



# **BOARD MEETING**

## **AGENDA**

**Thursday, 3 May 2012**

**10.00 am**

**Board Room  
Community Services Building  
Southland Hospital Campus, Invercargill**



*Remember to visit our Website at [www.southerndhb.govt.nz](http://www.southerndhb.govt.nz)*

# SOUTHERN DISTRICT HEALTH BOARD MEETING

Thursday, 3 May 2012, 10.00 am  
Board Room, Southland Hospital Campus, Invercargill

## A G E N D A

Item		Page No.
1.	<b>Chair's Opening Comments</b>	
2.	<b>Apologies</b>	
3.	<b>Interests Registers</b>	2
4.	<b>Minutes of Previous Meeting</b>	8
5.	<b>Matters Arising</b>	
6.	<b>Review of Action Sheet</b>	15
7.	<b>CEO's Report</b>	18
	a) DHB Financial Performance	
	b) Provider Arm Update	
	c) Planning & Funding Update	
8.	<b>Financial Report</b>	22
9.	<b>National Health Board and Southern DHB Joint Assessment of Systems: Dunedin Hospital</b>	41
	<b>Advisory Committee Reports:</b>	
10.	<b>Disability Support Advisory Committee and Community &amp; Public Health Advisory Committees</b>	
	a) Minutes of 4 April 2012 meeting	45
	b) Verbal report of 2 May 2012 meeting	
	c) Mental Health and Addiction Draft Strategic Plan - <i>Raise Hope: Hapaia te Tumanako</i>	50
11.	<b>Hospitals Advisory Committee</b>	
	a) Minutes of 4 April 2012 meeting	52
	b) Verbal report of 2 May 2012 meeting	
12.	<b>Iwi Governance Committee</b>	
	a) Minutes of 3 April 2012 meeting	59
	b) Verbal report of 2 May 2012 meeting	
13.	<b>Contracts Register</b>	65

**Confidential Session:**

**RESOLUTION:**

That the Board move into committee to consider the agenda items listed below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 32, Schedule 3 of the NZ Public Health and Disability Act 2000 for the passing of this resolution are as follows:

<b><i>General subject:</i></b>	<b><i>Reasons for passing this resolution:</i></b>	<b><i>Grounds for passing the resolution:</i></b>
<b>Previous Public Excluded Board Minutes</b>	As per reasons set out in previous agenda	S 32(a), Schedule 3, NZ Public Health and Disability Act 2000 – that the public conduct of this part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under sections 9(2)(a), 9(2)(f), 9(2)(i), 9(2)(j) of the Official Information Act 1982, that is withholding the information is necessary to: protect the privacy of natural persons; maintain the constitutional conventions which protect the confidentiality of advice tendered by Ministers of the Crown and officials; to enable a Minister of the Crown or any Department or organisation holding the information to carry on, without prejudice or disadvantage, commercial activities and negotiations.
<b>Review of Public Excluded Action Sheet</b>	Personal privacy and to allow activities to be carried on without prejudice or disadvantage	As above, sections 9(2)(i), 9(2)(j), and 9(2)(a).
<b>Annual Plan</b>	Plan is subject to Ministerial approval	As above, sections 9(2)(f)(iv) and 9(2)(j).
<b>Project Opportunities</b>	Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage	As above, sections 9(2)(i) and 9(2)(j).
<b>HBL Update</b>	Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage	As above, sections 9(2)(i) and 9(2)(j).

<b><i>General subject:</i></b>	<b><i>Reasons for passing this resolution:</i></b>	<b><i>Grounds for passing the resolution:</i></b>
<b>Public Excluded Advisory Committee Reports</b>  a) Disability Support Advisory Committee and Community & Public Health Advisory Committee <ul style="list-style-type: none"> <li>▪ 4 April 2012</li> <li>▪ 2 May 2012</li> </ul> b) Hospitals Advisory Committee <ul style="list-style-type: none"> <li>▪ 4 April 2012</li> <li>▪ 2 May 2012</li> <li>▪ Theatre 9 Business Case</li> <li>▪ ILT Funding Application</li> </ul> c) Clinical Advisory Committee <ul style="list-style-type: none"> <li>▪ 4 April 2012</li> <li>▪ 2 May 2012</li> </ul>	Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage	As above, sections 9(2)(i) and 9(2)(j).
<b>Contract Approvals</b> <ul style="list-style-type: none"> <li>▪ University of Otago – School of Dentistry</li> <li>▪ Adventure Development Ltd</li> <li>▪ Health Workforce NZ - Postgraduate Nursing</li> <li>▪ Medtronic Australasia Pty Ltd</li> </ul>	Commercial sensitivity	As above, section 9(2)(i).
<b>Sentinel Events Report</b>	Personal privacy and to allow activities to be carried on without prejudice or disadvantage	As above, sections 9(2)(j), 9(2)(a)
<b>Risk Report</b>	To allow activities to be carried on without prejudice or disadvantage	As above, sections 9(2)(i) and 9(2)(j).
<b>Legal Issues</b>	To allow activities to be carried on without prejudice or disadvantage	As above, section 9(2)(j).
<b>Staff Consultation – Verbal Update</b>	To allow activities and negotiations to be carried on without prejudice or disadvantage	As above, section 9(2)(j).

# SOUTHERN DISTRICT HEALTH BOARD

## INTERESTS REGISTER

Board Member	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern DHB
<b>Joe BUTTERFIELD (Chairman)</b>	01.03.2012 06.12.2010	1. Member, South Island Neurosurgical Board <b>Son-in-law:</b> 2. Partner, Polson Higgs, Chartered Accountants. 3. Trustee, Corstorphine Baptist Community Trust	1. 2. Does some accounting work for Southern PHO. 3. Has a mental health contract with Southern DHB.
<b>Paul MENZIES (Deputy Chairman)</b>	10.02.2010 10.02.2010 06.10.2011	1. Wife a member on the Southland Child Youth Mortality Review Group. 2. Wife a member on the Child and Youth Health Advisory Committee. 3. Trustee, Southern PHO	1. Nil. 2. Nil. 3. Appointed as a trustee by Southern DHB. PHO is contracted to the DHB.
<b>Neville COOK</b>	04.03.2008 04.03.2008 04.03.2008 26.03.2008	1. Board Member, Invercargill Licensing Trust. 2. Board Member, Invercargill Licensing Trust Foundation. 3. Councillor, Environment Southland. 4. Trustee, Norman Jones Foundation.	1. Possible conflict with funding requests. 2. Possible conflict with funding requests. 3. Nil. 4. Possible conflict with funding requests.
<b>Sandra Cook</b>	01.09.2011	1. Te Runanga o Ngāi Tahu	1. Holds a "right of first refusal" over certain Crown properties. Also seen as a Treaty partner and affiliates may hold contracts from Southern DHB from time to time.
<b>Kaye CROWTHER</b>	09.11.2007 14.08.2008 14.08.2008 12.02.2009 05.12.2010 01.03.2012	1. Employee of WHK South. 2. Trustee of Plunket Foundation. 3. Trustee of Wakatipu Plunket Charitable Trust. 4. Corresponding member for health and family affairs, National Council of Women. 5. Member of advisory panel for No 10, Invercargill. 6. DHB representative on the Gore Social Sector Trial	1. Possible conflict if DHB contracts HR services from JCL and Progressive Consulting, which are subsidiaries of WHK. 2. Nil. 3. Nil. 4. Nil.
<b>Mary FLANNERY</b>	17.11.2010 10.11.2011	1. Trustee, Rural Otago Primary Health Organisation 2. Associate Solicitor, Bodkins/AWS Legal, Alexandra. 3. Partner, Tayside Farm Partnership. 4. Director, New Zealand Irrigation Board	1. Was contracted to Southern DHB – contracts assigned to Southern PHO (will be wound up) 2. Nil 3. Nil 4. Nil
<b>James Malcolm MACPHERSON</b>	28.06.2005 09.03.2011 25.11.2010	1. Member Otago Polytechnic Council. 2. Contractor and Tutor, Otago Polytechnic. 3. Member Central Lakes Trust.	1. (OP has training interests in common with the DHB, no ) 2. (personal interest.) 3. CLT is a community funder in its region, which includes

Board Member	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern DHB
	25.11.2010 25.11.2010 28.08.2007 09.03.2011 09.03.2011 09.03.2011  13.12.2001 22.04.2003	4. Member Roxburgh Gorge Trail Charitable Trust. 5. Part owner, Alexandra Medical Centre. 6. Co-Principal, Brilliant New Zealand Ltd. 7. Chairman, Jolendale Charitable Trust. 8. Shareholder, Medco Properties Ltd 9. Director, Centennial Health Ltd  <b>Spouse - Susan Elizabeth Macpherson:</b> 10. GP Principal, Centennial Health Ltd, Alexandra. 11. Branch Medical Advisor, ACC, Alexandra.	Dunstan and Lakes District Hospitals, plus a wide range of community and primary services and service providers, and is a possible future funder. 4. Nil. 5. The AMC is tenanted by all of Alexandra's GPs and a pharmacy, and is also occasionally used by related service providers, including midwives and the University of Otago Medical School. A range of potential conflicts. 6. BNZL is a consultancy which may have an involvement with health sector organisations. 7. Nil. 8. MPL will be responsible for the tenancy of all of Alexandra's current GPs and a pharmacy and may also house other related service providers, including midwives and the University of Otago Medical School. A range of potential conflicts, real and theoretical. 9. & 10. Board discussions relating to primary health providers or primary referred services may involve conflicts of interest. Declare where appropriate and withdraw where prudent. 11. ACC is a major customer of the DHB. Remote possibility of an influence, no personal interest.
<b>Tahu POTIKI</b>	15.12.2007 03.04.2008 24.11.2009  03.06.2010	1. Director, Arataki Associates. 2. Representative to Te Runanga o Ngai Tahu. 3. Trustee of Ngai Tahu Charitable Trust. 4. Board Member, Relationship Services NZ. 5. Board Member, Environmental Science and Research	1. Contracted to Southern DHB, funded provider in the past ie Araiteuru Whare Hauora Ltd. 2. & 3. Treaty Partner - affiliated providers may contract to Southern DHB. Te Runanga o Ngai Tahu has right of first refusal on disposal of property. 4. No apparent conflict. 5. CRI involved in public health research.
<b>Branko SIJNJA</b>	07.02.2008  04.02.2009  22.06.2010	1. Director, Clutha Community Health Company Limited. 2. 0.5 FTE Director Rural Immersion Programme, Otago University School of Medicine. 3. Employee, Balclutha General Practitioners Limited	1. Operates publicly funded secondary health services under contract to Southern DHB. 2. Possible conflicts between Southern DHB and University interests. 3. Employed as a part-time GP.
<b>Richard John THOMSON</b>	13.12.2001	1. Managing Director, Thomson & Cessford Ltd. 2. Director, Susanna Shaya Imports Ltd 3. Chairperson and Trustee, Hawksbury Community Living Trust.	1. Thomson & Cessford Ltd is the company name for the Acquisitions Retail Chain. Southern DHB staff occasionally purchase goods for their departments from it.

Board Member	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern DHB
	23.09.2003 29.03.2010 06.04.2011	<ol style="list-style-type: none"> <li>4. Trustee, HealthCare Otago Charitable Trust.</li> <li>5. Director, Composite Retail Group.</li> <li>6. Councillor, Dunedin City Council.</li> </ol>	<ol style="list-style-type: none"> <li>2. Susanna Shaya Imports is a homeware importing company. It has no dealings with Southern DHB.</li> <li>3. Hawksbury Trust runs residential homes for intellectually disabled adults in Otago and Canterbury. It does not have contracts with Southern DHB.</li> <li>4. Health Care Otago Charitable Trust regularly receives grant applications from staff and departments of Southern DHB, as well as other community organisations.</li> <li>5. May have some stores that deal with Southern DHB.</li> </ol>
<b>Tim WARD</b>	14.09.2009 01.05.2010 01.05.2010	<ol style="list-style-type: none"> <li>1. Partner, BDO Invercargill, Chartered Accountants.</li> <li>2. Trustee, Verdon College Board of Trustees.</li> <li>3. Council Member, Southern Institute of Technology (SIT).</li> </ol>	<ol style="list-style-type: none"> <li>1. May have some Southern DHB patients and staff as clients.</li> <li>2. Verdon is a participant in the employment incubator programme.</li> <li>3. Supply of goods and services between Southern DHB and SIT.</li> </ol>

## SOUTHERN DISTRICT HEALTH BOARD

### INTERESTS REGISTER FOR THE EXECUTIVE MANAGEMENT TEAM

As at March 2012

Employee Name	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern District Health Board
John Adams	27.05.2003 24.02.2004  23.11.2004 22.04.2008 18.02.2010	1. Dunedin School of Medicine (Dean). 2. Southern DHB Mental Health Service (staff member). 3. Ashburn Hall Charitable Trust (Trustee). 4. NZ Institute of Rural Health (Trustee). 5. Medical Council of New Zealand (Chair).	1. Possible conflicts between Southern DHB and University interests. 2. Possible differences in priorities and view between governance and employee. 3. The Ashburn Clinic is both a contractor to and provides similar services to the Southern DHB. 4. DHBs contract NZIRH to provide services. 5. At times, NZMC policy or opinion may conflict with or be critical of Southern DHB policy.
Steve Addison	21.02.2012	1. Mother-in-law (Anne Gover) Gore District Councillor 2. Father-in-law (Keith Gover) on Board of Gore Counselling Centre	
Vivian Blake	23.04.2007  08.02.2009	1. Executive Director on the Board of the Health Roundtable (HRT). 2. New Zealand Benchmarking Group (Chair).	1. The HRT facilitates benchmarking activity for 130 Australasian hospitals. 2. NZBG is the New Zealand Chapter of the Australasian Health Roundtable.
Richard Bunton	17.03.2004      29.04.2010	1. Managing Director of Rockburn Wines Ltd. 2. Director of Mainland Cardiothoracic Associates Ltd. 3. Director of the Southern Cardiothoracic Institute Ltd. 4. Director of Wholehearted Ltd. 5. Deputy Chairman, Board of Cardiothoracic Surgery, RACS. 6. Trustee, Dunedin Heart Unit Trust. 7. Chairman, Dunedin Basic Medical Sciences Trust.	1. The only potential conflict would be if the Southern DHB decided to use this product for Southern DHB functions. 2. This company holds the Southern DHB contract for publicly funded Cardiac Surgery. Potential conflict exists in the renegotiation of this contract. 3. This company provides private cardiological services to Otago and Southland. A potential conflict would exist if the Southern DHB were to contract with this company. 4. This company is one used for personal trading and apart from issues raised in '2' no conflict exists. 5. No conflict.



