- Feedback from exit surveys
- Staff profile
- Recruitment
- Annual leave
- Sick leave
- Performance management
- Staff wellbeing

2. Turnover

Actual turnover for 2018/19 was 8.4 percent compared to 6.4 percent in 2017/18. The average turnover for the previous five years was 6.68 percent. The WDHB continues to experience low turnover compared to other DHBs.

The graph below compares voluntary turnover per Ministry of Health staff category for the previous two financial years. The data excludes Resident Medical Officers (RMO), Fixed Term and Casual employees. The turnover data for Support staff is based on small numbers.



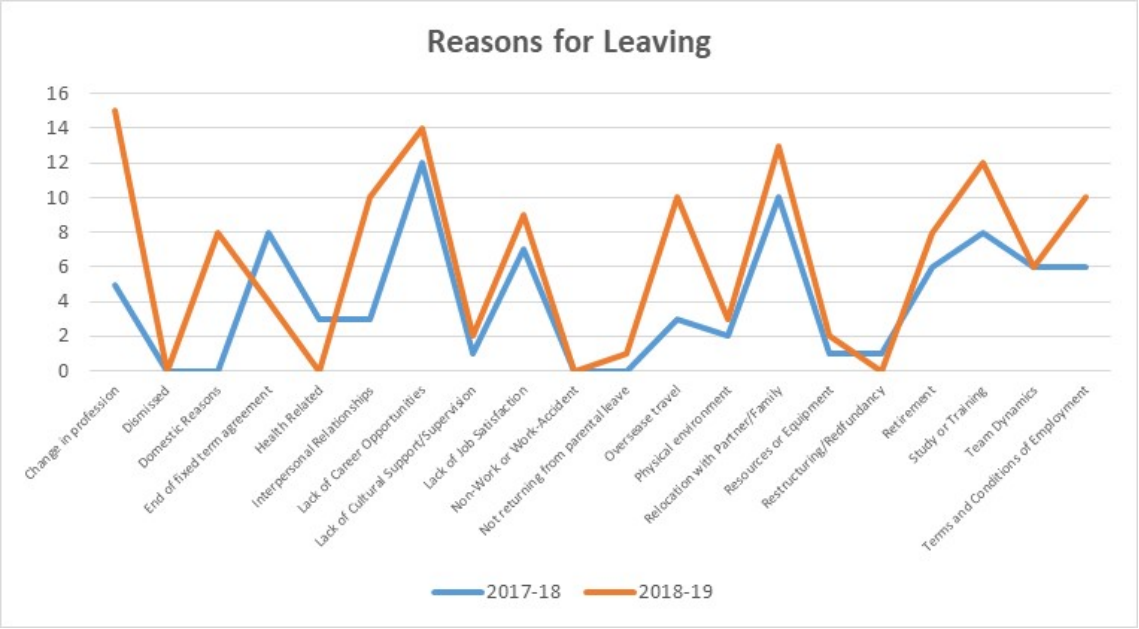
3. Feedback form exit surveys

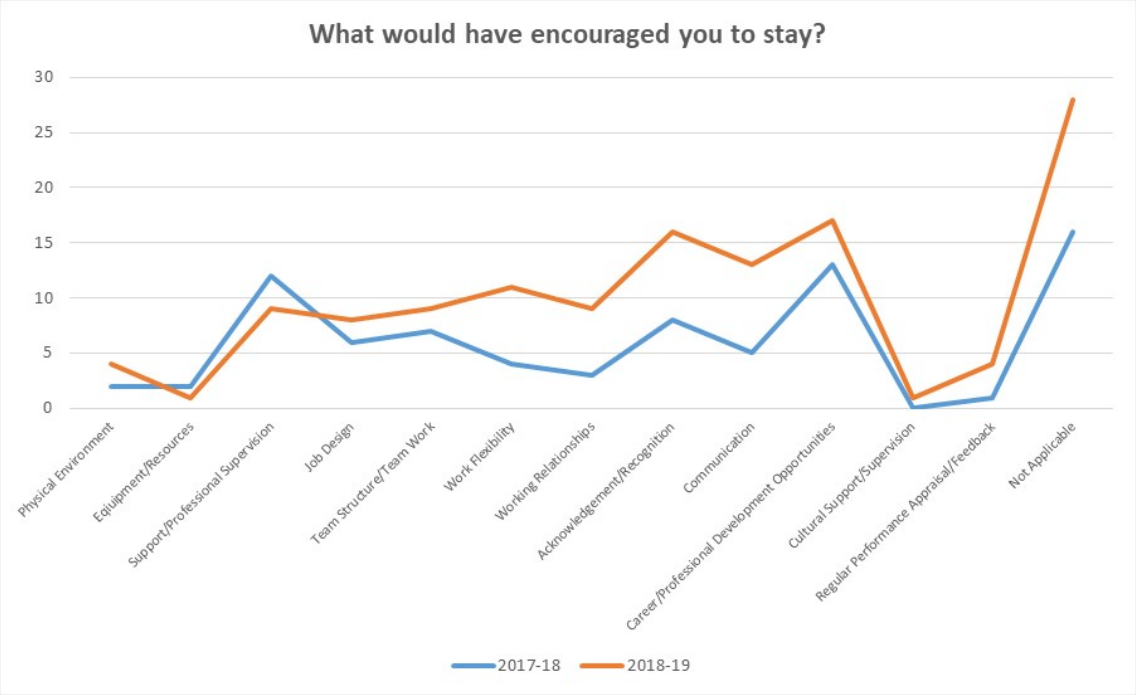
Leavers are provided with an opportunity to provide anonymous feedback. Feedback questions include:

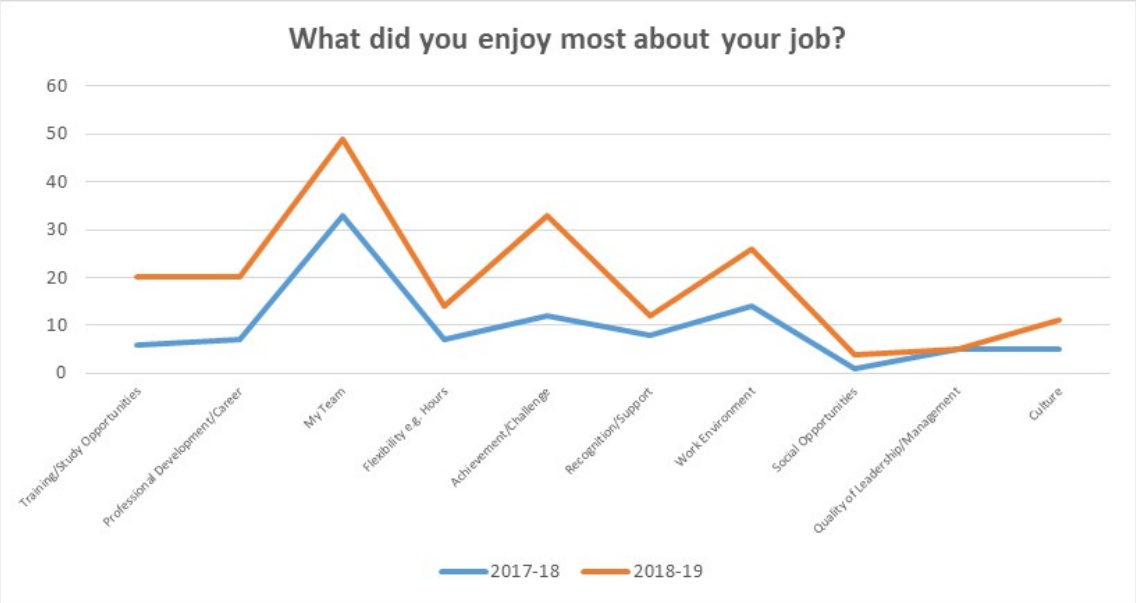
- Main reasons for leaving
- What would have encouraged you to stay?
- What did you enjoy most about your job?

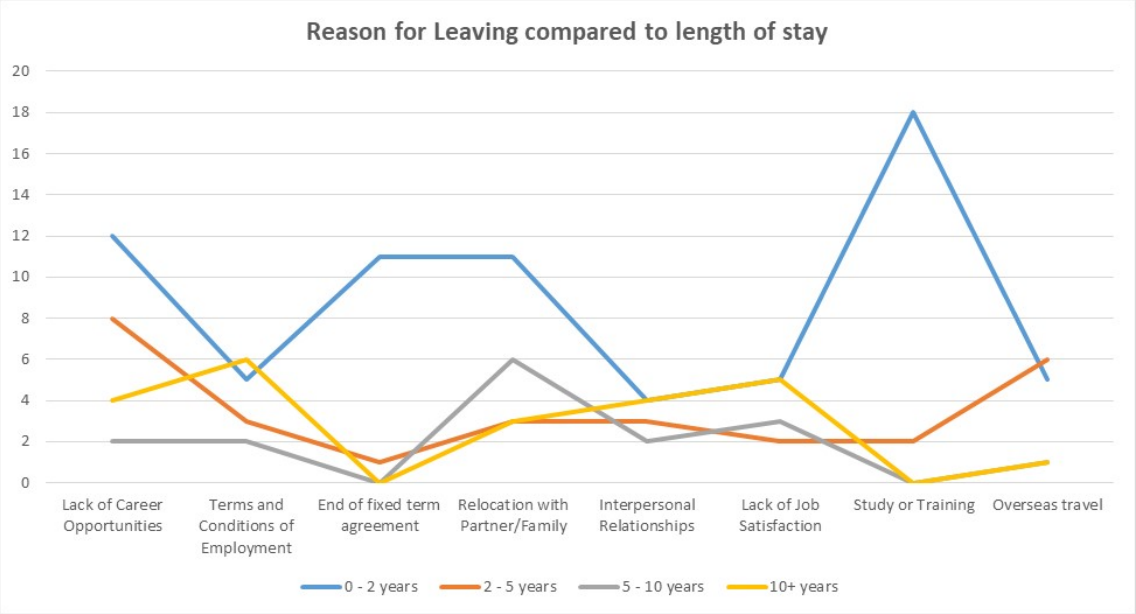
Individuals have an option of choosing up to three reasons in each category.