Employee Name	Date of Entry	Interest Disclosed	Nature of Potential Interest with Southern District Health Board
	23.02.2010	8. Otago Rugby Union (Director).	6. No conflict. 7. No conflict. 8. No conflict.
Donovan Clarke	02.02.2011	1. Te Waipounamu Delegate, Te Piringa, National Maori Disability Advisory Group. 2. Director, Great Western Steakhouse, New Lynn, Auckland.	1. Nil. 2. Nil.
Tina Gilbertson	16.11.2011	Nil	
Carole Heatly	14.03.2012	Nil	
Robert Mackway-Jones	28.08.2007	1. Close association (wife) employed by Dunedin Hospital.	1. Reporting line to Purchasing Team leader.
Lexie O'Shea	01.07.2007	1. Trustee, Gilmour Trust.	1. Southland Hospital Trust.
Lynda McCutcheon	24.01.2012	Nil	
John Pine	17.11.201	Nil	
Leanne Samuel	01.07.2007 01.07.2007 01.07.2007 29.10.2009 01.10.2010	1. Southern Health Welfare Trust (Trustee). 2. Member of Community Trust of Southland Health Scholarships Panel. 3. Member of Board of Studies at Southern Institute of Technology. 4. Southland Medical Foundation Inc (Member) 5. Member of National Elective Services Productivity and Workforce Programme Steering Group.	1. Southland Hospital Trust. 2. Nil. 3. Potential conflict if the DHB purchases services from this organisation. 4. Southland Trust. 5. Nil.
John Simpson		Nil	
David Tulloch	23.11.2010 02.06.2011	1. Southland Urology (Director) 2. Southern Surgical Services (Director) 3. UA Central Otago Urology Services Limited (Director)	1. Potential conflict if DHB purchases services. 2. Potential conflict if DHB purchases services. 3. Potential conflict if DHB purchases services.
Ian Macara (in attendance at EMT as CEO of the Southern PHO)	26.08.2010	Nil	

# Minutes of the Southern District Health Board Meeting

Thursday, 5 April 2012, 9.30 am  
Conference Room 1, Copthorne Hotel, Queenstown

---

**Present:** Mr Joe Butterfield Chair  
Mr Paul Menzies Deputy Chair  
Ms Sandra Cook  
Mr Neville Cook  
Mrs Kaye Crowther  
Mrs Mary Flannery  
Dr Malcolm Macpherson  
Mr Tahu Potiki  
Dr Branko Sijnja  
Mr Richard Thomson  
Mr Tim Ward

**In Attendance:** Ms Carole Heatly Chief Executive Officer  
Mrs Lexie O'Shea Deputy Chief Executive Officer/Chief  
Operating Officer, Southland  
Mrs Vivian Blake Chief Operating Officer, Otago  
Mr Robert Mackway-Jones General Manager, Finance & Funding  
Mrs Leanne Samuel Chief Nursing & Midwifery Officer  
Mr David Tulloch Chief Medical Officer  
Ms Jeanette Kloosterman Board Secretary  
Mr Steve Addison Public Relations and Communications  
Manager  
Ms Cherie Wells CEO Support Manager

## 1.0 APOLOGIES

There were no apologies.

## 2.0 CHAIR'S OPENING COMMENTS

The Chairman welcomed Ms Carole Heatly, newly appointed Chief Executive Officer (CEO), and extended his thanks to Mrs Lexie O'Shea for acting as CEO in the interim.

## 3.0 DECLARATION OF INTERESTS

The Chairman called for any adjustments or amendments to the Interests Register (agenda item 3). None were advised.

The Chairman asked if members were aware of any agenda items with which they may have a potential conflict and reminded them of their responsibility to advise the meeting immediately should any potential conflict arise during discussions.

***It was resolved:***

**"That the Interests Register be noted."**

#### **4.0 CONFIRMATION OF PREVIOUS MINUTES**

*It was resolved:*

**"That the minutes of the 1 March 2012 Board meeting be approved and adopted as a true and correct record."**

#### **5.0 MATTERS ARISING**

There were no matters arising from the previous minutes.

#### **6.0 ACTION SHEET**

The Board meeting action sheet (agenda item 6) was noted.

#### **7.0 CHIEF EXECUTIVE OFFICER'S REPORT**

The Chief Executive Officer presented her monthly report (agenda item 7), then took questions from members.

*It was resolved:*

**"That the Chief Executive Officer's report be noted."**

#### **8.0 FINANCIAL REPORT**

The General Manager, Finance & Funding presented the Financial Report for the period ended 29 February 2012 (agenda item 8) and answered members' questions on the financial statements.

Members expressed their disappointment with the January/February financial results and the deterioration in the year-end forecast.

*It was resolved:*

**"That the Financial Report be noted."**

#### **9.0 WAKATIPU HEALTH SERVICES**

The Board considered a progress report on the Wakatipu Health Services Expert Panel's recommendations (agenda item 9).

The General Manager, Finance & Funding reported that a meeting had been held with the Wakatipu Health Reference Panel the previous day.

*It was resolved:*

**"That the report be noted."**

## 10.0 ADVISORY COMMITTEE REPORTS

### Disability Support Advisory Committee/Community & Public Health Advisory Committee

Dr Macpherson, Chair of the Disability Support Advisory Committee (DSAC) and Community & Public Health Advisory Committee (CPHAC) gave a verbal report of the meeting of DSAC/CPHAC held on 4 April 2012 and tabled two recommendations from the Committees on the process for submissions and the Tobacco Control Plan.

*It was resolved:*

**"That the verbal report be noted."**

#### Submission Process

*It was resolved:*

**"That, subject to the following amendments, the Board approve the draft Southern DHB Submissions Policy and Public Health Submissions Committee terms of reference:**

- **The wording of the policy to be strengthened to make it clear that the author of a submission must have higher level sign-off;**
- **The chair's casting vote to be removed from the terms of reference and an escalation process inserted when a majority consensus cannot be reached;**
- **The sentence under 'Meeting Management' in the terms of reference to be changed to, 'A weekly teleconference shall be organised by the secretary'."**

#### Tobacco Control Plan

*It was resolved:*

**"That the Board adopt the Southern DHB Tobacco Control Plan 2011-14."**

### Hospital Advisory Committee

The minutes of the Hospital Advisory Committee (HAC) meeting held on 29 February 2012 (agenda item 11), which were reported on verbally at the last meeting, were taken as read.

*It was resolved:*

**"That the minutes be noted."**

The Board received a verbal report from Mr Menzies, HAC Chair, on the meeting of the Committee held on 4 April 2012.

*It was resolved:*

**"That the verbal report be noted."**

### **Iwi Governance Committee**

The minutes of the Iwi Governance Committee meeting held on 29 February 2012 (agenda item 12), which were reported on verbally at the last meeting, were taken as read.

***It was resolved:***

**"That the minutes be noted."**

The Board received a verbal report from Mr Potiki on the meeting of the Committee held on 3 April 2012.

***It was resolved:***

**"That the verbal report be noted."**

### **11.0 APPOINTMENTS AND REMUNERATION ADVISORY COMMITTEE TERMS OF REFERENCE**

The Board considered a recommendation from the Appointments and Remuneration Advisory Committee that the review section of its terms of reference be amended (agenda item 13).

***It was resolved:***

**"That the amended terms of reference for the Appointments and Remuneration Advisory Committee be approved."**

### **12.0 CONTRACTS REGISTER**

The Funding contracts register (expenses) for March 2012 was circulated with the agenda (item 14) for members' information.

***It was resolved:***

**"That the register be noted."**

**CONFIDENTIAL SESSION**

**At 10.10 am, it was resolved:**

**“That the public be excluded from the meeting for consideration of the following agenda items:**

<b>General subject:</b>	<b>Reasons for passing this resolution:</b>	<b>Grounds for passing the resolution:</b>
<b>Previous Public Excluded Board Minutes</b>	As per reasons set out in previous agenda	S 32(a), Schedule 3, NZ Public Health and Disability Act 2000 – that the public conduct of this part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under sections 9(2)(a), 9(2)(f), 9(2)(i), 9(2)(j) of the Official Information Act 1982, that is withholding the information is necessary to: protect the privacy of natural persons; maintain the constitutional conventions which protect the confidentiality of advice tendered by Ministers of the Crown and officials; to enable a Minister of the Crown or any Department or organisation holding the information to carry on, without prejudice or disadvantage, commercial activities and negotiations.
<b>Review of Public Excluded Action Sheet</b>	Personal privacy and to allow activities to be carried on without prejudice or disadvantage	As above, sections 9(2)(i), 9(2)(j), and 9(2)(a).
<b>SCLOS Board of Directors</b>	Personal privacy and to allow activities to be carried on without prejudice or disadvantage	As above, sections 9(2)(i), 9(2)(j), and 9(2)(a).
<b>Annual Plan 2012/13</b>	Plan is subject to Ministerial approval	As above, sections 9(2)(f)(iv) and 9(2)(j).
<b>Project Opportunities</b>	Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage	As above, sections 9(2)(i) and 9(2)(j).
<b>Wakatipu Health Services Planning Update</b>	Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage	As above, sections 9(2)(i) and 9(2)(j).

<b>General subject:</b>	<b>Reasons for passing this resolution:</b>	<b>Grounds for passing the resolution:</b>
<b>Public Excluded Advisory Committee Reports</b> a) Disability Support Advisory Committee and Community & Public Health Advisory Committee <ul style="list-style-type: none"> <li>▪ 4 April 2012</li> <li>▪ PHO Health Promotion Plan</li> <li>▪ Southland Youth One Stop Shop</li> <li>▪ Provider Agreements</li> </ul> b) Clinical Advisory Committee <ul style="list-style-type: none"> <li>▪ 29 February 2012</li> <li>▪ 4 April 2012</li> </ul> c) Hospitals Advisory Committee <ul style="list-style-type: none"> <li>▪ 29 February 2012</li> <li>▪ 4 April 2012</li> </ul> d) Audit & Risk Committee <ul style="list-style-type: none"> <li>▪ 1 March 2012</li> <li>▪ Banking and Treasury Arrangements</li> </ul>	Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage	As above, sections 9(2)(i) and 9(2)(j).
<b>Contract Approvals</b> <ul style="list-style-type: none"> <li>▪ Carroll Street Trust</li> <li>▪ MoH – Intellectual Disability Behaviour Support</li> </ul>	Commercial sensitivity	As above, section 9(2)(i).
<b>Sentinel Events Report</b>	Personal privacy and to allow activities to be carried on without prejudice or disadvantage	As above, sections 9(2)(j), 9(2)(a)
<b>Risk Report</b>	To allow activities to be carried on without prejudice or disadvantage	As above, sections 9(2)(i) and 9(2)(j).
<b>Legal Issues</b>	To allow activities to be carried on without prejudice or disadvantage	As above, section 9(2)(j).

*The meeting closed at 12.30 pm.*

Confirmed as a true and correct record:

Chairman: \_\_\_\_\_

Date: \_\_\_\_\_

**Southern District Health Board**  
**BOARD MEETING ACTION SHEET**  
**As at 24 April 2012**

Action Point No.	SUBJECT	ACTION REQUIRED	BY	STATUS	EXPECTED COMPLETION DATE
043-2011/02  59-2011/05	<b>Alcohol Law Reform Bill</b> (Minute item 9.0)	That a draft policy statement on alcohol be developed and submitted to CPHAC to provide direction to future service provision in this area, including the issue of education.  Timeframe to be provided for completion of the draft policy statement.	PHS GMFF	Being progressed as part of the South Island Public Health work stream.  Not complete as yet.	
044-2011/02  60-2011/05	<b>Smokefree Environment Amendment Bill</b> (Minute item 9.0)	A draft policy statement on smokefree environments to be developed and submitted to CPHAC to provide direction to future service provision in this area.  Timeframe to be provided for completion of the draft policy statement.	PHS GMFF	To be progressed as part of the South Island Public Health work stream.  Southern DHB does have its own policy that was created in March 2010 and is due for review in 2012.	
90-2011/12	<b>Wakatipu Service Planning – CT Scanner</b> (Minute item 8.0)	Management to proceed with the review and submit a recommendation to the Board by the June 2012 meeting.	GMFF		June 2012
99-2012/04	<b>Submission Process</b> (Minute item 10.0)	Submissions Policy to be amended as follows:  <ul style="list-style-type: none"> <li>▪ The wording of the policy to be strengthened to make it clear that the author of a submission must have higher level sign-off;</li> <li>▪ The chair's casting vote to be removed from the terms of reference and an escalation process inserted when a majority consensus cannot be reached;</li> </ul>	PHS GMFF	Actioned. Amended draft sent to Chair of DSAC/CPHAC.	n/a



Action Point No.	SUBJECT	ACTION REQUIRED	BY	STATUS	EXPECTED COMPLETION DATE
		<ul style="list-style-type: none"> <li data-bbox="683 233 1290 389">▪ The sentence under 'Meeting Management' in the terms of reference to be changed to, 'A weekly teleconference shall be <i>organised</i> by the secretary'.</li> </ul>			

---

## CHIEF EXECUTIVE OFFICER'S REPORT

---

### RECOMMENDATION:

1. That the Board note this report.

### 1. DHB FINANCIAL PERFORMANCE

The DHB's consolidated financial performance for the financial year to 31 March 2012 was a deficit of \$3m, which is \$1.6m better than budget. Whilst the overall March result was in line with budget, the Provider Arm result showed a further decline and this is forecast to continue.

The forecast has been revised down to a \$9.2m deficit, with the Funder projected to end the year with a deficit of \$6.5m (\$4.5m better than budget) and the Provider deficit projected to be \$3.2m (\$0.5m worse than budget).

A detailed analysis of the financial situation is contained in the Financial Report.

### 2. PROVIDER ARM

#### Contract Performance

- Elective **caseweights** delivered (cwd) for Southern DHB were 13.35% (170.27 cwds) above plan for March 2012. Year to date case weighted volumes are 2.89% (306.03 cwd's) above plan.
- Health Target Elective **discharges** delivered for Southern DHB were 50 above plan for March 2012. Year to date elective discharges are 103 above plan.

#### Financial Performance

- An unfavourable variance of \$380k was recorded in the Provider Arm for the month of March 2012. Year to date (YTD) the result is unfavourable by \$2,524k.
- Revenue for March 2012 was favourable against budget by \$229k. Expenses for March 2012 were unfavourable against plan by \$609k.

### 3. PLANNING AND FUNDING

#### Mental Health and Addictions Service Development

Consultation on the draft Mental Health and Addiction Strategic Plan is complete. A summary of feedback and the revised plan has been presented to Iwi Governance and the Disability Support and Community & Public Health Advisory Committees. On the assumption these committees support/endorse the plan, the Board is asked to approve it. Planning & Funding will then begin the implementation phase.

## **Primary and Community**

### **Replacement of Get Checked in General Practice**

Work continues for this programme. A near final version has been developed by primary care with further feedback being sought from the local diabetes team. We are on track for the 1 July implementation.

### **Free Under 6 Visits After Hours**

We are on track for 60% coverage by 1 July. This will be achieved by targeting the two main urban centres. It will be a greater challenge to expand this into rural areas and link it into the PHO led after-hours initiative work.

### **Maternity Quality and Safety Project**

As part of the national roll-out of this initiative, a draft strategic plan has been drawn up, with key stakeholder meetings and workshops targeted for May.

### **National Pharmacy Agreement**

The consultation phase and feedback finished on 27 April. Locally, we have held seven meetings throughout the district, with excellent attendance. The proposals represent significant change and therefore a level of anxiety exists about the practical implications of transitioning into the new service model. The new agreements should be distributed in June when the consultation has been finalised. The existing agreements have been rolled over from May to 30 June and we only have a few of these outstanding for signature.

## **Health of Older Persons**

### **Ageing in Place Strategy**

The current focus of work remains on restorative home based support services, day activity programmes and the planning for day dementia services. Significant effort is also going into embedding and smoothing the InterRAI processes.

### **Wakatipu Aged Related Care (ARC) Service Transition**

The current provider has given notice of exit from 10 June. Transition planning is underway and following an Expressions of Interest (EOI) and closed Request for Proposal (RFP) process, a new provider is scheduled to be selected on 30 April. It is unclear at this point if we will be able to transition directly to the new provider or if the DHB will need to run services for an interim period.

## **Public and Population Health**

The National Health Board has recently advised a re-prioritisation of Healthy Eating/Healthy Action (HEHA) funding. We are managing down these residual functions with effect from 30 June. Funding is to be made available from 1 October (under a contestable process) for nutrition and physical activity initiatives that target risk factors of unhealthy weight and prioritise maternal nutrition. We are awaiting further advice on this.

### **Hospital & Specialist Services**

Work includes the development of the CT scanner business case from the DHB's perspective. This will be scheduled as part of the June Board agenda.

Carole Heatly  
**Chief Executive Officer**

24 April 2012

# SOUTHERN DHB FINANCIAL REPORT

Financial Report as at: **31 March 2012**  
 Report Prepared by: **Robert Mackway-Jones, GM Finance & Funding**  
 Date: **23 April 2012**

## Recommendations:

- That the Board note the Financial Report

## Overview Section

### Results Summary

Month			Year to Date				Annual
Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
(86)	0	(86)	268	0	268	376	0
(751)	(1,194)	443	(4,131)	(7,972)	3,841	(6,456)	(10,981)
(1,276)	(896)	(380)	880	3,404	(2,524)	(3,153)	489
(2,113)	(2,090)	(23)	(2,983)	(4,568)	1,585	(9,233)	(10,492)

- March's result was in line with budget overall, but showed a continuing decline in financial performance by the provider-arm
- March's result was \$0.3m worse than previously forecast with the provider result being \$0.3m worse than forecast
- YTD, the result is now a deficit of \$3m. This remains \$1.6m better than budget
- Year-end forecasts have been revised with further deterioration projected for the provider-arm result
- The overall projected operational deficit is now \$9.2m (was \$8.6m last month).

### YTD Key Variances

The ten largest (net) unfavourable variances are:

Category	Area	YTD \$'m
Otago Medical Personnel / Outsourced Costs	Provider	(3.1)
Otago Patient Treatment Disposable Costs	Provider	(1.1)
IDF Outflow expenditure	Funder	(0.8)
Otago Allied Health Personnel (Excluding Mental Health) Costs	Provider	(0.9)
Community Pharmaceutical expenditure	Funder	(0.7)
Aged Residential Care expenditure	Funder	(0.6)
Otago Management / Admin Personnel Costs	Provider	(0.6)
Otago Outsourced Clinical Services expenditure	Provider	(0.5)
Southland Outsourced Clinical Services expenditure	Provider	(0.5)
Southland Instruments & Equipment expenditure	Provider	(0.4)

The 10 largest favourable variances are:

Category	Area	YTD \$'m
NGO Personal Health expenditure & miscellaneous revenues	Funder	2.0
Mental Health Personnel (revenue clawed back to funder) Costs	Funder	1.1
Otago Clinical Supplies expenditure (Patient Appliances, Implants & Prosthesis, Air Ambulance)	Provider	1.0
Southland Medical Personnel / Outsourced Costs	Provider	0.7
Primary Care expenditure	Funder	0.7
NGO Mental Health expenditure	Funder	0.7
Home Based Support expenditure	Funder	0.6
Southland Nursing Personnel (Excluding Mental Health) Costs	Provider	0.5
District Facilities expenditure	Provider	0.5
Otago Nursing Personnel (net of medium secure ID Unit) Costs	Provider	0.4

These items have commentary and further detail provided in sections 2 and 3 of this report.

### Year End Forecast Summary

Year-end forecasts have been updated and are summarised below:

\$'000	Prior Forecast	Forecast	Budget
Governance result	388	376	0
Funder Result	(6,585)	(6,456)	(10,981)
Provider Result	(2,454)	(3,153)	489
Projected operating result	(8,651)	(9,233)	(10,492)
Building Valuation write-downs	Likely Nil	Likely Nil	
One off investments	Range \$0.5 - \$1.4m	Up to \$0.7m	
Projected Net Surplus / (Deficit)	(\$10m)	(\$10m)	(\$10.5m)

The key issue is the projected continued decline in the provider-arm result. Section 7 of this report has further commentary and detail.

### Capital Expenditure

A summary table was provided in the HAC report.

Baseline (internally funded) capital expenditure is budgeted at \$45.9m in 2011/12 which includes some carry-over of \$15.7m from the prior year's allocations. Of the \$45.9m; \$25.3m has been committed (\$13.7 has been paid) leaving a residual \$20.6m available. Externally funded assets include the Dunedin Master Site Planning Project, the medium secure ID unit, Oral Health. Around \$12m has been paid for these projects in the current financial year.

Total cash-flow for capital is \$26.1m compared to a budgeted amount of \$31.3m. As shown above, this is a timing issue.

### Balance Sheet and Cashflow

An unused debt facility was drawn on in March (\$6.65m) to provide cash for future capital investments. We have requested equity drawdowns for the externally funding capital works. Nearly \$10m is expected in April.

The accounts receivable position is being managed within budgeted parameters. Working capital overall is within budgeted amounts.

## Detail Section

The DHB is required to report on its three operational arms. These are set out in the following sections and provide supporting detail for the key variances identified in the overview section.

### 1. YTD DHB Governance Results

Actual \$' 000	Month Budget \$' 000	Variance \$' 000		Year to Date			Annual Budget \$' 000
				Actual \$' 000	Budget \$' 000	Variance \$' 000	
546	517	29	Revenue	4,914	4,656	258	6,209
(305)	(236)	(69)	Less Personnel Costs	(2,211)	(2,120)	(91)	(2,827)
(327)	(281)	(46)	Less Other Costs	(2,435)	(2,536)	101	(3,382)
(86)	0	(86)	Net Surplus / (Deficit)	268	0	268	0

#### Summary Comment:

Expenditure remains favourable YTD. The adverse February result was due to additional Health Benefits Limited (HBL) payments associated with scoping indicative business cases for change at an individual DHB level. These additional costs were advised early February and have now been factored to the forecast.

Additional funding has been provided to the DHB to part fund most of the activities of HBL, the agency assessing national collective opportunities. The associated costs for this are part of the Other Costs. Overall non-personnel expenditure is below budget YTD with fees paid to SISSAL/DHBNZ, provider audits and other DHB internal and external audits all lower than plan.

### 2. YTD DHB Funds Results

Actual \$' 000	Month Budget \$' 000	Variance \$' 000		Year to Date			Annual Budget \$' 000
				Actual \$' 000	Budget \$' 000	Variance \$' 000	
65,381	65,311	70	Revenue	590,546	587,797	2,749	783,729
0	0	0	Less Personnel Costs	0	0	0	0
(66,132)	(66,505)	373	Less Other Costs	(594,677)	(595,769)	1,092	(794,710)
(751)	(1,194)	443	Net Surplus / (Deficit)	(4,131)	(7,972)	3,841	(10,981)
			<b>Expenses</b>				
(46,636)	(47,344)	708	Personal Health	(421,957)	(422,984)	1,027	(564,492)
(6,956)	(7,148)	192	Mental Health	(62,533)	(64,301)	1,768	(85,752)
(1,026)	(949)	(77)	Public Health	(8,423)	(8,541)	118	(11,388)
(10,806)	(10,381)	(425)	Disability Support	(95,395)	(93,793)	(1,602)	(124,876)
(162)	(167)	5	Maori Health	(1,455)	(1,493)	38	(1,993)
(546)	(517)	(29)	Other	(4,914)	(4,657)	(257)	(6,209)
(66,132)	(66,506)	374	Expenses	(594,677)	(595,769)	1,092	(794,710)

## Summary of Result:

- The YTD result is favourable to budget by \$3.8m
- The year-end forecast result is projected to be better than budget by \$4.5m (\$4.4m last month)
- March's result was better than budget by \$0.4m and better than forecast by \$0.1m

Key drivers of this YTD variance include:

- \$2.0m of impacts for personal health revenues and expenditure including
  - \$0.5m of revenue for personal health expenditure in 10/11
  - \$0.4m of lower laboratory expenditure for non-schedule testing and share of national claims from un-coded NHI events
  - \$0.5m of lower than budgeted pricing impacts
  - \$0.5m of "duplicated" SIA budget
- \$1.8m of other favourable mental health expenditure
- \$0.7m of lower net payments to PHO, mainly SIA/HP payments
- \$0.6m of below budget home support allocations
- \$0.6m of below budget PCT expenditure (with \$0.3m rebate from 10/11 and \$0.3m in hospital services)
- (\$0.8m) of unfavourable IDF wash-up provision for 11/12
- (\$0.2m) of higher than budgeted community pharmaceuticals expenditure (with \$0.7m unfavourable from non-hospital dispensed community schedule items)
- (\$0.4m) of net residential care / ageing in place expenditure
- (\$0.7m) of renal and cardiology test volumes paid to provider-arm (medical outpatients)

## Revenue

YTD, revenue is \$2.7m above budget however many items have associated cost offsets.