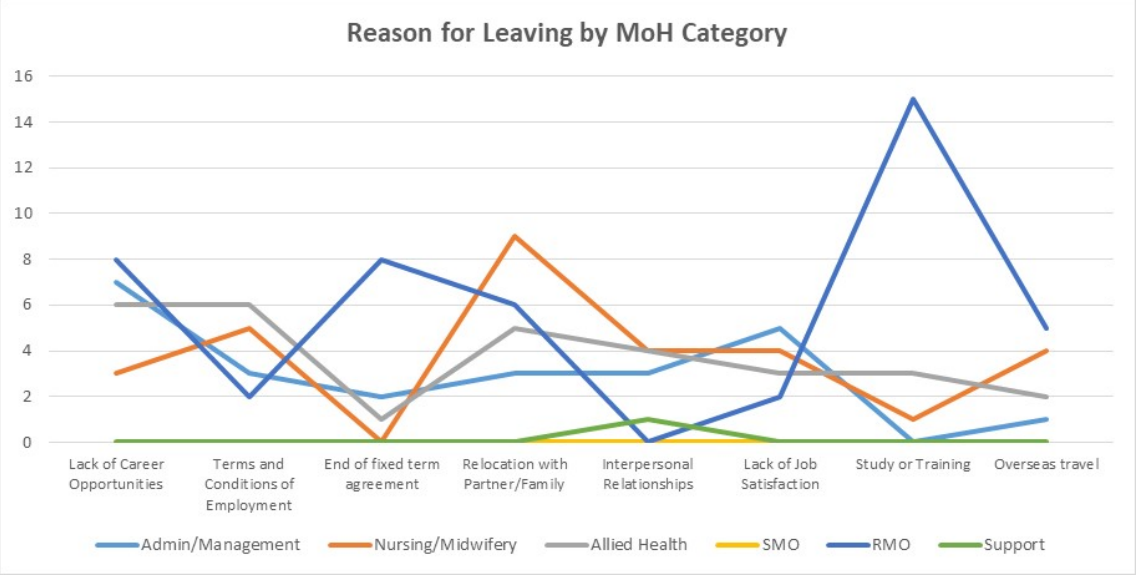
The graphs below provide a comparison of staff feedback between 2017/18 and 2018/19 based on these aspects. The feedback indicates similar trends between the two periods. Lack of career opportunities, further study and relocation are main reasons cited for leaving. Also depicted a comparison of reasons for leaving by length of stay and Ministry of Health staff category. Feedback indicates that staff with less than two years leaving are due to end of fixed term agreements, relocation and further study. Feedback from staff that stay longer follow a consistent pattern. Further study or training are the main reason for resident medical officer (RMO) turnover.




What would have encouraged you to stay?
30
25
20
15
10
5
0
Physical Environment
Equipment/Resources
Support/Professional Supervision
Job Design
Team Structure/Team Work
Work Flexibility
Working Relationships
Acknowledgement/Recognition
Communication
Career/Professional Development Opportunities
Cultural Support/Supervision
Regular Performance Appraisal/Feedback
Not Applicable
2017-18
2018-19


What did you enjoy most about your job?
60
50
40
30
20
10
0
Training/Study Opportunities
Professional Development/Career
My Team
Flexibility e.g. Hours
Achievement/Challenge
Recognition/Support
Work Environment
Social Opportunities
Quality of Leadership/Management
Culture
2017-18
2018-19





4. Staff profile

The tables below depict the WDHB staff profile as at 30 June 2019.

Age Profile		
Age Band	**Count**	**%**
20-29	128	12.3%
30-39	190	18.3%
40-49	222	21.4%
50-59	301	29.0%
60-69	187	18.0%
70+	10	1.0%

Ethnicity Profile		
Ethnicity	**Count**	**%**
NZ European	546	52.6%
European	159	15.3%
Maori	118	11.4%
Asian	90	8.7%
Other	73	7.0%
African	28	2.7%
Pacific	13	1.3%
Not Stated	7	0.7%
Middle Eastern	3	0.3%
Latin American	1	0.1%

Gender Profile		
Gender	**Count**	**%**
F	841	81.0%
M	197	19.0%

Gender by Occupational Category	F	M
Admin-Management	175	38
Allied	163	32
Medical	29	61
Midwifery	24	0
Nursing	446	64
Support	4	2

Median Age Profile	
Median Male Age	**Median Female Age**
51	48

Disability Profile	
Employees	**%**
12	1.2%

Workforce Profile			
MOH Group	**FTE**	**Headcount**	**%**
Admin-Management	190.97	213	20.5%
Allied	165.89	195	18.8%
Medical	84.96	90	8.7%
Nursing	429.08	534	51.4%
Support	2.15	6	0.6%

Service Profile	
Occupational Group	**Average Years of Completed Service**
Admin-Management	10.00
Allied	11.00
Medical	7.00
Nursing	12.00
Support	6.00
Total Average Service	9.58

5. Recruitment

Vacancies are advertised and suitable candidates appointed based on fit with the WDHB's values and culture, supported by required knowledge, skill and experience. The WDHB do not compromise on the right recruitment decision for the sake of having someone in the role. The following vacancies are currently advertised:

Executive
- General Manager Corporate
- Director of Allied Health, Scientific and Technical
- Chief Medical Officer

Medical
- Emergency Consultant
- O&G Consultant
- Consultant Ophthalmologist
- Consultant Psychiatrist
- Non-trainee Orthopaedic Registrar
- Non-trainee ED Registrar
- Rural hospital medicine Registrar
- Senior House Officers
- RMO locums

Nursing/Midwifery
- Associate Director of Nursing

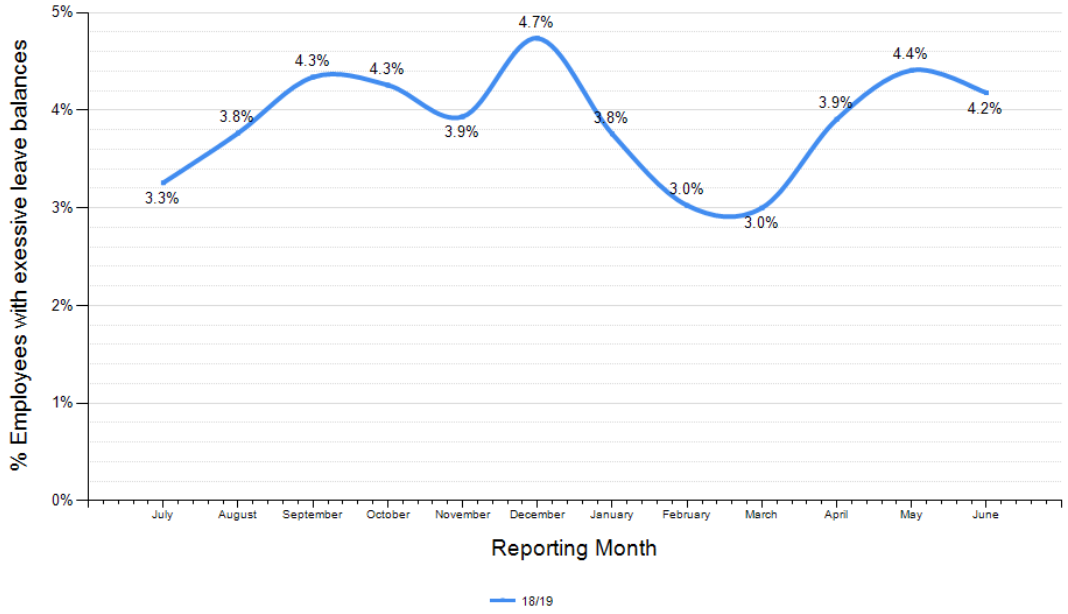
- Registered Nurse – Surgical, Maternity
- Enrolled Nurse – Surgical
- Health Care Assistant – Inpatient Mental Health, Intensive Care
- Core Midwife

Allied Health

- Cardiac Sonographer
- Physiotherapist – Child Therapy
- Occupational Therapist – Child Therapy

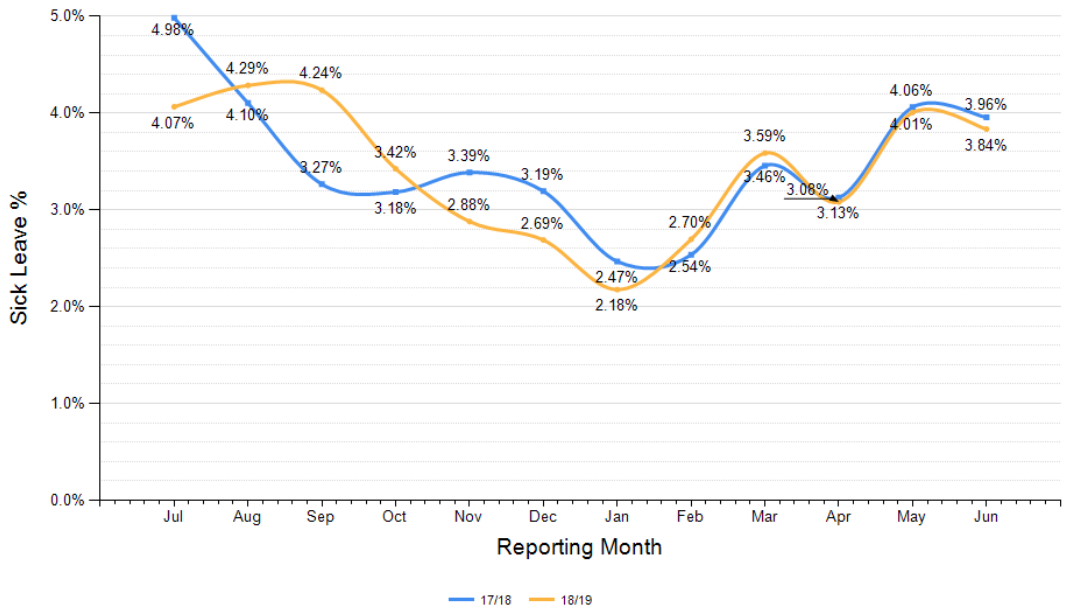
6. Annual leave

The graph below provides further details regarding 2018/19 excessive leave balances.



7. Sick leave

Sick leave taken continues to follow a similar annual cycle.



Note: The sick leave information includes sick leave taken as unpaid sick leave and annual/credit leave taken as sick leave.

8. Performance management

The confirmation of the Board strategy and Chief Executive key performance areas (KPIs) will guide the implementation of a revised approach to performance management.

Objectives to be aligned with individual accountability following confirmation of the proposed organisational structural changes. The renewed focus will assist management in embedding a strong performance appraisal culture.

9. Staff Wellbeing

The 2019/20 staff wellbeing will focuses on the following three key priority areas:

- Healthy eating - create healthy and supportive environments that contribute to staff eating healthy.
- Physical activity - promote and create opportunities that support staff to engage and participate in physical activity.
- Mental health & wellbeing - create healthy and supportive environments that contribute positively to staff mental wellbeing.

The WDHB wellbeing programme was awarded the WorkWell Bronze Standard Accreditation and is now working towards the next level of accreditation.

WHANGANUI DISTRICT HEALTH BOARD Te Poari Hauora o Whanganui	**Board Decision paper**
	Item 7
Author	D McKinnon
Subject	**Resolution to exclude the public**

Recommendations

Management recommend that the Whanganui District Health Board:

1. **Agrees** that the public be excluded from the following parts of the of the Meeting of the Board in accordance with the NZ Public Health and Disability Act 2000 ("the Act") where the Board is considering subject matter in the following table;
2. **Notes** that the grounds for the resolution is the Board, relying on Clause 32(a) of Schedule 3 of the Act, believes the public conduct of the meeting would be likely to result in the disclosure of information for which good reason exists for withholding under the Official Information Act 1982 (OIA), as referenced in the following table.

Agenda item	Reason	OIA reference
Whanganui District Health Board minutes of meeting held on 28 June 2019	For reasons set out in the board's agenda of 17 May 2019	As per the board agenda of 28 June 2019
Chief executive's report Board & committee chair reports Ruapehu Whanau Transformation Plan	To enable the district health board to carry out, without prejudice or disadvantage, commercial activities or negotiations (including commercial and industrial negotiations) To protect the privacy of natural persons, including that of deceased natural persons To avoid prejudice to measures protecting the health or safety of members of the public To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or would be likely otherwise to damage the public interest.	Section 9(2)(i) and 9(2)(j) Section 9(2)(a) Section 9(2)(c) Section 9(2)(ba)
New Zealand Health Partnership SPE 2019/20 Holidays Act Compliance MoU	To maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any department or organisation in the course of their duty	Section 9 (2) (g) (i)

Persons permitted to remain during the public excluded session

That the following person(s) may be permitted to remain after the public has been excluded because the board considers that they have knowledge that will help it. The knowledge is possessed by the following persons and relevance of that knowledge to the matters to be discussed follows:

Person(s)	Knowledge possessed	Relevance to discussion
Chief executive and senior managers and clinicians present	Management and operational information about Whanganui District Health Board	Management and operational reporting and advice to the board
Board secretariat or board's executive assistant	Minute taking, procedural and legal advice and information	Recording minutes of board meetings, advice and information as requested by the board

Whanganui District Health Board

Appendices
public session

Strategic Focus Areas

Drivers & Enablers + KPIs

Strategic Drivers	*Strategic Enablers*
SD1: **Equitable Outcomes**	SE1: **Collaborative Governance & Strategy**
SD2: **Integrated Care**	SE2: **Integrated Vision, Processes & Technology**
SD3: **Whānau & Person Centred Care**	SE3: **Valuing & Empowering Our People**
SD4: **Partnering for Community Well-being**	SE4: **Financial Health Matters**

Thriving Communities

Together we build resilient communities with empowered whanau and individuals to determine their own wellbeing

Te Pōari Hauora o Whanganui
Whanganui District Health Board

He Kōrero Mo Ngā Kaitono
Information for candidates – 2019

Rārāngi Kiko
Contents

Whanganui District Health Board's electoral contact:

Margaret Bell
Email: margaret.bell@wdhb.org.nz
Telephone: 06 348 3424
Postal address: Whanganui District Health Board, Private Bag 3003,Whanganui 4540

Further details regarding Whanganui District Health Board's plans and performance is contained in the following documents:

- WDHB Annual Plan and Statement of Performance Expectations, 2018/19
- WDHB Statement of Intent 2019 to 2022
- WDHB Annual Report 2017/18
- WDHB Pro-equity Check Up Report (2018)
- WDHB Public Health Annual Plan 2018/19
- WDHB Maternity and Maternity Quality and Safety Programme Annual Report 2017/18
- WDHB System Level Measures 2018/19
- Regional Services Plan 2018/19 – Parts 1, 2 and 3
- WDHB Quality Account 2017/18
- Manatu Whakaaetanga Memorandum of Understanding between Hauora a Iwi and Whanganui District Health Board 2017 to 2020
- WDHB Māori Health Profiles 2015

These documents are available on our website www.wdhb.org.nz.

He Whakarāpopoto o Te Pōari Hauora o Whanganui

The DHB in summary

Whanganui is one of 20 district health boards (DHBs) in New Zealand established under the New Zealand Public Health and Disability Act 2000. The Act sets out the roles and functions of DHBs. As Crown agents, DHBs are considered Crown entities and are covered by the Crown Entities Act 2004.

Whanganui DHB's health district is home to approximately 65,000 people. The DHB is responsible for promoting, improving and protecting the health of communities; promoting the integration of health services, especially community based and hospital services; promoting effective care or support of those in need of personal health services or disability support; and funding and providing public health services.

We align our intentions to our statutory objectives and to the Government's key goal of improving the wellbeing of New Zealanders and their families.

To fulfil its obligations, the DHB must meet the challenge of allocating resources amongst competing priorities. For example, deciding the balance between funding services to prevent illness and keeping people well, supporting children, youth and older people and those with chronic illness, caring for the dying and continuing to provide and improve acute and elective hospital and specialist services. The Whanganui DHB's budget for the 2019/20 year is built around baseline funding of $234 million.

The DHB ensures services are available to its resident population, including those living rurally, either by contracting with external providers (such as GPs, rest homes, dentists, Māori health providers, pharmacists and mental health service providers) or providing the services directly (such as hospital and allied health services).

For more complex specialist care, patients and their families travel and receive services from other DHBs, usually in Palmerston North or Wellington, or at Starship children's hospital in Auckland.

The DHB is governed by a board of 11 members, seven of whom are elected by our community triennially, and four of whom are appointed by the Minister of Health. Acknowledging the demographic of our region, two elected members should identify as Māori. If this is not so, two Māori members will be appointed by the Minister of Health.

The board has a Memorandum of Understanding (MoU) with iwi though Hauora a Iwi (iwi Māori Relationship Board). The iwi are Whanganui; Ngā Rauru Kītahi; Ngā Wairiki Ngāti Apa; Mōkai Pātea; Ngāti Hauiti and Ngāti Rangi, representatives of the iwi (tribal entities whose area of influence and obligations falls within or partly within the Whanganui District Health Board district) and their organisations who represent tangata whenua (members of tribal entities whose area of influence and obligations falls within or partly within the Whanganui District Health Board district).

Whanganui DHB works with many other organisations and communities inside and outside the health sector, to deliver on local, regional and national health priorities.

An effective system is crucial in our intent to eliminate inequity, integrate care, partner for community wellbeing and empower whānau and individuals to make healthy choices.

About Whanganui District Health Board

Our strategic direction

Our vision is 'Thriving communities'.

We aim to deliver our vision by focusing on four key strategic drivers:

- Eliminating inequity – by targeting vulnerability, understanding need and measuring what matters, and focusing on access.
- Integrating care – by shifting to community and primary health care, reducing hospitalisation, and focusing on public health, health promotion, protection and prevention.
- Partnering for community wellbeing – by broad, integrated social mobilisation across all communities; good communication to keep the population engaged with the health sector.
- Empowering whānau and individuals to make healthy choices – by supporting wellness through Whānau Ora; promoting the '65,000 beds' campaign, and using helpful planning and case management tools.

Linking Government priorities to our population needs

Government priorities

Whanganui DHB will deliver on the Government's priorities for 2019/20, as outlined in the Minister of Health's Letter of Expectations, December 2018 as follows:

- Strong and equitable public health and disability system
- Mental health and addiction care
- Child wellbeing
- Primary health care
- Public health and the environment
- Strong fiscal management.

Equity is a key theme across all aspects of the work that we do. Our working definition of equity is taken from the 2018 Health and Disability Review panel:

> "In Aotearoa New Zealand people have differences in health that are not only avoidable but unfair and unjust. Equity recognises different people with different levels of advantage require different approaches and resources to get equitable health outcomes."[1]

Eliminating inequities is one of our strategic drivers. With a significantly higher than average Māori population, and in honour of our Treaty obligations, the primary response to equity for WDHB is in the area of Māori health.

Other areas for equity consideration at WDHB include rural populations, youth and people needing support for mental health and addictions issues.