Item	\$'m	Expense Line Offset (Y/N/Partial)
Oral Health business case funding	0.6	Y, Child Dental Services (provider)
IDF's from Canterbury for ARC	0.5	Y, DSS ARC expenditure
IDF wash-up earthquake related personal health	0.5	N, Various but 10/11
IDF wash-up provision for current year	(0.1)	P, Provider-arm
Dementia Funding	0.5	Y, DSS ARC Rest Homes
Long Term Conditions funding	0.8	Y, DSS, Chronic Conditions
HBL specific funding	0.2	Y, Outsourced (paid to Governance)
PHO Very Low Cost Access Funding	0.1	Y, PHO Health
PHO Performance Management funding	(0.5)	Y, PHO Other
HEHA funding	(0.2)	Y, Public Health Nutrition / Activity
All other revenue variances	0.3	Y
<b>Total Revenue Variation</b>	<b>2.7</b>	

## Expenditure

### Mental Health

The total favourable variance YTD is nearly \$1.8m. Of this, \$1.1m is from claiming back funding from the provider-arm for unfilled FTE positions. The other \$0.7m YTD variance related to NGO contracts is mainly (\$0.4m) related to the residential bed funding line. There have been a number of other contractual changes made resulting in the residual (\$0.3m) favourable expenditure variance. The bulk of variance in Alcohol & Drug Child & Youth services is offset against the Child & Youth line due to purchase unit changes within a contract.



### ***Disability Support***

Rest home level residential care services have a \$1m unfavourable variance to March. This includes the pricing impact of the additional dementia funding of \$0.5m leaving a residual deficit of \$0.5m. Utilisation is running 1.6% higher than plan (but at lower levels (1.3%) than last year), and there are offsets for this expenditure in the community services line and day programmes line plus some offset with the IDF funding from Canterbury.

Hospital level residential care is \$0.9m over budget. Utilisation is running 4% above plan for 8 months. The plan (in hindsight) has been set at slightly lower levels than actuals in 2010/11. There has also been some reclassification of rest home level patients into hospital level care. A portion of the IDF funding from Canterbury also relates to hospital level care.

Between the two categories, the total unfavourable variance is \$1.9m of which \$1m is offset by additional funding and a further \$0.3m in other expenditure areas. The net unfavourable variance of \$0.6m is less than 1% of the total budget. Planning for services to support ageing in place are advancing but are proving to be complex and have a number of dependencies such as the InterRAI implementation.

Home support allocations continue to be managed within budget; the favourable financial variance is \$0.6m. Within the total the personal care component continues to increase as people are supported in their homes.

### ***Personal Health***

Some of the expenditure variances are impacting the bottom line; a number of variances have revenue offsets as noted in the revenue section. Some of the more significant ones without revenue offset include:

- The PHO Health line has a \$1.1m has a favourable variance of which \$0.7m relates to SIA/HP funds to the PHO. The budget for SIA was set too high and this is providing a further financial buffer which will be corrected in the 12/13 budget.
- The rural support line contains the budget for a number of inflationary based adjustments to contracts that will progress over the course of the year. Some of the favourable variance in this line offsets the palliative care line which includes increased hospice funding approved as well as a number of other lines. This has a favourable impact of \$0.5m for the year.
- Laboratory expenditure is below budget, claiming for non-schedule tests and other budgeted allowances are below planned level reflecting the demand driven nature of this service. This impacts by \$0.4m YTD.
- The minor personal health expenditure line contains funding for primary care after hours support and workforce development. Workforce development funding has commenced from 1 November. The after-hours funding is being used for phone triage support and some of the ED volume in various hospitals is supported by this funding line as an interim step. This line also contains a number of small allowances for discretionary/special case expenditure that to date have not been required.
- A large rebate for PCT drugs (\$0.3m) is reflected in the YTD result. Actual expenditure was also tracking below budget, although this was a lot closer to budget in January.
- The community pharmaceuticals lines is over budget but is now projected to track closer back to budget by year-end. The split of this total budget between that dispensed via the hospital pharmacies and community pharmacies can vary.
- The unfavourable variance shown in medical outpatients (\$0.8m) relates to correction of volumes (renal and cardiology tests) paid to the provider-arm. It has no bottom line impact

for the Consolidated DHB result, but will show as a monthly unfavourable variance of \$88k to the funder result, with the offset as additional funding in the provider-arm internal revenue figure.

### **IDF Inflows/Outflows**

IDF revenue is \$0.9m favourable to budget. This is represented by \$0.5m from Canterbury DHB for ARC and a further \$0.5m from Canterbury DHB relating to personal health costs (Labs, Pharms, GM subsidies etc.) as a result of resident movements following the Christchurch earthquake. The 11/12 volumes and revenue overall has minimal YTD variance (\$0.1m); although there are differences at a DHB level.

IDF outflows are unfavourable by \$0.8m YTD as follows:

Item	YTD \$'m
Elective Volume (non-cardiology)	(0.3)
Acute Volumes (non-cardiology)	(0.2)
Cardiology	(0.3)

The IDF outflow budget was adjusted downwards by \$0.8m (\$0.6m YTD) for lower cardiology volumes than the default position. For the eight months (one month data lag); this component is tracking \$0.3m unfavourably. The bulk of the elective variance is driven by ENT and Gynae services which are both outliers in terms of the high CWD incurred compared to "normal". This is case specific patient activity. Acute volume activity is medical speciality related and the bulk of the variance is at Canterbury and Auckland DHBs.

## **3. DHB Provider Summary Results**

Month				Year to Date			Annual
Actual	Budget	Variance		Actual	Budget	Variance	Budget
\$ '000	\$ '000	\$ '000		\$ '000	\$ '000	\$ '000	\$ '000
39,334	39,105	229	Revenue	352,323	351,989	334	469,551
(27,007)	(25,800)	(1,207)	Less Personnel Costs	(228,382)	(225,676)	(2,706)	(304,700)
(13,603)	(14,201)	598	Less Other Costs	(123,061)	(122,909)	(152)	(164,362)
(1,276)	(896)	(380)	Net Surplus / (Deficit)	880	3,404	(2,524)	489

### **Summary of Result:**

- The provider result continues to track significantly worse than budget and the recent forecasts
- March's deficit of \$1.3m was \$0.3m worse than previously projected and is \$0.4m worse than budget
- The forecast has been revised further and shows further expected deterioration with a forecast deficit at year-end of \$3.2m which would be \$3.6m worse than budgeted

As reported to HAC, the \$2.5m unfavourable variance is split as follows:

- Dunedin / Otago sites; (\$2.5m) unfavourable
- Southland sites; \$0.1m favourable
- Shared services; (\$0.1m) unfavourable

It should be noted that the Dunedin / Otago site results does contain some regional services such as Oncology. Equally, the shared services site report contains some revenue items that are not easily allocated. Hence the site splits are indicative rather than definitive.

From the overview section, the following variances are the key ones:

Category	YTD \$'m
Otago Medical Personnel / Outsourced Costs	(3.1)
Otago Patient Treatment Disposable Costs	(1.1)
Otago Allied Health Personnel (Excluding Mental Health) Costs	(0.9)
Otago Management / Admin Personnel Costs	(0.6)
Otago Outsourced Clinical Services expenditure	(0.5)
Southland Outsourced Clinical Services expenditure	(0.5)
Southland Instruments & Equipment expenditure	(0.4)

Fortunately, some financial buffer is provided by the following items:

Category	YTD \$'m
Otago Clinical Supplies expenditure (Patient Appliances, Implants & Prosthesis, Air Ambulance)	1.0
Southland Medical Personnel / Outsourced Costs	0.7
Southland Nursing Personnel (Excluding Mental Health) Costs	0.5
District Facilities expenditure	0.5
Otago Nursing Personnel (net of medium secure ID Unit) Costs	0.4

### Revenue

Overall revenue has a \$0.3m favourable variation; however there are some larger underlying differences to budget as shown below:

Item	\$'m	Expense Line Offset (Y/N/Partial)
Medium Secure ID Unit funding	(0.3)	Y, Salaries (nursing) & expenses
Mental Health funding (Internal Revenue)	(1.1)	Y, Salaries (Nursing, Allied mainly)
Community Pharms + PCT Claiming (Internal Rev)	(0.7)	P, Pharmaceuticals
Renal / Cardiology funding (Internal Revenue)	0.8	N, but costs in existing budgets, offset is in funder result (no DHB consolidated impact)
Oral Health funding	0.2	Y, Salaries and supplies
Non-Resident revenues	0.3	P, Clinical supplies & bad debts
SSC Kiwi saver subsidies	0.4	Y, Salaries
Haemophilia pool funding	0.3	P, Blood Product costs
<u>Donations &amp; other revenue variances</u>	<u>0.4</u>	<u>N</u>
Total Revenue Variation	0.3	

### Personnel Costs

FTE are now over budget (overall in March) with the favourable variance trending down during the year. There is a budgeted vacancy factor (assumes rolling vacancies) of 94, meaning there is still a difference to departmental establishment numbers which are considerably higher than the net budget. The YTD FTE variance is 28 under budget with the split between the sites as follows;

- Dunedin / Otago sites – (2) FTE,
- Southland sites - 21 FTE and
- Shared Services - 10 FTE.

### Medical

Medical salary costs are the largest unfavourable variance for the provider-arm at \$3.4m (noting a \$0.2m mental health funding claw back for medical positions). FTE are 14 over budget YTD, but 28 in March (February was 29 over).

With some vacant positions being filled by locums at the Southland site, the outsourced medical line needs considered with the salary line. The combined variance is \$2.4m unfavourable, this being split:

- Dunedin / Otago, \$3.1m unfavourable (10 FTE over budget YTD, 16 at March)
- Southland sites, \$0.7m favourable

YTD, the (\$2.4m) unfavourable (combined) variance can be summarised into:

- (\$0.9m) of impact from unbudgeted RMO (Otago) positions added during year
- (\$1.3m) of overtime (equivalent to 11 FTE)
- (\$1.8m) of leave (all types) variations
- \$0.8m (approx.) of impact with Southland locum/staff mix changes
- \$0.8m under budget with vacant SMO positions

### Nursing

Nursing costs are \$1.6m favourable to budget YTD with FTE 16 below budget YTD. There is a \$0.2m mental health funding claw back from unfilled positions. The picture however is a little different in March with costs and FTE over budget. FTE levels having been trending upwards throughout the year.

Of the \$1.6m, \$0.8m (13 FTE) is from the Dunedin / Otago sites and \$0.6m (5 FTE) from the Southland sites. In March however, the Otago sites are 15 FTE over budget and Southland sites 4 FTE over budget. Looking at the YTD variance of \$1.6m:

- (\$1.0m) unfavourable impact results from leave (all types) variations
- (\$0.2m) unfavourable impact from allowance and overtime payments (patient watch, double shifts, call back)
- \$1.0m favourable impact results from the YTD under budget FTE
- \$1.1m favourable impact from a mix in staff profile and payment rates
- \$0.6m favourable impact from indirect salary costs being under budget

### Allied Health

While Allied Health salaries have a \$0.2m unfavourable variance, there is a \$0.5m claw back in funding for unfilled mental health positions, meaning a much larger underlying variation in non-mental health areas. The site split is also different for non-mental health areas with Otago sites \$0.9m over budget and Southland sites \$0.3m under budget in non-mental health areas.

Looking back at the \$0.2m variance, this is broken down into:

- (\$0.6m) unfavourable impact from leave variations
- (\$0.4m) unfavourable impact of overtime and allowance payments
- \$1.2m of offset from vacant positions (noting the \$0.5m funding clawback)

### Management / Administration

YTD management administration FTE are within plan by 2 although there is some site variation within this position. YTD Salary costs are over plan due to the lump sum payment for the South Island Clerical and New Zealand Nursing Organisation, clerical awards. It is expected that this salary category will stay overspent at year end due to the lump sum component. Leave variations also impact unfavourably by \$0.3m but indirect salary costs stay within plan YTD by \$0.1m.

## ***Non Personnel Expenditure***

### Outsourced

Outsourced clinical services are over budget for by \$1m YTD evenly split between the sites. Radiology services at both sites have incurred additional costs of \$0.5m with other differences being outsourcing of volumes to meet volume targets and maintain ESPI compliance.

The outsourced medical personnel line is related to the medical salary variances with roles being covered either by FTE or by outsourcing. The \$1m favourable variance was split (\$0.3m) unfavourable Dunedin / Otago and \$1.3m favourable for the Southland sites.

### Clinical Supplies

The key unfavourable variances are with patient treatment and disposables costs and instrument/equipment costs.