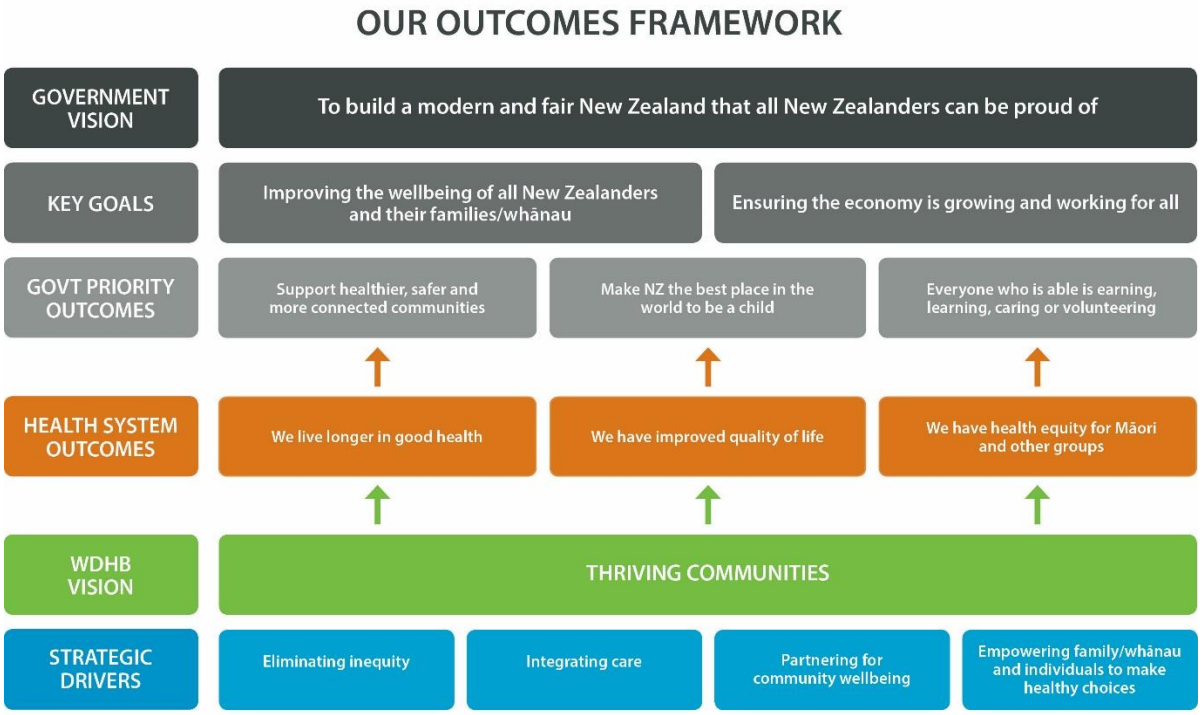
[1] www.health.govt.nz, accessed 22/03/19

Pro-equity check up

In December 2018, the DHB completed a 'Pro-equity check up' review to identify actions the organisation can take to create a strong foundation for the work that must happen as we work to eliminate inequity. The check up provided an independent and unbiased view of where we were at, which has been used to develop an implementation work plan. This plan outlines actions to focus efforts for the most sustained impact. Hauora a Iwi were engaged in the review process and have endorsed the report's recommendations. The report identified 11 findings under four themes: organisational leadership and accountability for equity; Māori workforce and Māori health and workforce capability; transparency in data and decision-making; and authentic partnership with Māori.

Whanganui DHB outcomes framework

The diagram below links our strategic drivers to the Government's vision and priorities:



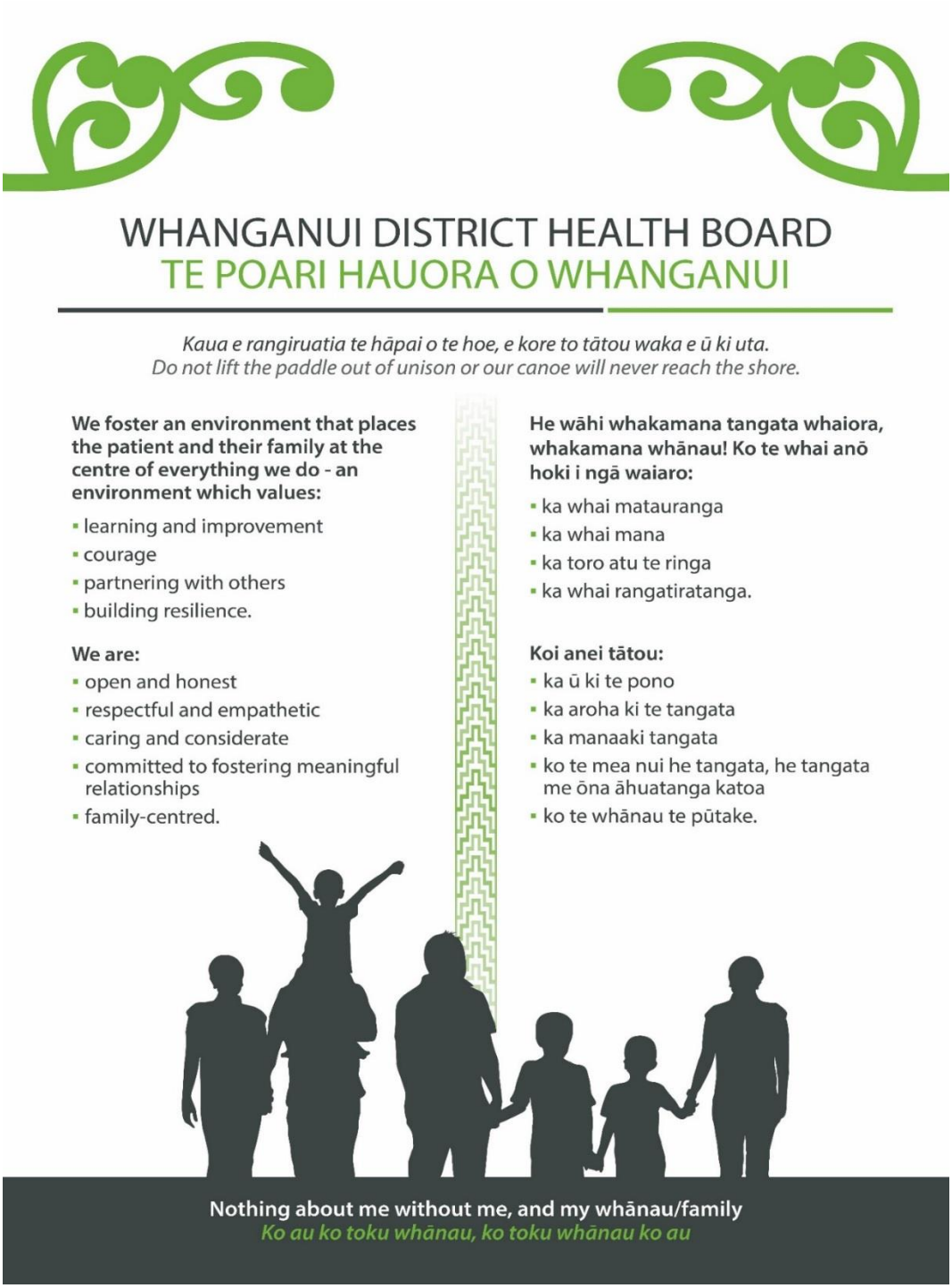
Our way of working

As outlined in the framework, we are committed to achieving equity in health outcomes for Māori and improving the health of our community. This influences what we do and how we do it, including:

- applying the philosophy of Whānau Ora as a key principle in how we partner with all health consumers and their families/whanau, and how we understand and acknowledge their cultural values and beliefs.
- applying the equity lens and Whānau Ora philosophy to ensure that governance, leadership and our wider workforce understand their responsibilities, are culturally aware and supported in their cultural practice.
    - Making whānau-centred best practice to guide how things are done.
    - Applied to planning and service improvement, the equity lens and whānau-centredness requires whānau, clinicians and the community to work together to build an understanding of what is happening and what needs to be done differently. This requires working across systems to support whānau goals and aspirations and building resilience in whānau and the community.
- investing in sustainable kaupapa Māori services, to provide whānau choice and support the building of the capacity and capability of the Māori workforce across our system.

Our values

We are a values-based, pro-equity organisation committed to whānau-based care and support. These values are depicted in the following diagram.



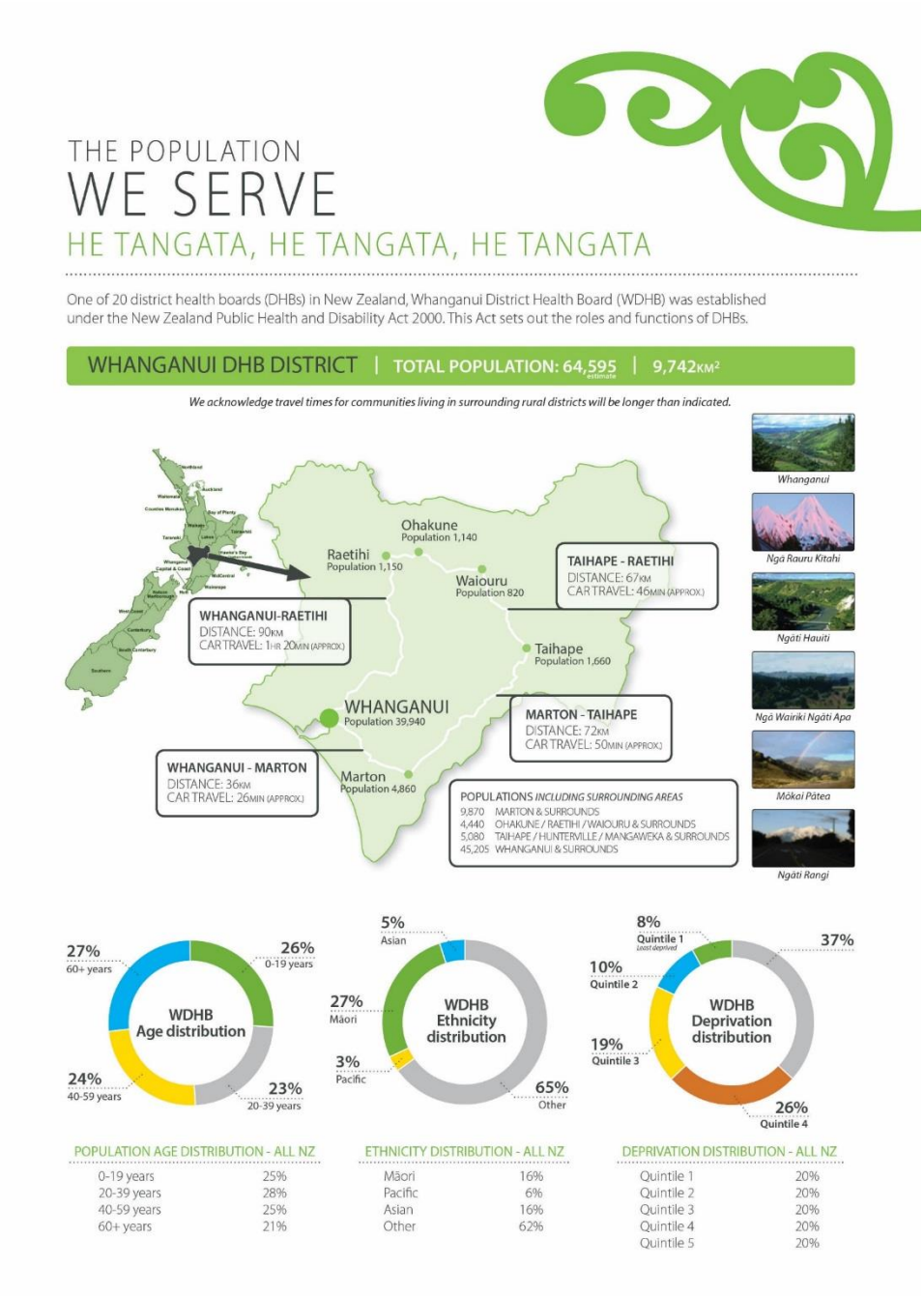
Who we serve

Whanganui District Health Board serves a population of approximately 65,000.