The treatment / disposables cost variance is primarily driven from the Otago sites as follows:

Item	YTD \$'m
Blood Products	(0.5)
Renal Fluids & Supplies	(0.3)
Patient Consumables	(0.3)

For Blood Products, a new product Xyntha is prescribed for haemophilia. The YTD spend on this to Feb12 = \$266k. This is claimed from the National Haemophilia pool so there is offsetting revenue for this. (DHB funder pays the national pool, so this is a real cost to the overall DHB position). Also Intragam use continues to run ahead of volumes, with high acuity months main driver of the variance. Renal Fluids & Supplies - Dialysis volumes have grown by 15% and 5% respectively last 2 years, whereas budgeted costs only went up by 2% and 0%. The basis of the budget build was the prior years budget for past 2 years. Note also that in the past 2 years there have been no patients who have received kidney transplants, which reduces numbers on dialysis. Patient Consumables - This is over budget due to a reclassification of products resulting in the budget being set too low, particularly in main operating theatres. There is work still to do to determine why no compensating offsets are obvious from the reclassification

The instruments & equipment variance is primarily driven from the Southland sites. Since the beginning of this financial year an upswing in the use of laparoscopic and disposable instruments was noted in general surgery and gynaecology. This has further increased during this financial year as new surgeons in general surgery; urology and orthopaedics have commenced their employment. These surgeons all operate to a greater or lesser degree using the less invasive laparoscopic techniques. Other lines over spent in this category include Clinical equipment R&M (\$25k), Respiratory Equipment overspent by \$33k (some will be offset with the underspend in Patient consumables due to product reclassification (note variance 2 comment). Clinical Equipment Operating lease is also over spent by \$55k; \$29k is offset with a donation line for the Wakatipu Trust transactions the balance relates to the hire of pressure mattresses.

### Infrastructure & Non-Clinical

The key unfavourable variance is with Information Technology Systems and Telecommunications costs and this has a \$0.4m unfavourable variance against budget. Depreciation is \$153k greater than the phased amount YTD March 2012. Software charges – maintenance fees are \$94k above budget. Telecommunication costs are \$77k above budget due to mobile phone charges, repairs and maintenance and minor purchase costs being greater than plan

## 4. Year End Forecast Detail

### Funder Forecast

The funder YE result projection is little changed from the prior month.

It is forecast to be a deficit of \$6.5m. This will be \$4.5m better than budget. The \$4.5m projected improved result to budget is attributable to:

- \$0.5m of IDF revenue for personal health expenditure in 10/11
- \$2.0m of below budget MH expenditure (\$1.4m being from provider-arm payments)
- \$0.8m of lower pharmaceutical payments (\$0.6m from hospital PCT claiming)
- \$0.4m of below budget non-schedule laboratory testing
- \$0.7m of other personal health expenditure variations
- \$0.7m of lower net payments to PHO, mainly SIA/HP payments
- (\$1.3m) of higher personal health IDF outflow payments

### Provider Forecast

The forecast position is now \$3.2m deficit which is unfavourable against the \$0.5m budgeted surplus by \$3.6m (February 2012 forecast position \$2.5m deficit). Mitigation strategies are required to minimise the projected result.

The Year-end forecast position has once again moved adversely against the budgeted position due to;

- nursing FTE levels
- allied health costs
- medical costs continuing to reside over budget
- extra outsourcing costs to address long wait patients for the Southland population, but no revenue assumption included as target must be met in full for the district

Leave not being taken continues to be a concern. The forecast assumes some of this issue will correct itself with the Easter break and school holidays (April result) particularly in the Allied and Management Administration staff types

The Key variances are the same as those identified in the YTD reports.

## 5. Financial Statements

The following financial statements are attached:

- Provider-arm result
- Funder result
- Balance Sheet
- Cashflow statement
- Treasury report (this is provided at the end of each quarter in line with the Treasury policy)

# Southern District Health Board

## March-12

<b>Part 2: DHB provider</b>	Current Month				Year to Date				Annual
	Actual	Budget	Variance	Variance	Actual	Budget	Variance	Variance	Budget
	\$(000)	\$(000)	\$(000)	%	\$(000)	\$(000)	\$(000)	%	\$(000)
<b>Part 2.1: Statement of Financial Performance</b>									
<b>REVENUE</b>									
<b>Ministry of Health</b>									
MoH - Personal Health	4	20	(15) U	(79%)	43	425	(382) U	(90%)	738
MoH - Mental Health	-	-	-	-	-	-	-	-	-
MoH - Public Health	10	24	(13) U	(56%)	95	215	(120) U	(56%)	286
MoH - Disability Support Services	774	741	33 F	5%	6,422	6,668	(246) U	(4%)	8,890
MoH - Maori Health	-	-	-	-	-	-	-	-	-
Clinical Training Agency	540	531	9 F	2%	4,690	4,783	(94) U	(2%)	6,378
Internal - DHB Funder to DHB Provider	35,519	35,398	121 F	-	318,670	318,667	3 F	-	424,861
<b>Ministry of Health Total</b>	<b>36,848</b>	<b>36,714</b>	<b>134 F</b>		<b>329,920</b>	<b>330,758</b>	<b>(838) U</b>		<b>441,153</b>
<b>Other Government</b>									
Other DHB's	20	25	(4) U	(17%)	239	221	18 F	8%	295
Training Fees and Subsidies	14	9	5 F	55%	166	84	82 F	97%	112
Accident Insurance	650	714	(64) U	(9%)	6,387	6,533	(146) U	(2%)	8,793
Other Government	325	368	(43) U	(12%)	3,422	3,315	107 F	3%	4,420
<b>Other Government Total</b>	<b>1,010</b>	<b>1,116</b>	<b>(106) U</b>	<b>(10%)</b>	<b>10,214</b>	<b>10,154</b>	<b>60 F</b>	<b>1%</b>	<b>13,621</b>
<b>Government and Crown Agency Total</b>									
	<b>37,858</b>	<b>37,830</b>	<b>28 F</b>		<b>340,134</b>	<b>340,911</b>	<b>(778) U</b>		<b>454,774</b>
<b>Other Revenue</b>									
Patient / Consumer Sourced	456	316	140 F	44%	2,849	2,348	501 F	21%	3,089
Other Income	1,020	959	61 F	6%	9,340	8,730	611 F	7%	11,688
<b>Other Revenue Total</b>	<b>1,476</b>	<b>1,275</b>	<b>201 F</b>	<b>16%</b>	<b>12,189</b>	<b>11,077</b>	<b>1,112 F</b>	<b>10%</b>	<b>14,777</b>
<b>REVENUE TOTAL</b>	<b>39,334</b>	<b>39,105</b>	<b>229 F</b>	<b>1%</b>	<b>352,323</b>	<b>351,989</b>	<b>334 F</b>		<b>469,551</b>
<b>EXPENSES</b>									
<b>Personnel Expenses</b>									
Medical Personnel	(8,880)	(7,894)	(986) U	(12%)	(72,248)	(68,809)	(3,439) U	(5%)	(92,355)
Nursing Personnel	(9,961)	(9,821)	(140) U	(1%)	(86,051)	(87,612)	1,561 F	2%	(118,599)
Allied Health Personnel	(4,127)	(4,044)	(83) U	(2%)	(34,412)	(34,249)	(164) U	-	(46,574)
Support Services Personnel	(787)	(791)	4 F	1%	(6,881)	(6,831)	(50) U	(1%)	(9,258)
Management / Admin Personnel	(3,253)	(3,250)	(3) U	-	(28,790)	(28,175)	(615) U	(2%)	(37,911)
<b>Personnel Costs Total</b>	<b>(27,007)</b>	<b>(25,800)</b>	<b>(1,207) U</b>	<b>(5%)</b>	<b>(228,382)</b>	<b>(225,676)</b>	<b>(2,707) U</b>	<b>(1%)</b>	<b>(304,697)</b>
<b>Outsourced Expenses</b>									
Medical Personnel	(505)	(927)	422 F	45%	(7,246)	(8,291)	1,045 F	13%	(11,053)
Nursing Personnel	(1)	(3)	1 F	52%	(24)	(23)	(1) U	(5%)	(30)
Allied Health Personnel	(17)	(14)	(3) U	(20%)	(190)	(122)	(67) U	(55%)	(163)
Support Personnel	(4)	(22)	18 F	80%	(173)	(199)	26 F	13%	(265)
Management / Administration Personnel	(8)	(2)	(6) U	(247%)	(120)	(21)	(99) U	(467%)	(28)
Outsourced Clinical Services	(686)	(528)	(157) U	(30%)	(5,590)	(4,547)	(1,043) U	(23%)	(6,023)
Outsourced Corporate / Governance Services	(78)	(85)	7 F	8%	(687)	(722)	35 F	5%	(962)
Outsourced Funder Services	-	-	-	-	-	-	-	-	-
<b>Outsourced Services Total</b>	<b>(1,300)</b>	<b>(1,581)</b>	<b>281 F</b>	<b>18%</b>	<b>(14,029)</b>	<b>(13,926)</b>	<b>(103) U</b>	<b>(1%)</b>	<b>(18,524)</b>
<b>Clinical Supplies</b>									
Treatment Disposables	(2,419)	(2,335)	(83) U	(4%)	(21,415)	(20,415)	(999) U	(5%)	(27,645)
Diagnostic Supplies & Other Clinical Supplies	(166)	(151)	(14) U	(10%)	(1,371)	(1,292)	(79) U	(6%)	(1,717)
Instruments & Equipment	(1,394)	(1,213)	(181) U	(15%)	(11,389)	(10,762)	(628) U	(6%)	(14,375)
Patient Appliances	(204)	(196)	(8) U	(4%)	(1,461)	(1,714)	253 F	15%	(2,312)
Implants & Prosthesis	(769)	(855)	86 F	10%	(7,106)	(7,274)	168 F	2%	(9,730)
Pharmaceuticals	(1,600)	(1,638)	38 F	2%	(13,665)	(14,076)	411 F	3%	(18,728)
Other Clinical Supplies	(81)	(272)	191 F	70%	(2,037)	(2,344)	307 F	13%	(3,130)
<b>Clinical Supplies Total</b>	<b>(6,634)</b>	<b>(6,662)</b>	<b>28 F</b>		<b>(58,445)</b>	<b>(57,877)</b>	<b>(567) U</b>	<b>(1%)</b>	<b>(77,637)</b>
<b>Infrastructure &amp; Non Clinical Expenses</b>									
Hotel Services, Laundry & Cleaning	(1,079)	(1,079)	-	-	(9,440)	(9,565)	124 F	1%	(12,760)
Facilities	(1,652)	(1,735)	83 F	5%	(14,385)	(14,948)	563 F	4%	(20,332)
Transport	(316)	(325)	8 F	3%	(2,872)	(2,833)	(40) U	(1%)	(3,814)
IT Systems & Telecommunications	(894)	(856)	(39) U	(5%)	(7,945)	(7,579)	(366) U	(5%)	(10,140)
Interest & Financing Charges	(1,206)	(1,303)	97 F	7%	(10,810)	(10,837)	27 F	-	(14,148)
Professional Fees & Expenses	(103)	(141)	37 F	26%	(943)	(1,296)	353 F	27%	(1,718)
Other Operating Expenses	(418)	(520)	102 F	20%	(4,191)	(4,049)	(143) U	(4%)	(5,289)
Democracy	-	-	-	-	-	-	-	-	-
Subsidiaries & Joint Ventures	-	-	-	-	-	-	-	-	-
<b>Infrastructure &amp; Non-Clinical Supplies Total</b>	<b>(5,669)</b>	<b>(5,958)</b>	<b>288 F</b>	<b>5%</b>	<b>(50,587)</b>	<b>(51,106)</b>	<b>520 F</b>	<b>1%</b>	<b>(68,202)</b>
Other Costs and Internal Allocations	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>(40,610)</b>	<b>(40,001)</b>	<b>(609) U</b>	<b>(2%)</b>	<b>(351,443)</b>	<b>(348,585)</b>	<b>(2,858) U</b>	<b>(1%)</b>	<b>(469,060)</b>
<b>Net Surplus/ (Deficit)</b>	<b>(1,276)</b>	<b>(896)</b>	<b>(380) U</b>	<b>(42%)</b>	<b>880</b>	<b>3,404</b>	<b>(2,524) U</b>	<b>(74%)</b>	<b>491</b>

**Southern District Health Board**  
**March-12**

<i>Part 2: DHB provider</i>	Current Month				Year to Date				Annual
	Actual	Budget	Variance	Variance	Actual	Budget	Variance	Variance	Budget
	\$(000)	\$(000)	\$(000)	%	\$(000)	\$(000)	\$(000)	%	\$(000)