We provide services to a wide geographical district stretching from Raetihi, Ohakune and Waiouru in the north; across to the Rangitikei River in the south, incorporating Hunterville, Marton and Bulls; and stretching across to Wanganui and Maxwell, encompassing the lower regions of the Whanganui River.

Whanganui district comprises the following territorial local authority districts:

- Whanganui territorial authority area
- Rangitikei territorial authority area
- Ruapehu territorial authority area – the wards of Waimarino and Waiouru known as south Ruapehu.



Understanding health needs

Whanganui District Health Board maintains a good understanding of the health needs of the resident population, which is identified through comprehensive and ongoing health needs assessments.

Our population has a unique profile compared to the rest of New Zealand.

- Modest growth overall, impacting on the share of funding received.
- High rates of relative deprivation, which correlates to poor health status and high health need.
- A higher proportion of Māori (27%).
- A higher proportion of people aged over 65.
- A large geographical area with some pockets of isolated, small rural populations.
- A small hospital servicing a widely dispersed population base.
- Large travel distances to the bigger hospitals.

We are a district of high overall deprivation with 35% of our total population and 53% of Māori living in deciles[2] 9 and 10. Compared to the rest of New Zealand, the district has higher mortality rates and hospital admissions, a high level of chronic disease and a faster growing, higher proportion of older people. Population demographics and growth patterns are different for Māori, Pasifika, Asian and other population groups.

The major health issues identified in our district are poorer health status for Māori; cardiovascular (heart) disease; lung disease; cancer; diabetes; oral health and high health-risk factors. Many of these health problems are considered as being avoidable due to factors such as lifestyle, diet, prevention, early detection and treatment of conditions by general practice and community providers. It is important to also acknowledge the impact of the social determinants of health such as living conditions, employment, education, connections to family and cultural identity.

What guides us

There are key strategies and documents that guide and support us to understand and meet the needs of our population in partnership with iwi and with other local organisations, providers, agencies and Government organisations.

Te Tiriti o Waitangi

Commitment to the principles of partnership, participation and protection that underpin the relationship between the Government and Māori under the Treaty of Waitangi:

- **Partnership** involves working together with iwi, hapū, whānau and Māori communities to develop strategies for Māori health gain and appropriate health and disability services.
- **Participation** requires Māori to be involved at all levels of the health and disability sector, including in decision-making, planning, development and delivery of health and disability services.
- **Protection** involves the Government working to ensure Māori have equitable health outcomes, and safeguarding Māori cultural concepts, values and practices.

[2] An index of deprivation calculated by the Department of Public Health, University of Otago, Wellington, based on household income, access to car and telephone, household crowding, employment, home ownership status and people <65 in a single parent family. Decile 1 least deprived, decile 10 most deprived.

Partnership with iwi

To give effect to the principles of the Treaty of Waitangi the DHB's board has a formal governance relationship with Hauora a Iwi.

The primary aim of Hauora a Iwi is to contribute to the advancement of Māori health strategically to ensure equitable access and delivery of health services to Māori.

The Whanganui District Health Board and Hauora a Iwi (the Boards) formalise this through the Manatu Whakaaetanga, Memorandum of Understanding. The purpose of this memorandum is to describe how the boards work in partnership to improve equity in health outcomes for Māori people residing in the Whanganui District Health Board's area.

The boards agree that the following fundamental and guiding principles, aim and goals expands the purpose of the memorandum.

- A common interest and commitment to improving equity and advancing Māori Health.
- Building on understandings and gains already made in improving Māori Health.
- Acknowledge the impact of health determinants and the importance of across sector collaboration and participation.
- Taking responsibility for where we can influence and effect change.
- Recognising our various roles and accountabilities the boards will work collaboratively across the sector as a whole.
- Recognises the limitations and expectations of both boards.
- That the values, beliefs, practices of both organisations be considered and respected when taking into account any legal obligations of a Crown agency, public sector organisation or iwi entity.

Aim
Building a relationship that enables an effective partnership that takes us beyond our legislative requirements to achieve the goals.

Goals
1. Giving effect to Whānau Ora – the right service, at the right time, in the right place, in the right way.
2. Achieving health equity for Māori - monitoring performance through reporting.
3. Improving capacity and enhancing capability – systems, delivery options and workforce.

The boards meet quarterly and engage more frequently over strategic planning and priorities. Representatives of Hauora a Iwi sit on the DHB's Combined Statutory Advisory Committee

Māori Health Outcomes Advisory Group

Along with the iwi partnership at governance level, we have an operational partnership at management level between the DHB's leadership team and the Māori Health Outcomes Advisory Group.

The group is made up of the chief executive/general managers of the five local iwi health providers that hold health service contracts with the DHB. The organisations are Te Kotuku Hauora Ltd, Nga Iwi o Mōkai Pātea Services Trust, Ngāti Rangi Community Health Centre, Te Puke Karanga Hauora and Te Ōranganui Trust.

Formalised through a terms of reference, the intent of the group is to work together to identify health strategies and service solutions that will reduce inequities and improve the health for iwi communities and Māori living in the Whanganui DHB area.

He Korowai Ōranga 2014

Commitment to Māori Health Strategy: He Korowai Ōranga 2014, with the overall aim of **Pae ora** - healthy futures, which incorporates three interconnected elements:

- **Whānau ora** – healthy families – whānau wellbeing and support, participation in Māori culture and Te Reo.
- **Wai ora** – healthy environments – education, work, income, housing and deprivation.
- **Mauri ora** – healthy individuals – life stage from pepi/tamariki to rangatahi then pakeke and a section that includes individuals of all ages.

He Korowai Ōranga incorporates four pathways of action that are not mutually exclusive and are intended to work as an integrated whole. Te Ara Tuatahi, (pathway one) development of whānau, hapū, iwi and Māori communities; Te Ara Tuarua, (pathway two) Māori participation in the health and disability sector; Te Ara Tuatoru, (pathway three) effective health and disability services and Te Ara Tuawhā (pathway four) working across sectors.

Whānau Ora

We endorse the seven principles of Whānau Ora: That whānau are:

1. self-managing and empowered leaders
2. leading healthy lifestyles
3. confidently participating in te ao Māori (the Māori world)
4. participating fully in society
5. economically secure and successfully involved in wealth creation
6. cohesive, resilient and nurturing
7. responsible stewards of their living and natural environment.

The New Zealand Health Strategy

Incorporating five strategic themes (people-powered, care closer to home, high value and performance, one team, smart system).

The Healthy Ageing Strategy

The vision that 'older people live well, age well, and have a respectful end of life in age-friendly communities'.

The UN Convention on the Rights of Persons with Disabilities

The aim of 'promoting, protecting and ensuring the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity'.

Ala Mo'ui: Pathways to Pacific Health and Wellbeing 2014 to 2018

To facilitate the delivery of high-quality health services that meet the needs of Pacific people

What we do

The functions of the district health board are governed and guided by an Operational Policy Framework, which is part of our agreement with the Crown for public funding.

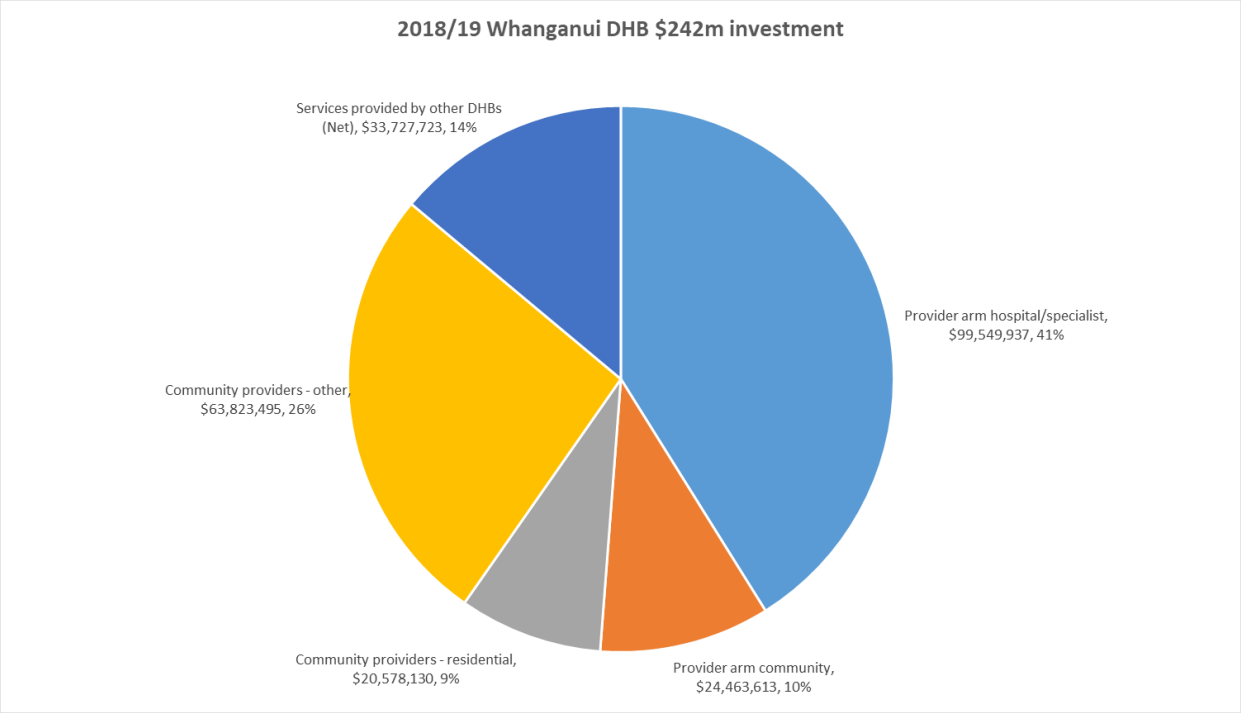
Whanganui DHB has three key functions:

- Planning and purchasing health and disability services
- Providing health and disability services through Crown-owned hospital, health centres and associated health services
- Governing and managing the district health board.