**Southern District Health Board**  
**March-12**

<b>Part 2: DHB provider</b>	<b>Current Month</b>				<b>Year to Date</b>				<b>Annual</b>
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>	<b>Budget</b>
	<b>\$(000)</b>	<b>\$(000)</b>	<b>\$(000)</b>	<b>%</b>	<b>\$(000)</b>	<b>\$(000)</b>	<b>\$(000)</b>	<b>%</b>	<b>\$(000)</b>
<i>Zero Check</i>	-	-			-	-			-
<b>Part 2.1 A: Supplementary Information to Statement of Financial Performance</b>									
Depreciation - Clinical Equipment	(681)	(706)	25 F	4%	(6,157)	(6,231)	74 F	1%	(8,287)
Depreciation - Non Res Buildings & Plant	(660)	(641)	(19) U	(3%)	(5,403)	(5,569)	166 F	3%	(7,609)
Depreciation - Motor Vehicles	(4)	(14)	10 F	71%	(35)	(91)	55 F	61%	(131)
Depreciation - Information Technology	(326)	(320)	(6) U	(2%)	(2,913)	(2,760)	(153) U	(6%)	(3,715)
Depreciation - Other Equipment	(55)	(60)	5 F	9%	(505)	(532)	27 F	5%	(715)
Total Depreciation	(1,727)	(1,741)	14 F	1%	(15,014)	(15,182)	168 F	1%	(20,458)
Interest Cost from Funder Loans	-	-			-	-			-
Interest Costs from CHFA	(416)	(413)	(3) U	(1%)	(3,671)	(3,666)	(5) U		(4,877)
Financing Component of Operating Leases	(21)	(33)	13 F	38%	(226)	(294)	68 F	23%	(392)
Capital Charge	(753)	(850)	97 F	11%	(6,851)	(6,811)	(40) U	(1%)	(8,792)
<b>Part 1.2 : Full Time Equivalent Numbers</b>									
Medical Personnel	480	452			467	453			452
Nursing Personnel	1,583	1,563			1,548	1,564			1,564
Allied Health Personnel	685	696			676	696			696
Support Personnel	192	199			190	195			196
Management / Administration Personnel	670	669			666	669			669
<b>Total Full Time Equivalent (FTE's)</b>	<b>3,610</b>	<b>3,578</b>			<b>3,548</b>	<b>3,576</b>			<b>3,576</b>

# Southern District Health Board

## March-12

Part 3: DHB Funds	Current Month				Year to Date				Annual
	Actual	Budget	Variance	Variance	Actual	Budget	Variance	Variance	Budget
	\$(000)	\$(000)	\$(000)	%	\$(000)	\$(000)	\$(000)	%	\$(000)
<b>Part 3.1: Statement of Financial Performance</b>									
<b>REVENUE</b>									
<b>Ministry of Health</b>									
MoH - Vote Health Non Mental Health	53,694	53,438	256 F		483,244	480,944	2,300 F		641,259
MoH - Vote Health Mental Health	6,946	6,945	1 F		62,511	62,503	7 F		83,338
PBF Adjustments	-	-			-	-			-
MoH Funding Subcontracts	2,886	2,983	(97) U	(3%)	26,377	26,843	(466) U	(2%)	35,791
<b>Ministry of Health Total</b>	<b>63,525</b>	<b>63,366</b>	<b>160 F</b>		<b>572,132</b>	<b>570,291</b>	<b>1,841 F</b>		<b>760,388</b>
<b>Other Government</b>									
IDF's - Mental Health Services	151	151			1,363	1,363			1,817
IDF's - All others (non Mental health)	1,704	1,794	(89) U	(5%)	17,051	16,143	908 F	6%	21,524
<b>Other Government Total</b>	<b>1,856</b>	<b>1,945</b>	<b>(89) U</b>	<b>(5%)</b>	<b>18,414</b>	<b>17,506</b>	<b>908 F</b>	<b>5%</b>	<b>23,341</b>
<b>Government and Crown Agency Sourced Total</b>	<b>65,381</b>	<b>65,311</b>	<b>70 F</b>		<b>590,546</b>	<b>587,797</b>	<b>2,750 F</b>		<b>783,729</b>
<b>REVENUE TOTAL</b>	<b>65,381</b>	<b>65,311</b>	<b>70 F</b>		<b>590,546</b>	<b>587,797</b>	<b>2,750 F</b>		<b>783,729</b>
<b>EXPENSES</b>									
<b>Outsourced Expenses</b>									
Outsourced Funder Services	(546)	(517)	(29) U	(6%)	(4,914)	(4,657)	(257) U	(6%)	(6,209)
<b>Payments to Providers</b>									
<b>Personal Health</b>									
Child and Youth	(326)	(339)	13 F	4%	(3,119)	(3,052)	(67) U	(2%)	(4,070)
Laboratory	(2,591)	(2,584)	(7) U		(22,902)	(23,257)	355 F	2%	(31,009)
Infertility Treatment Services	(94)	(94)			(846)	(846)			(1,128)
Maternity	(199)	(199)			(1,819)	(1,791)	(28) U	(2%)	(2,390)
Maternity (Tertiary & Secondary)	(1,459)	(1,455)	(4) U		(13,109)	(13,095)	(14) U		(17,464)
Pregnancy and Parenting Education	(9)	(10)	1 F	9%	(73)	(89)	16 F	19%	(119)
Maternity Payment Schedule	-	-			-	-			-
Neo Natal	(672)	(672)			(6,048)	(6,048)			(8,064)
Sexual Health	(96)	(97)	1 F	1%	(859)	(872)	14 F	2%	(1,163)
Adolescent Dental Benefit	(211)	(255)	44 F	17%	(1,688)	(1,800)	112 F	6%	(2,539)
Other Dental Services	-	-			-	-			-
Dental - Low Income Adult	(80)	(77)	(4) U	(5%)	(741)	(687)	(54) U	(8%)	(917)
Child (School) Dental Services	(597)	(553)	(44) U	(8%)	(5,515)	(4,874)	(641) U	(13%)	(6,524)
Secondary / Tertiary Dental	(256)	(259)	3 F	1%	(2,305)	(2,319)	13 F	1%	(3,095)
Pharmaceuticals	(6,234)	(6,516)	282 F	4%	(59,458)	(59,203)	(255) U		(78,694)
Pharmaceutical Cancer Treatment Drugs	(328)	(352)	24 F	7%	(2,563)	(3,165)	602 F	19%	(4,220)
Management Referred Services	-	-			-	-			-
General Medical Subsidy	(139)	(121)	(17) U	(14%)	(1,255)	(966)	(289) U	(30%)	(1,344)
Primary Practice Services - Capitated	(3,311)	(3,255)	(55) U	(2%)	(29,453)	(29,297)	(155) U	(1%)	(39,063)
Primary Health Care Strategy - Care	(252)	(263)	10 F	4%	(2,261)	(2,363)	102 F	4%	(3,151)
Primary Health Care Strategy - Health	(156)	(165)	9 F	5%	(1,244)	(2,396)	1,152 F	48%	(3,195)
Primary Health Care Strategy - Other	(52)	(287)	235 F	82%	(2,156)	(2,594)	438 F	17%	(3,454)
Practice Nurse Subsidy	(6)	(23)	17 F	75%	(150)	(159)	8 F	5%	(211)
Rural Support for Primary Health Pro	(1,179)	(1,365)	187 F	14%	(11,260)	(12,289)	1,029 F	8%	(16,385)
Immunisation	(493)	(595)	101 F	17%	(1,335)	(1,551)	216 F	14%	(2,596)
Radiology	(406)	(400)	(6) U	(2%)	(3,651)	(3,597)	(55) U	(2%)	(4,796)
Palliative Care	(396)	(391)	(5) U	(1%)	(3,859)	(3,516)	(342) U	(10%)	(4,689)
Meals on Wheels	(55)	(58)	4 F	6%	(499)	(526)	28 F	5%	(702)
Domiciliary & District Nursing	(1,495)	(1,444)	(51) U	(4%)	(13,219)	(12,996)	(223) U	(2%)	(17,328)
Community based Allied Health	(573)	(594)	21 F	4%	(5,157)	(5,345)	188 F	4%	(7,127)
Chronic Disease Management and Educa	(184)	(250)	66 F	27%	(2,172)	(2,247)	75 F	3%	(2,997)
Medical Inpatients	(5,443)	(5,394)	(49) U	(1%)	(48,595)	(48,546)	(49) U		(64,728)
Medical Outpatients	(3,426)	(3,332)	(94) U	(3%)	(30,838)	(29,988)	(850) U	(3%)	(39,984)
Surgical Inpatients	(10,052)	(10,056)	4 F		(90,469)	(90,507)	38 F		(120,676)
Surgical Outpatients	(1,706)	(1,703)	(3) U		(15,350)	(15,324)	(26) U		(20,432)
Paediatric Inpatients	(621)	(621)			(5,590)	(5,590)			(7,454)
Paediatric Outpatients	(337)	(337)			(3,037)	(3,037)			(4,050)
Pacific Peoples' Health	(10)	(10)			(88)	(88)			(117)
Emergency Services	(1,533)	(1,533)			(13,798)	(13,796)	(2) U		(18,394)
Minor Personal Health Expenditure	(47)	(101)	53 F	53%	(397)	(905)	508 F	56%	(1,207)
Price adjusters and Premium	899	894	6 F	1%	8,103	8,043	60 F	1%	10,723
Travel & Accommodation	(405)	(364)	(41) U	(11%)	(3,360)	(3,272)	(88) U	(3%)	(4,363)
Inter District Flow Personal Health	(2,105)	(2,115)	9 F		(19,823)	(19,032)	(790) U	(4%)	(25,376)
<b>Personal Health Total</b>	<b>(46,636)</b>	<b>(47,344)</b>	<b>708 F</b>	<b>1%</b>	<b>(421,958)</b>	<b>(422,983)</b>	<b>1,026 F</b>		<b>(564,492)</b>