(Note: Responsibility for public health services, primary maternity services and disability support services for persons under 65 years have not yet been devolved to district health boards and currently rests with the Ministry of Health).

How Whanganui District Health Board funds services

Where the money goes



How we do it

To carry out its functions, the DHB is monitored across three divisions:

- Health services funding
- Health services provision
- Governance and Corporate.

Whanganui District Health Board has a staff headcount of approximately 1050. The workforce is made up of:

- 9% medical staff
- 51% nursing staff
- 19% allied health staff
- 1% support staff
- 20% management/administration.

Employment issues and management matters, including the employment of staff, are the chief executive's responsibility. Whanganui DHB has a large staff and having sound employment relations strategies is critical. The district health board aims to ensure that the right number and skills mix of people are employed, and that all employment bargaining occurs in good faith. We are an equal employment opportunity (EEO) employer committed to increasing and developing an inclusive workforce that continues to embrace diversity. This must be undertaken within available funding.

Funding of health services

This function is primarily overseen by the Service and Business Planning team through:

- Health needs assessments
- Coordination of prioritisation activity
- Planning
- Funding services
- Monitoring and reporting.

Service and Business Planning is responsible for the funding division of the DHB and for leading the planning for both funding and provision of health services. The service is guided by, and must work within, key Government policies such as the National Service Framework and Service Coverage Schedule, which set out minimum requirements for service delivery.

We gather information about what is happening with the health of people in our district through health needs assessments, monitoring processes, evaluation and consultation. The latest reviews show that many of the health problems faced by our community are considered to be avoidable due to factors such as lifestyle and could be prevented by earlier detection and management through better access to primary and community-based services.

The findings of the health needs assessment reinforce Whanganui DHB's priority health areas of Māori health, cancer, respiratory, diabetes, cardiovascular, oral health and child health in the district.

Service and Business Planning also provide advice to the board on relative priorities to inform decisions about funding received by the DHB through Vote Health. We develop plans including the annual plan (our main accountability document), and other short, medium and long-term improvement plans and operational business plans. Key documents are available on the website (www.wdhb.org.nz) under 'Publications', including the annual plan.

The Service and Business Planning team currently has responsibility for purchasing health services and monitoring external contracts valued at around $118 million per annum, in addition to the internal agreement with our own provider, which is valued at around $124 million.

The services funded are broadly grouped as follows:

- Health of older people
- Māori health
- Mental health
- Personal health
- Primary health
- Health promotion and protection
- Secondary and tertiary health services.

Monitoring and reporting on DHB performance includes oversight of our own provider, contracted providers and the system as a whole. This is focused on non-financial reporting as financials are done through the Finance Department, which is part of Corporate Services.

Service and Business Planning is responsible, together with other district health boards in the central region, for ensuring a strong regional health system.

The Service and Business Planning team must also ensure that the district health board maintains financially sustainable and viable contracts with health service providers, while remaining within the budget agreed with the Minister of Health.

How Service and Business Planning works

We recognise that to improve health and equity we need to work with other government and non-government partners. We know that health and wellbeing in the broader context is determined by income, employment, education, housing, culture and ethnicity, social cohesion, resilience and hope for the future. Examples of our work with other agencies includes:

- Vulnerable children
- Nutrition and physical activity
- Smoke-free environments
- Family violence prevention
- Safer communities
- Healthy homes
- Pathways to employment.

We also have formal contractual and funding arrangements with a range of health providers including general practice services, community pharmacies, Māori health, rest homes, and community health providers. We are aware of, and make integral in our planning, the fact that the number of people who require hospital treatment is very small when compared to the number of individual interactions with health services in the community.

Partnership with iwi and relationships with Māori

Whanganui DHB recognises and respects the principles of the Treaty of Waitangi in accordance with the New Zealand Public Health and Disability Act 2000 and is committed to the advancement of Māori health priorities. The board recognises that partnership and participation are essential to enable iwi to participate and contribute to strategies for Māori health improvement and to foster the development of Māori capacity to participate in the health and disability sector.

Community engagement

We are committed to working with local communities through an open and transparent planning and decision-making process. We aim to keep the community informed at all times through consultation, communication, public board and committee meetings and the regular release of information.

Partnership with public health services

Our planning and provision of public health services is integrated with and informed by local population health priorities, in addition to national and regional direction. The regulatory function of public health is provided to Whanganui DHB by MidCentral Health through their health protection service.

Public sector cooperation

We recognise the importance of alliances with other agencies outside health and the crucial role other agencies play in assisting the board to address and improve the determinants of health.

Private sector cooperation

We work with a range of private sector providers to deliver and coordinate services to the community. The majority of health and disability providers contracted are private providers and we ensure we meet the requirements of the Ministry of Health's Operational Policy Framework when entering into contractual arrangements with private providers.

In all our work we are committed to partnering with individuals, their whānau, and broader communities, to fulfil our role and responsibilities, both as a DHB, and as members of our community.

Approach to prioritisation

As health sector funding will never meet unlimited demands, the board follows a prioritisation framework for decision-making to guide funding decisions according to current national, regional and local priorities.

Principles underpin the prioritisation process to ensure that we keep a constant focus on three overarching aims: Improving population health through reducing inequity in health status; increasing the value of services through better patient experience; and remaining clinically and financially sustainable. The principles that have been agreed by the board on which prioritisation decisions are made are:

- fairness and equity
- value for money
- effectiveness.

The Health Equity Assessment Tool[3] (HEAT) is one tool that guides us and informs decision-making around priorities. The tool can be used to assess and compare proposals for changes to health services to ensure that current health inequities are being tackled.

Any significant changes to services requires approval from the Minister of Health. A 'significant change' is defined as:

- a controversial change to the provider
- a material change to the level, nature or volume of services provided
- a material change to the funding method or contracting arrangement.

Approach to monitoring performance

All WDHB contracts with providers include reporting mechanisms designed to give information on the provider's performance. We also access information from national data sets and other health information collections to provide intelligence on service and system performance.

Many primary health care providers are paid under regulatory arrangements based on national frameworks. These are usually fee-for-service arrangements. The DHB monitors service performance in these areas through reports and volumes analyses.

Regular audits of providers are carried out. Special and issues-based audits are also undertaken as required. The audit process is managed by the central region's Technical Advisory Service on behalf of Whanganui DHB, and by the Ministry of Health's HealthCert for providers that require licensing and registration. Registered auditors are all qualified to carry out service-based, financial or cultural audits.

Funding and financial management

Whanganui DHB's key financial indicators are reported through our performance management processes to the Ministry of Health, governance and management leaders on a regular basis.

Regional service planning

Whanganui DHB is one of the six DHBs of the central region, along with Wairarapa, Hawke's Bay, MidCentral, Hutt Valley and Capital and Coast. Our tertiary centre is Capital and Coast DHB (Wellington) and we also have strong sub-regional arrangements, through the centralAlliance, with MidCentral DHB (Palmerston North). The central region's Technical Advisory Service (the shared service organisation for all district health boards in the central region) supports regional service planning activities.

[3] More information can be found on this tool on the Ministry of Health website www.moh.govt.nz.

Ngā Rātonga Hauora o Te Pōari
Hauora o Whanganui

The services Whanganui DHB provides

About Whanganui DHB's provider

Overview

The DHB is a provider of services and through its Provider division, operates:

- Whanganui Hospital – the district's publicly owned hospital and associated health service
- Waimarino Health Centre, located in Raetihi
- South Rangitikei Health Centre, located in Marton
- Taihape Health Centre facility, which is DHB-owned and is operated by the Whanganui Regional Health Network (primary health organisation).

The role of each unit is covered below.

About Whanganui Hospital

Whanganui Hospital provides hospital and associated services. Currently around 880 full-time equivalent staff are employed directly by the Whanganui DHB provider arm. Another 66 permanent and 32 casual staff work under commercial contracts (outsourced services such as catering and orderlies).

Who Whanganui Hospital serves

The hospital provides comprehensive secondary care to our entire resident population. We have formal and informal agreements with other DHBs to provide some higher level (tertiary and quaternary services). Some specialist health services and public health services are received from MidCentral District Health Board in Palmerston North, including regional cancer treatment services.

How Whanganui Hospital does its work

Whanganui Hospital provides services costing around $121 million per annum. The hospital's largest service delivery agreement is our internal service level agreement with the DHB funder. The hospital also provides services under contract with other organisations, including:

- Accident Compensation Corporation
- Other district health boards
- Ministry of Health
- Health Workforce New Zealand.

Services Whanganui Hospital provides

The hospital's prime purpose is to provide specialist:

- Emergency medicine services
- Medical and surgical services, including day surgery
- Maternity services
- Child health services
- Māori health services
- Mental health and alcohol and drug services
- Diagnostic services
- Allied health services
- Disability support services
- Public health services
- Associated outpatient, clinical support and community-based services.