**Southern District Health Board**  
**March-12**

<b>Part 3: DHB Funds</b>	<b>Current Month</b>				<b>Year to Date</b>				<b>Annual</b>
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>	<b>Budget</b>
	<b>\$(000)</b>	<b>\$(000)</b>	<b>\$(000)</b>	<b>%</b>	<b>\$(000)</b>	<b>\$(000)</b>	<b>\$(000)</b>	<b>%</b>	<b>\$(000)</b>
<b>Mental Health</b>									
Mental Health to allocate	-	-			-	-			-
Acute Mental Health Inpatients	(1,268)	(1,268)			(11,414)	(11,414)			(15,219)
Sub-Acute & Long Term Mental Health	(354)	(354)			(3,185)	(3,185)			(4,247)
Crisis Respite	(25)	(34)	8 F	24%	(229)	(303)	74 F	24%	(404)
Alcohol & Other Drugs - General	(341)	(346)	5 F	2%	(3,008)	(3,115)	106 F	3%	(4,153)
Alcohol & Other Drugs - Child & Youth	(48)	(107)	59 F	55%	(621)	(960)	339 F	35%	(1,282)
Methadone	(92)	(92)			(824)	(824)			(1,098)
Dual Diagnosis - Alcohol & Other Drugs	6	(7)	13 F	180%	(60)	(62)	2 F	4%	(83)
Dual Diagnosis - MH/ID	(9)	(5)	(3) U	(60%)	(77)	(48)	(29) U	(60%)	(64)
Eating Disorder	(14)	(14)			(125)	(126)			(168)
Maternal Mental Health	-	-			-	-			-
Child & Youth Mental Health Services	(783)	(724)	(59) U	(8%)	(6,658)	(6,515)	(143) U	(2%)	(8,688)
Forensic Services	(463)	(466)	3 F	1%	(4,160)	(4,196)	36 F	1%	(5,595)
Kaupapa Maori Mental Health Services	(128)	(147)	19 F	13%	(1,104)	(1,326)	222 F	17%	(1,768)
Kaupapa Maori Mental Health - Residential	(12)	(29)	17 F	57%	(134)	(259)	125 F	48%	(345)
Kaupapa Maori Mental Health - Inpati	-	-			-	-			-
Mental Health Community Services	(1,728)	(1,767)	38 F	2%	(15,352)	(15,900)	548 F	3%	(21,201)
Prison/Court Liaison	(34)	(42)	8 F	20%	(304)	(379)	75 F	20%	(505)
Mental Health Workforce Development	(1)	(1)	1 F	45%	(6)	(10)	5 F	45%	(14)
Day Activity & Work Rehabilitation S	(160)	(202)	42 F	21%	(1,677)	(1,816)	139 F	8%	(2,423)
Mental Health Funded Services for Older People	(34)	(34)			(285)	(304)	19 F	6%	(405)
Advocacy / Peer Support - Consumer	(55)	(58)	4 F	6%	(491)	(524)	34 F	6%	(700)
Other Home Based Residential Support	(337)	(307)	(30) U	(10%)	(2,793)	(2,761)	(33) U	(1%)	(3,681)
Advocacy / Peer Support - Families	(50)	(50)	1 F	1%	(450)	(454)	4 F	1%	(607)
Community Residential Beds & Service	(468)	(543)	74 F	14%	(4,497)	(4,873)	376 F	8%	(6,504)
Minor Mental Health Expenditure	(69)	(61)	(8) U	(14%)	(681)	(550)	(132) U	(24%)	(733)
Inter District Flow Mental Health	(489)	(489)			(4,398)	(4,398)			(5,864)
<b>Mental Health Total</b>	<b>(6,956)</b>	<b>(7,148)</b>	<b>191 F</b>	<b>3%</b>	<b>(62,533)</b>	<b>(64,301)</b>	<b>1,768 F</b>	<b>3%</b>	<b>(85,752)</b>
<b>Public Health</b>									
Alcohol & Drug	(39)	(39)			(349)	(349)			(465)
Communicable Diseases	(57)	(57)			(515)	(515)			(686)
Injury Prevention	(2)	(2)			(19)	(19)			(25)
Screening Programmes	(458)	(406)	(52) U	(13%)	(3,568)	(3,652)	84 F	2%	(4,869)
Mental Health	(24)	(17)	(7) U	(43%)	(213)	(149)	(64) U	(43%)	(199)
Nutrition and Physical Activity	(119)	(114)	(5) U	(4%)	(814)	(1,028)	214 F	21%	(1,371)
Physical Environment	(53)	(53)			(480)	(480)			(640)
Public Health Infrastructure	(150)	(138)	(13) U	(9%)	(1,354)	(1,240)	(114) U	(9%)	(1,653)
Sexual Health	(16)	(15)	(1) U	(5%)	(143)	(136)	(7) U	(5%)	(182)
Social Environments	(23)	(22)			(203)	(199)	(4) U	(2%)	(265)
Tobacco Control	(83)	(84)	1 F	1%	(747)	(756)	9 F	1%	(1,008)
Well Child Promotion	(2)	(2)			(19)	(19)			(25)
Meningococcal	-	-			-	-			-
<b>Public Health Total</b>	<b>(1,026)</b>	<b>(949)</b>	<b>(77) U</b>	<b>(8%)</b>	<b>(8,423)</b>	<b>(8,541)</b>	<b>118 F</b>	<b>1%</b>	<b>(11,388)</b>
<b>Disability Support Services</b>									
AT & R (Assessment, Treatment and Re	(1,905)	(1,918)	13 F	1%	(17,145)	(17,264)	118 F	1%	(23,018)
Information and Advisory	(1)	(1)			(5)	(5)			(6)
Needs Assessment	(112)	(115)	3 F	2%	(1,056)	(1,031)	(25) U	(2%)	(1,375)
Service Co-ordination	(126)	(126)			(1,134)	(1,134)			(1,512)
Home Support	(1,180)	(1,157)	(23) U	(2%)	(9,866)	(10,416)	550 F	5%	(13,888)
Carer Support	(165)	(168)	3 F	2%	(1,350)	(1,515)	164 F	11%	(2,019)
Residential Care: Rest Homes	(2,981)	(2,797)	(185) U	(7%)	(26,956)	(25,906)	(1,050) U	(4%)	(34,170)
Residential Care: Loans Adjustment	23	23			234	203	30 F	15%	271
Long Term Chronic Conditions	(106)	-	(106) U		(841)	-	(841) U		-
Residential Care: Hospitals	(3,424)	(3,266)	(158) U	(5%)	(30,343)	(29,391)	(951) U	(3%)	(39,189)
Ageing in Place	(111)	(114)	2 F	2%	(1,001)	(1,023)	22 F	2%	(1,364)
Environmental Support Services	(104)	(98)	(6) U	(6%)	(874)	(882)	8 F	1%	(1,179)
Day Programmes	(23)	(46)	22 F	49%	(221)	(303)	82 F	27%	(459)
Expenditure to Attend Treatment ETAT	-	-			-	-			-
Respite Care	(96)	(75)	(22) U	(29%)	(654)	(674)	20 F	3%	(899)
Community Health Services & Support	(115)	(171)	56 F	33%	(1,011)	(1,286)	275 F	21%	(1,844)
Inter District Flow Disability Support	(378)	(352)	(26) U	(7%)	(3,171)	(3,167)	(4) U		(4,223)
Disability Support Other	-	-			-	-			-
<b>Disability Support Services Total</b>	<b>(10,806)</b>	<b>(10,381)</b>	<b>(425) U</b>	<b>(4%)</b>	<b>(95,395)</b>	<b>(93,793)</b>	<b>(1,601) U</b>	<b>(2%)</b>	<b>(124,875)</b>
<b>Maori Health</b>									
Maori Service Development	(22)	(22)			(198)	(201)	3 F	1%	(268)
Minor Maori Health Expenditure	(24)	(27)	3 F	11%	(217)	(245)	28 F	11%	(327)
Whanau Ora Services	(116)	(117)	1 F	1%	(1,040)	(1,047)	7 F	1%	(1,398)
<b>Maori Health Total</b>	<b>(162)</b>	<b>(167)</b>	<b>4 F</b>	<b>3%</b>	<b>(1,455)</b>	<b>(1,493)</b>	<b>38 F</b>	<b>3%</b>	<b>(1,993)</b>
<b>Total Expenses</b>	<b>(66,132)</b>	<b>(66,505)</b>	<b>373 F</b>	<b>1%</b>	<b>(594,677)</b>	<b>(595,769)</b>	<b>1,091 F</b>		<b>(794,710)</b>
<b>Net Surplus/ (Deficit)</b>	<b>(751)</b>	<b>(1,195)</b>	<b>443 F</b>	<b>37%</b>	<b>(4,131)</b>	<b>(7,972)</b>	<b>3,841 F</b>	<b>48%</b>	<b>(10,981)</b>
Zero Check	-	-			-	-			-

# Southern District Health Board

March-12

<b>Part 4: DHB Consolidated</b>	<b>Current Month Actual \$ (000)</b>	<b>Previous Month Actual \$ (000)</b>	<b>Movement \$ (000)</b>	<b>Current Budget \$ (000)</b>	<b>Current Year Opening Balance Sheet \$ (000)</b>	<b>Annual Budget \$ (000)</b>
<b>Part 4.2: Balance Sheet</b>						
<b>Current Assets</b>						
Petty Cash	14	14	-	13	14	13
Bank	6,018	951	5,067	517	3,838	583
Short Term Investments	22,339	22,592	(253)	22,000	33,442	11,000
Short Term Investments	-	-	-	-	-	-
Prepayments	1,590	1,968	(379)	1,808	2,089	1,808
Accounts Receivable	6,819	6,743	76	9,596	6,559	9,865
Provision for Doubtful Debts	(1,813)	(1,813)	-	(1,492)	(1,426)	(1,492)
Accrued Debtors	20,885	21,497	(612)	19,893	19,197	19,896
Inventory / Stock	4,605	4,633	(28)	4,370	4,605	4,370
Assets Held for Resale	-	-	-	-	-	-
<b>Current Assets Total</b>	<b>60,456</b>	<b>56,583</b>	<b>3,872</b>	<b>56,705</b>	<b>68,317</b>	<b>46,043</b>
<b>Non Current Assets</b>						
Land, Buildings & Plant	238,759	233,069	5,690	239,472	229,596	240,663
Clinical Equipment	101,374	102,386	(1,012)	119,696	99,470	126,717
Other Equipment (incl Finance Leases)	12,869	12,868	1	13,641	12,670	13,962
Information Technology	31,909	31,901	8	35,059	30,489	36,164
Motor Vehicles	710	710	-	1,736	714	1,751
Provision Depreciation - Buildings & Plant	(15,040)	(14,386)	(654)	(15,271)	(9,642)	(17,311)
Provision Depreciation - Clinical Equipment	(76,273)	(76,857)	584	(88,304)	(75,683)	(90,360)
Provision Depreciation - Other Equipment	(11,218)	(11,167)	(51)	(11,250)	(10,718)	(11,433)
Provision Depreciation - Information Technology	(23,783)	(23,509)	(275)	(24,864)	(21,481)	(25,819)
Provision Depreciation - Motor Vehicles	(283)	(279)	(4)	(358)	(268)	(398)
WIP	15,967	17,938	(1,972)	12,245	8,304	17,506
Investment in Subsidiaries	-	-	-	-	-	-
Investment in Associates	326	326	-	238	326	238
Long Term Investments	-	-	-	-	-	-
<b>Non Current Assets Total</b>	<b>275,317</b>	<b>273,001</b>	<b>2,316</b>	<b>282,041</b>	<b>263,778</b>	<b>291,679</b>
<b>Current Liabilities</b>						
Accounts Payable Control	(2,470)	(4,997)	2,528	(4,889)	(2,849)	(4,822)
Accrued Creditors	(32,028)	(30,646)	(1,382)	(37,358)	(31,703)	(36,598)
Income Received in Advance	(1,566)	(2,202)	636	(2,419)	(1,168)	(2,419)
Capital Charge Payable	(2,259)	(1,506)	(753)	(850)	(796)	(598)
GST & Tax Provisions	(6,282)	(5,978)	(305)	(3,620)	(6,098)	(2,791)
Term Loans - Finance Leases (current portion)	(1,609)	(1,668)	60	(2,125)	(2,599)	(2,125)
Term Loans - Private (current portion)	-	-	-	-	-	-
Term Loans - Crown (current portion)	(11,045)	(11,045)	-	(4,459)	(5,249)	(4,229)
Payroll Accrual & Clearing Accounts	(12,786)	(11,168)	(1,618)	(15,704)	(11,889)	(10,818)
Employee Entitlement Provisions	(39,512)	(38,812)	(700)	(38,621)	(40,424)	(38,621)
<b>Current Liabilities Total</b>	<b>(109,557)</b>	<b>(108,022)</b>	<b>(1,535)</b>	<b>(110,045)</b>	<b>(102,775)</b>	<b>(103,022)</b>
<b>WORKING CAPITAL</b>	<b>(49,101)</b>	<b>(51,438)</b>	<b>2,337</b>	<b>(53,340)</b>	<b>(34,458)</b>	<b>(56,979)</b>
<b>NET FUNDS EMPLOYED</b>	<b>226,215</b>	<b>221,562</b>	<b>4,653</b>	<b>228,700</b>	<b>229,320</b>	<b>234,699</b>
<b>Non Current Liabilities</b>						
Long Service Leave - Non Current Portion	(3,069)	(3,069)	-	(3,348)	(3,069)	(3,348)
Retirement Gratuities - Non Current Portion	(10,492)	(10,492)	-	(10,088)	(10,520)	(10,088)
Other Employee Entitlement Provisions	(1,109)	(1,109)	-	(1,109)	(1,109)	(1,109)
Term Loans - Finance Leases (non current portio	(1,904)	(1,922)	18	(511)	(2,592)	(61)
Term Loans - Private (non current portion)	-	-	-	-	-	-
Term Loans - Crown (non current portion)	(91,587)	(84,916)	(6,671)	(90,891)	(91,274)	(90,891)
Custodial Funds	(3,725)	(3,613)	(113)	(3,857)	(3,830)	(3,857)
<b>Non Current Liabilities Total</b>	<b>(111,886)</b>	<b>(105,120)</b>	<b>(6,766)</b>	<b>(109,804)</b>	<b>(112,395)</b>	<b>(109,354)</b>
<b>Crown Equity</b>						
Crown Equity	(133,759)	(133,759)	-	(133,103)	(133,759)	(133,103)
Crown Equity Injection	(387)	(387)	-	(8,700)	-	(21,778)
Crown Equity Repayments	-	-	-	-	-	707
Trust and Special Funds (no restricted use)	(1,514)	(1,512)	(2)	(1,442)	(1,443)	(1,442)
Revaluation Reserve	(85,362)	(85,362)	-	(86,314)	(85,362)	(86,314)
Revaluation Reserve - Trust Assets	-	-	-	-	-	-
Retained Earnings - DHB Governance & Funding	1,734	1,648	86	2,082	2,002	2,082
Retained Earnings - DHB Provider	78,823	77,545	1,278	77,053	79,633	79,966
Retained Earnings - Funds	26,135	25,384	751	31,527	22,004	34,536
<b>Crown Equity Total</b>	<b>(114,329)</b>	<b>(116,442)</b>	<b>2,113</b>	<b>(118,896)</b>	<b>(116,925)</b>	<b>(125,346)</b>
<b>NET FUNDS EMPLOYED</b>	<b>(226,215)</b>	<b>(221,562)</b>	<b>(4,653)</b>	<b>(228,700)</b>	<b>(229,320)</b>	<b>(234,699)</b>
Zero Check	-	-	-	-	-	-
<b>Part 4.3: Statement of Movement in Equity</b>						
Total equity at beginning of the period	(116,442)	(115,698)		(119,687)	(116,925)	(114,764)
Net Results for Period	2,113	(357)		2,090	-	10,490
Revaluation of Fixed Assets	-	-		-	-	-
Equity Injections / Repayments	-	(387)		(1,300)	-	(21,071)
Other	-	-		-	-	-
Movement in Trust and Special Funds	-	-		-	-	-
<b>Total Equity at end of the period</b>	<b>(114,329)</b>	<b>(116,442)</b>		<b>(118,896)</b>	<b>(116,925)</b>	<b>(125,346)</b>