These broad categories include a range of services.

A primary health care practitioner, such as a general practitioner, usually refers people to the specialist services. The clinical assessment, treatment and care provided by the hospital is at the secondary intervention level.

Hospital inpatient services are provided in one location – Whanganui Hospital. The hospital also provides visiting specialist and outreach community-based services to rural communities at three rural health centres.

Rural health centres

There are three rural health centres in the DHB area: Rangitikei Health Centre located in Marton, Waimarino Health Centre in Raetihi, and the Taihape Health Centre in Taihape. The Taihape Health Centre is operated by the Whanganui Regional Health Network.

Services provided from rural health centres

The Waimarino and Rangitikei health centres provide a range of community-based services including community nursing, visiting specialists, specialist nurse, allied health professionals, physiotherapy, podiatry, community mental health and counselling.

Waimarino Health Centre has a visiting x-ray service one day a week. It also includes a birthing unit for women and their families in the district, supported by midwives working from the centre.

Taihape Health Centre provides a range of health services and houses the general practice and primary health nursing team, x-ray, social worker, counsellor, community nursing service, physiotherapy and visiting specialist clinics, including community mental health. A two-bed primary maternity inpatient unit is co-located on the same site as the health centre, staffed by midwives from the centre. There are also nurse-led outreach clinics held in Waiouru.

The St John health shuttle provides transport for rural families to access Whanganui and Palmerston North Hospital services.

The hospital and rural health centres work alongside, and in support of, primary providers such as general practice teams, community services and NGOs, pharmacies, Māori health services, independent midwives, rural health centres and providers. It also maintains close relationships with government agencies and secondary and tertiary health providers.

About Whanganui DHB's Governance and Corporate Services

About governance

A board of 11 members is responsible for the governance of Whanganui District Health Board. Seven members are elected as part of the triennial local authority election process, and the Minister of Health appoints four members. In making appointments, the Minister will ensure there are at least two Māori members of the board and must endeavour to ensure that the Māori membership of the board is proportional to the number of Māori in the DHB's resident population.

The current Whanganui District Health Board chair is one of the Ministerial appointments and was also appointed to chair the MidCentral District Health Board in 2016.

Powhiri to welcome the board

The newly-elected board is formally welcomed to their first meeting with a powhiri led by the WDHB kaumatua and kuia, supported by the chief executive and staff.

What governance does

The board's mandate is stated in the New Zealand Public Health and Disability Act 2000. The board is responsible to the Minister of Health.

Its key responsibilities include:

- Setting the strategic direction and developing policy that is consistent with the statutory framework
- Appointing the chief executive
- Monitoring the performance of the organisation and its chief executive
- Ensuring compliance with legal requirements, the Government's accountability framework and the Crown's expectations
- Maintaining appropriate relationships with the Minister, Parliament and the public
- Accountability for the performance and management of the organisation.

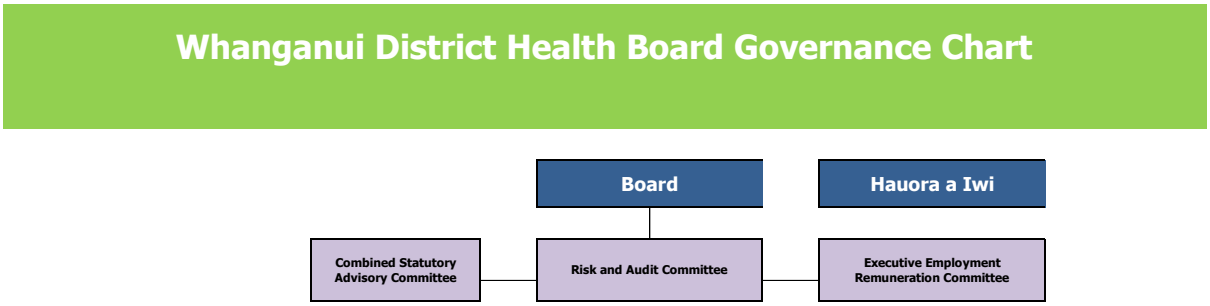
Board and committee structure

In accordance with the NZ Public Health and Disability Act 2000, the board is required to have three statutory committees. These are: the Community and Public Health Advisory Committee, the Disability Support Advisory Committee, and the Hospital Advisory Committee. Since March 2017, WDHB has combined these three committees into the Combined Statutory Advisory Committee (CSAC). Each board member is expected to sit on CSAC.

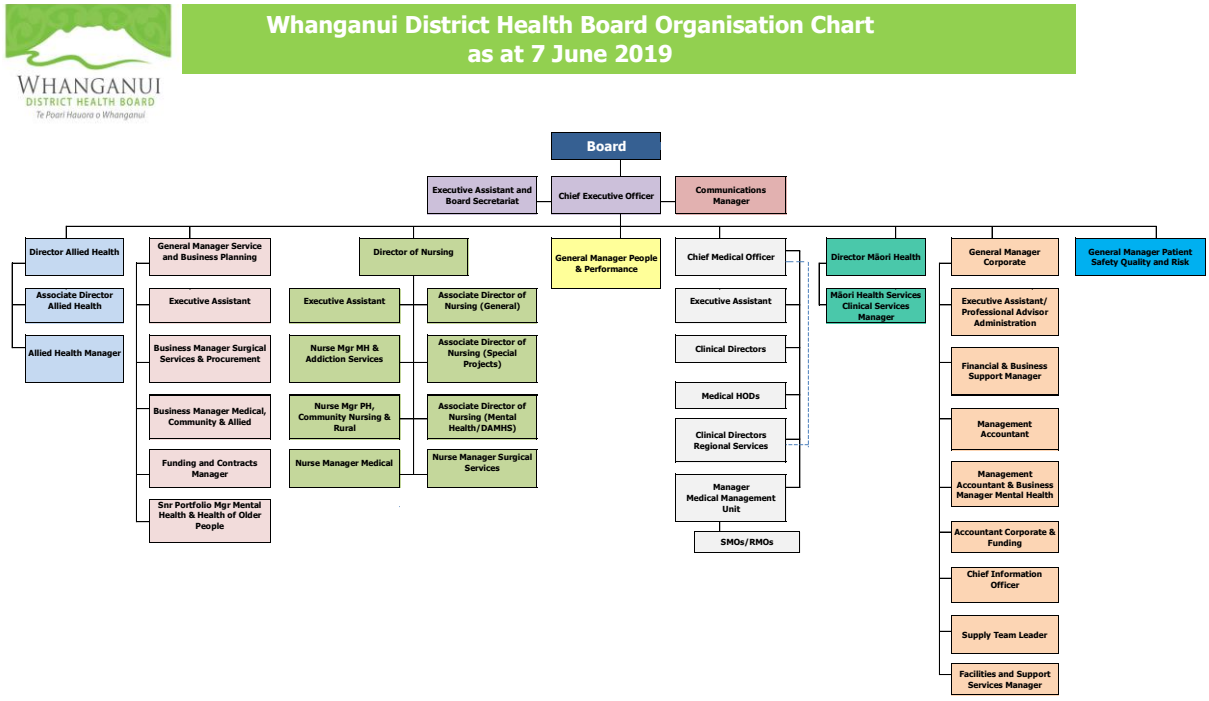
In accordance with good business practice and to meet the requirements of the Public Finance Act, the Risk and Audit Committee has been established. The board also operates a Remuneration Committee which meets as required.

The charts on the following page provide a diagrammatic representation of the organisational structure – both governance and management.

Governance



Management



Board/Committee meetings

Board meetings are held six-weekly on a Friday from 10am to approx. 3pm.

The Combined Statutory Advisory Committee also meets six-weekly, with meetings held two weeks prior to the board meeting, on a Friday from 9.30am to noon. Committee member only time may be scheduled prior to each meeting.

The terms of reference for the Risk and Audit Committee require that six meetings are held each year. Dates are set around planning for external audit and finalisation of annual accounts.

Combined Whanganui DHB and Hauora a Iwi meetings

Whanganui DHB and Hauora a Iwi meet four times a year and Hauora a Iwi members attend DHB board meetings for strategic and priority discussions.

Committee membership

Where necessary, the board appoints external experts to its advisory committees to ensure that the committee has the skills necessary to undertake its role. These positions are skills-based, and are publicly advertised. The term of appointment is usually for three years, to coincide with the board election.

Two members of Hauora a Iwi are also members of the Combined Statutory Advisory Committee.

Committee functions

Each committee has its own terms of reference which are reviewed regularly. Each committee also has an annual work programme. This is established by the board and includes monitoring arrangements in respect of annual plan initiatives.

Board training

An annual training programme is put in place to support the board members. This includes keeping up-to-date with advances in health and disability care, topical issues and health trends.

Prior to the first official meeting of the newly-elected board, all board and committee members attend the WDHB's two-day cultural education and awareness programme, Hapai te Hoe.

Community engagement

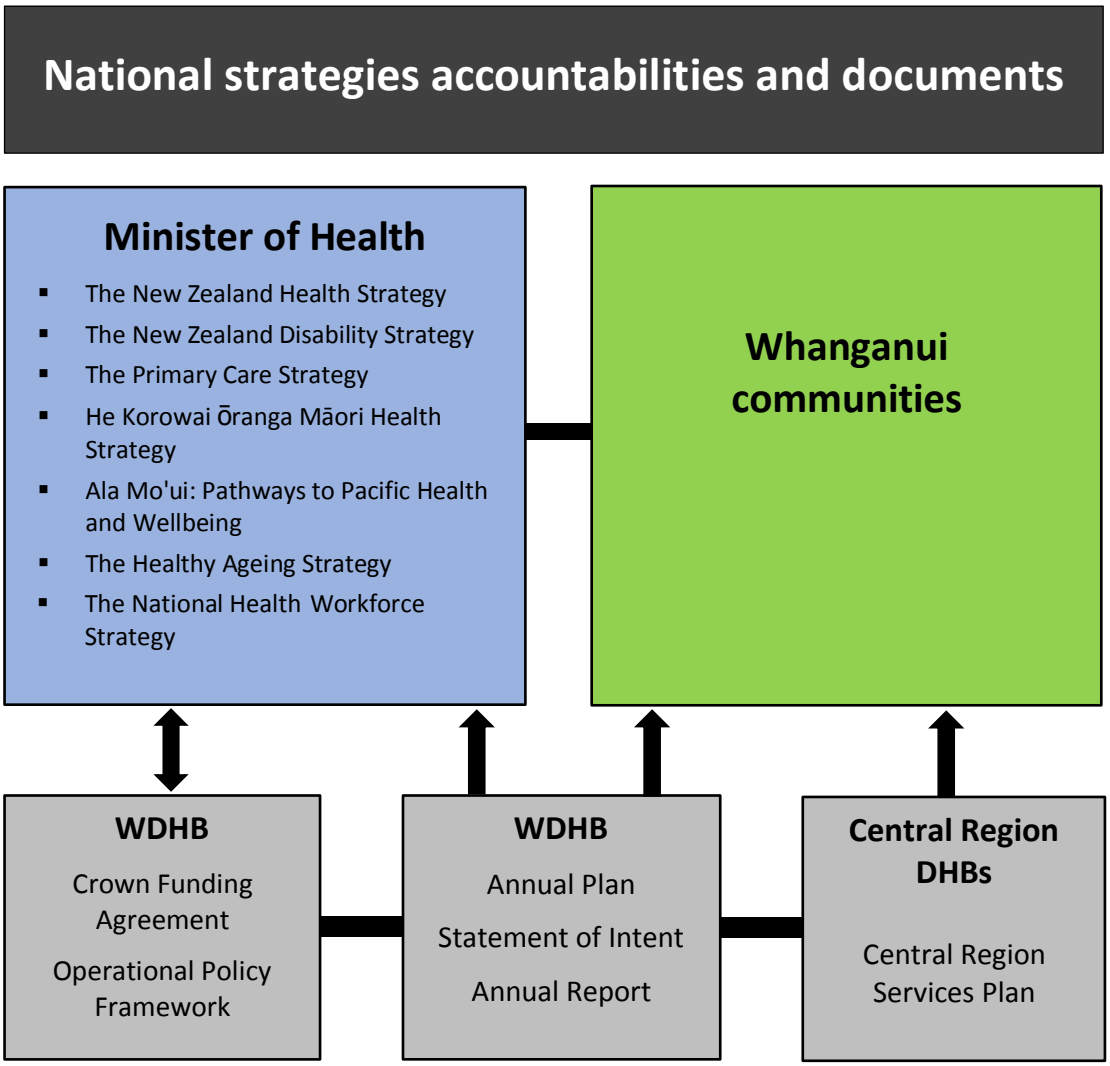
Whanganui District Health Board is committed to working with its community to achieve its vision and strategic direction and has an open and transparent decision-making process.

Our organisation is committed to consumer involvement in how we plan for and run our services. Each of the board's committees has community representation and we have consumer representatives on several of our significant operational committees.

The DHB's consumer council, Te Pukaea, carries the message (advice/experiences) of the people (users/consumers/whānau/families). The focus of Te Pukaea is to improve the way we work with patients and their families, improve their experiences under our care and service, and assist with making system improvements that keep patients and families safe while in our care.

Whanganui District Health Board welcomes feedback from the community on all matters and endeavours to keep the community informed at all times of its plans, progress, and achievements. It does this through engagement, communication and the public release of information. From time to time, formal consultation is undertaken.

Meetings of the board and its statutory advisory committee are open to the public. A public comment section is a part of the board's formal meeting process. Members of the public are invited to raise issues directly with the board during this section of the meeting. Often at commencement of the board meeting, members hear a consumer story or have a presentation from clinical staff on a service matter which is significant for the community.



Crown Funding Agreement

The board is responsible to the Minister of Health. A 'Crown Funding Agreement' (CFA) is agreed on an annual basis between the district health board and the Minister of Health. The CFA outlines the funding that will be provided by the Crown and the services that must be provided in return. The CFA also contains the other two key accountability documents – the Operational Policy Framework (OPF) and the Service Coverage Schedule (SCS).

The CFA also links to the following plans that must be produced in terms or various statutory or regulatory obligations.

Statement of Intent (SOI)

This is a summary document specifying high-level district health board objectives, outputs, obligations and performance measures (statement of performance expectations, financial information for the year ahead, and a forecast for the next three years). It is a summary of the district health board's strategic intentions and is produced in terms of section 139 and 149C of the Crown Entities Act (2004) and provides accountability to Parliament and the public at least triennially. The Statement of Performance Expectations is a component of the SOI and is updated annually to provide accountability to Parliament and the public.

Annual plan

The annual plan is produced each year for approval by the Minister of Health, in accordance with section 38 of the New Zealand Public Health and Disability Act 2000. The annual plan contains the activity and associated performance expectations to be achieved in terms of the Minister's planning priorities for the year. It covers activity across the three main aspects of the district health board's role of funding, governance/management of the hospital and governance/management of the district health board. The plan also includes equity measures for Māori health gain.

Regional services plan

In terms of the New Zealand Public Health and Disability Act 2000, the Minister may direct a DHB to prepare or contribute to one or more other plans. As a result, the central region DHBs produce a regional services plan (RSP). The RSP covers areas of regional collaboration and strategic focus where a regional approach has been agreed by the combined DHB leadership. The RSP is prepared by Technical Advisory Services under the guidance of a regional forum made up regional executives, and its implementation is facilitated through the same collective approach.

Annual report

An annual report is produced each year in accordance with the NZ Public Finance Act 1989. A report from Hauora a Iwi is included in the annual report, along with statements of financial performance, a statement of service performance and accounts of quality. These statements are audited by the Office of the Auditor-General, and reflect an assessment of the service and financial measures projected in the annual plan and the statement of performance expectations against the actual results for the year. The annual report is a statutory accountability document and is tabled in Parliament by the Minister of Health.

centralAlliance

MidCentral and Whanganui DHBs have an established alliance to support shared planning and provision of services. This is underpinned by a foundation agreement.

The two DHBs already have a number of shared services or collaborations in place, including:
- Allied Laundry Services Ltd (along with other DHBs)
- Public health services
- A range of clinical services
- A range of non-clinical support services.

The centralAlliance does not change each district health board's responsibilities under legislation to plan, provide and govern health and disability services in their respective districts. Each district health board remains autonomous – legally and structurally independent of each other.

Regional collaboration

The six central region DHBs (Capital and Coast, Hawke's Bay, Hutt Valley, MidCentral, Wairarapa and Whanganui) continue to build on a strong foundation of regional collaboration, to collectively achieve a shared vision, financial security and improve productivity.

The Central Region Regional Service Plan for 2018/19 articulates our region's strategic direction and provides a high-level overview of the central region DHBs' planned actions for the year. Through these actions we will continue to focus on the strategy's three strategic objectives:
- A digitally enabled health system
- A clinically and financially sustainable health system
- An enabled and capable workforce.

Our RSP prioritises focus on four areas of significant need: Cancer; cardiac; mental health and addiction; and regional care arrangements. We believe that this targeted approach will contribute significantly to improving the health outcomes of the people in our region.

We will also focus on achieving better outcomes for Māori through reducing the variations in disease rates and health outcomes among the population. Our work will align closely with *He Korowai Ōranga: Māori Health Strategy* and the Government's priorities, as well as our obligation to identify inequities and develop actions to improve outcomes.

Work on existing regional programmes also continues, including:

- diagnostic services
- elective services
- healthy ageing
- health quality and safety
- hepatitis C
- major trauma
- stroke
- technology and digital services
- the regional workforce.

As well as detailing our work programmes, the RSP explains the regional approach to improving quality, safety and the patient care experience, against an overall goal of improving patient health outcomes and equity. Planning and monitoring is led by the central region's chief operating officers, general managers planning and funding, and general managers Māori and Pacific.

National collaboration

Whanganui District Health Board is a participant in the 20 district health boards (20 DHBs) collaborative, through which all DHBs coordinate selected activities at a national level.

20 DHBs aims to:

- provide a forum and structure to represent matters of common interest.
- enable district health boards to take actions that are consistent with the sector's collective interests, and to build sector capacity and capability.
- create a forum in which district health boards can develop a coherent and considered strategic view on key policy and operational issues impacting on the health sector.
- recognise and protect the autonomy of district health boards in terms of their individual accountability to the Minister of Health.

The cost of operating the 20 DHBs is met by its members and it undertakes project work on behalf of DHBs, the cost of which is met by those participating.

The 20 DHB collaborative has three priority areas which are aligned to the Government's priorities:

- National services.
- Workforce development and employment relations.
- Supporting the collaboration.

About Corporate Services

The Corporate Services team includes the chief executive's and board office.

What Corporate Services does

Corporate Services support the governance and management activities for the district health board's activities. It provides the following services across the organisation:

- Organisational leadership
- Information systems
- Financial and asset management systems
- Risk management
- Payroll
- Human resource and workforce development
- Corporate communication service
- Commercial services.

In addition, Corporate Services plays a major part in responding to statutory requirements and the requirements of external stakeholders, such as the Ministry of Health and the community.

How corporate services does its work

There are three distinct roles carried out by corporate services.

The first, through the chief executive's office, is to provide leadership for the district health board. The executive management team includes clinical leaders and general managers. This team provides leadership and management across the DHB.

The second role of corporate services is to provide the strategic and business support needed to ensure the effective and efficient functioning of the clinical services and maintaining a high-performing organisation. These support services include information systems, facilities, finance, procurement and supply, risk management, legislative compliance, asset management and the relationships with the significant non-clinical contractors.

Lastly, the role of corporate services is to support the effective functioning of the governance structure.

Financial projections

There are financial pressures within the health sector at present due to increased service demand from an ageing population. This increase in services is requiring greater resources, impacting on costs which are not fully funded. Financial deficits in the health sector as a whole have been growing since 2017/18.

Whanganui DHB's forecast financial result for 2018/19 is a deficit of $8.086 million.

The budget for 2019/20 has not been finalised at the time of preparing this information.