# Board Cash Flow - Southern

## March-12

<b>Part 4: DHB Consolidated</b>	Current Month			Year to Date			Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Part 4.4 Statement of Cashflows</b>							
<b>Operating Revenue</b>							
Government and Crown Agency Revenue	67,619	67,724	(105) U	610,846	610,012	834 F	813,386
Other Revenue Received	1,302	1,084	218 F	10,511	9,322	1,189 F	12,453
<b>Total Receipts</b>	<b>68,921</b>	<b>68,808</b>	<b>113 F</b>	<b>621,357</b>	<b>619,334</b>	<b>2,023 F</b>	<b>825,840</b>
<b>Payments</b>							
Payments for Personnel	(24,994)	(22,889)	(2,105) U	(230,637)	(226,862)	(3,775) U	(311,477)
Payments for Supplies	(12,219)	(10,774)	(1,445) U	(99,692)	(98,854)	(838) U	(132,975)
Interest Paid	(85)	(50)	(35) U	(2,960)	(3,143)	183 F	(4,741)
Capital Charge Paid	-	(840)	840 F	(5,388)	(6,676)	1,288 F	(8,908)
GST (Net) & Tax	302	(73)	375 F	185	43	142 F	(512)
Payment to own DHB Provider (Eliminated)	-	-	-	-	-	-	-
Payment to own DHB Governance & Funding Admin	-	-	-	-	-	-	-
Payments to other DHBs	(3,001)	(2,955)	(46) U	(27,829)	(26,597)	(1,232) U	(35,463)
Payments to Providers	(26,924)	(26,381)	(543) U	(243,570)	(245,433)	1,863 F	(328,218)
<b>Total Payments</b>	<b>(66,921)</b>	<b>(63,963)</b>	<b>(2,958) U</b>	<b>(609,891)</b>	<b>(607,522)</b>	<b>(2,369) U</b>	<b>(822,294)</b>
<b>Net Cashflow from Operating</b>	<b>2,000</b>	<b>4,845</b>	<b>(2,845) U</b>	<b>11,466</b>	<b>11,812</b>	<b>(346) U</b>	<b>3,546</b>
<b>Investing Activities</b>							
Interest Receipts 3rd Party	173	186	(13) U	1,651	1,675	(24) U	2,231
Sale of Fixed Assets	-	-	-	32	-	32 F	-
<b>Capital Expenditure</b>							
Land, Buildings & Plant	(3,472)	(1,866)	(1,606) U	(15,066)	(17,221)	2,155 F	(23,672)
Clinical Equipment	(326)	(549)	223 F	(7,687)	(8,301)	614 F	(15,322)
Other Equipment	(17)	(107)	90 F	(242)	(965)	723 F	(1,287)
Information Technology	(110)	(718)	608 F	(2,931)	(3,872)	941 F	(4,713)
Motor Vehicles	(119)	(5)	(114) U	(144)	(987)	843 F	(1,002)
<b>Total Capital Expenditure</b>	<b>(4,045)</b>	<b>(3,245)</b>	<b>(799) U</b>	<b>(26,069)</b>	<b>(31,345)</b>	<b>5,275 F</b>	<b>(45,995)</b>
Increase in Investments and Restricted & Trust Funds Asset	113	-	113 F	(105)	-	(105) U	-
<b>Net Cashflow from Investing</b>	<b>(3,759)</b>	<b>(3,059)</b>	<b>(699) U</b>	<b>(24,492)</b>	<b>(29,670)</b>	<b>5,178 F</b>	<b>(43,764)</b>
<b>Financing Activities</b>							
Equity Injections	-	1,300	(1,300) U	387	8,700	(8,313) U	21,071
<b>New Debt</b>							
Private Sector	-	-	-	-	-	-	-
CHFA	6,650	-	6,650 F	11,150	-	11,150 F	-
<b>Repaid Debt</b>							
Private Sector	(77)	(303)	226 F	(2,175)	(2,686)	511 F	(3,400)
CHFA	-	-	-	(5,259)	(690)	(4,569) U	(920)
<b>Other Non-Current Liability Movement</b>							
Other Equity Movement	-	-	-	-	-	-	-
<b>Net Cashflow from Financing</b>	<b>6,573</b>	<b>997</b>	<b>5,576 F</b>	<b>4,103</b>	<b>5,324</b>	<b>(1,221) U</b>	<b>16,751</b>
<b>Net Cashflow</b>	<b>4,814</b>	<b>2,783</b>	<b>2,032 F</b>	<b>(8,923)</b>	<b>(12,534)</b>	<b>3,611 F</b>	<b>(23,467)</b>
Plus Cash (Opening)	23,556	19,747	3,809 F	37,293	35,063	2,230 F	35,063
Cash (Closing)	<b>28,370</b>	<b>22,529</b>	<b>5,841 F</b>	<b>28,370</b>	<b>22,529</b>	<b>5,841 F</b>	<b>11,596</b>
<b>Carry Forward Check</b>							
<b>Closing Cash made up of:</b>							
Petty Cash	14	13	(1) U	14	13	(1) U	13
Bank (Overdraft)	6,018	517	(5,501) U	6,018	517	(5,501) U	583
Short Term Investments	22,339	22,000	(339) U	22,339	22,000	(339) U	11,000
<b>Total Cashflow Cash (Closing)</b>	<b>28,370</b>	<b>22,529</b>	<b>5,841 F</b>	<b>28,370</b>	<b>22,529</b>	<b>5,841 F</b>	<b>11,596</b>

## Ratios and Cash Management

Financial Ratios	ACTUAL 31/03/2012	BUDGET 31/03/2012	ACTUAL 29/02/2012
Interest Cover is not less than 2.5 times	4.09	3.68	4.59
Total Debt divided by (Debt plus Equity) not to exceed 65%	45.64%	44.50%	45.18%
Secured Liabilities not more than 5% of Assets	1.05%	0.78%	1.09%
Guaranteeing Assets more than 95% of Group Assets	100.00%	100.00%	100.00%

Cash Management	31/03/2012	29/02/2012	31/01/2012	Summary 1/4 ending 31/03/2012	Summary 1/4 ending 31/12/2011
<b>BNZ Bank Account:</b>					
Cheque A/c High (\$000)	\$1,013	\$3,053	\$2,508	\$3,053	\$5,617
Cheque A/c Average (\$000)	\$33	\$879	\$759	\$539	\$393
Days in Overdraft	0		5	5	7
Overdraft High (\$000)	\$0	\$0	\$(349)	\$(349)	\$(3,178)
<b>ASB Bank Account:</b>					
Cheque A/c High (\$000)	\$117	\$350	\$641	\$641	\$639
Cheque A/c Average (\$000)	\$117	\$154	\$238	\$130	\$166
Days in Overdraft	0	0	1	1	0
Overdraft High (\$000)	\$0	\$0	\$(795)	\$(795)	\$0
<b>Westpac Bank Account:</b>					
Cheque A/c High (\$000)	\$4,845	\$0	\$0	\$4,845	\$0
Cheque A/c Average (\$000)	\$997	\$1	\$0	\$604	\$0
Days in Overdraft	0	0	0	0	0
Overdraft High (\$000)	\$0	\$0	\$0	\$0	\$0

## Debt as at Month End (\$000)

	Amount (\$000)	Due	Base Rate	Margin	Total Rate
CHFA SL007 70811/71051	5,000	16/07/2012	4.90%		4.90%
CHFA Sthn DHB 77101/77341	5,000	16/07/2012	3.88%		3.88%
CHFA SL008 46895/47135	12,000	30/04/2013	6.11%		6.11%
CHFA OT DHB 54632	5,000	30/04/2013	6.96%		6.96%
CHFA Sthn DHB 76495/76735	10,000	15/04/2014	4.28%		4.28%
CHFA OT DHB 54633	6,250	15/04/2015	6.55%		6.55%
CHFA SL007 70812/71052	6,000	15/04/2016	5.75%		5.75%
CHFA Sthn DHB 77102/77342	10,000	15/04/2016	4.75%		4.75%
CHFA OT DHB 54634	10,000	15/12/2017	6.42%		6.42%
CHFA Sthn DHB 76496/76736	10,000	15/12/2018	5.06%		5.06%
CHFA Sthn DHB 77045/77285	4,500	15/03/2019	4.34%		4.34%
CHFA Sthn DHB 77103/77343	7,000	15/12/2019	5.22%		5.22%
CHFA Sthn DHB 82851/83091	1,250	15/05/2021	4.40%		4.40%
CHFA Sthn DHB 82846/83086	5,400	15/05/2021	4.40%		4.40%
CHFA Dunstan Loan (fair value)	4,282	Qrtly Instalment	0.00%		0.00%
EECA Loans (fair value)	951	Qrtly Instalment	0.00%		0.00%
Finance Leases	3,513	Mthly & Qtrly Instalment	3.34%-8.93%		
ASB Working Capital (OD \$5m)	-		2.50%	0.50%	3.00%
<b>Total Debt &amp; Overdraft</b>	<b>106,145</b>				<b>4.55%</b>

## Cash Balances as at Month End (\$000)

	Rate Ranges %	Due Date Range	\$000
<u>Short Term Deposits:</u>			
ANZ Bank			
ASB Bank	3.60%	11/04	2,000
ASB Bank	2.50%	On Call	0
BNZ Bank	2.45%	On Call	0
National Bank	3.20%	On Call	12,339
Westpac Bank	3.10%	On Call	0
Westpac Bank	3.80% - 3.88%	5/4 - 11/4	8,000
<u>Other:</u>			
Cash at Bank ASB			45
Cash at Bank BNZ			447
Cash at Bank Westpac			5,526
Petty Cash			14
<b>Total Cash Balances /(O/D)</b>			<b>28,370</b>

Southern District Health Board

Monthly Treasury Report

March 2012

Quarterly Cash Forecast - 12 months

	2011-12 Qtr 4	2012-13 Qtr 1	2012-13 Qtr 2	2012-13 Qtr 3
Cashflow from Operating Activities	2,745	1,344	5,897	6,144
Investing Activities	(10,821)	(12,071)	(12,684)	(5,663)
Financing Activities	8,825	(1,319)	(2,864)	7,059
Net Cash Flow	<b>748</b>	<b>(12,047)</b>	<b>(9,651)</b>	<b>7,540</b>
Opening Cash Balance	28,370	29,119	29,867	17,820
Closing Cash Balance	<b>29,119</b>	<b>29,867</b>	<b>17,820</b>	<b>8,168</b>

Accounts Receivable / Accounts Payable

	Current	1 Month	2 Months	3 Months and over	Total	Previous Month Total	Increase / (Decrease) % from previous Month
<b>Aged Debtors Analysis</b>	3,010 44%	629 9%	438 6%	2,742 40%	<b>6,819</b>	<b>6,743</b>	1%
<b>Provision for Doubtful Debts</b>					<b>(1,813)</b>	<b>(1,813)</b>	0%
<b>Bad Debts Written Off</b>					<b>9</b>	<b>1</b>	688%
<b>Aged Creditors Analysis</b>	1,931 78%	245 10%	210 9%	84 3%	<b>2,470</b>	<b>4,997</b>	(51%)

Interest Rate Derivatives and Foreign Exchange derivatives

None Currently

# Board Report

## NHB & SDHB Joint Assessment of Systems – Dunedin Hospital

### Recommendations from the five main themes identified in the Report

#### 1. Governance

Build on the growing leadership of the DHB by the new Chair. Ensure there is alignment between strategy, culture and systems/processes.

#### 2. Leadership, Vision and Planning

Properly align a vision and strategy which supports the health needs of the Southern community. Deliver a work programme that supports the strategy, and which is in line with best practice management and leadership processes and systems that reflect, in practice, the whole merged DHB.

#### 3. Culture and Relationships

Create a culture that encourages, enthuses and drives people to deliver the vision and work programme, improve health outcomes for the Southern community, and enable a productive and innovative working, educational and academic environment for DHB staff and its partners.

#### 4. Quality and Patient Safety

Immediately put in place a robust and well understood patient safety and quality framework and networks to ensure a safer hospital. Appoint a person with appropriate clinical experience and seniority to provide specific leadership to this process. Invite the Health Quality and Safety Commission (HQSC) to comment on the framework before it is finalised.

#### 5. Operational Issues

Address the operational issues that have been identified.

The actions from the 5 main themes are captured in the action points below under the headings of strategy, governance, leadership and structure, learning and development, financial, collaboration and operational.

#### Implementation Steering Group

Implementation steering group to be appointed with key senior clinical leaders and managers. To be chaired by an external clinical leader.

Recommendation	Completion Date	PROGRESS				COMMENT
		Scoping	Behind	On Track	Completed	
<b>Strategy</b>						
1. Ensure all staff have a good understanding of the vision and strategic direction of the DHB.	CEO ongoing			✓		Planning & implementation underway. Workshop with senior leadership group held in Nov/Dec/Jan to line up with Annual Planning cycle. Communication plan under development. Full programme has been developed out 12 months.
8 Develop and implement a communication plan that outlines an effective internal and external communication strategy.	Acting CEO October 2011				✓	Public relations and communications role appointed. Operational communications strategy completed and operational.
13 Complete a strategic plan, looking ahead 10 years, which takes into account the whole of Southern DHB's population and its needs. The plan is to take into consideration training and educational needs e.g. registrar training programmes.	EMT  June 2012	✓				Agree. The South Island Strategy will be assessed along with the local strategic plan.
18 Establish, implement and monitor a patient safety and quality and risk framework for the Southern DHB.	EMT From September 2011			✓		<b>A Provider Arm Executive team contingent visited Counties Manakau DHB &amp; Ko Awatea to understand their framework of quality &amp; risk. Feedback provided to wider EMT &amp; plan being established.</b>



Recommendation	Completion Date	PROGRESS				COMMENT
		Scoping	Behind	On Track	Completed	
15	Complete facility planning and development for Dunedin Hospital in collaboration with University and taking into consideration the regional services of Southern DHB. EMT By June 2012	✓				The business case for facility planning was released on the Government Electronic Tenders Service (GETS) website in February. Requests for proposals close on 20 April.
<b>Governance</b>						
2.	Clarify the roles and responsibilities of governance and management to staff based on governance and management best practice. Board Chair and Acting CEO October 2011			✓		Agreed. To be finalised after appointment of new CEO.
<b>Leadership &amp; Structure</b>						
3.	Review and realign management and clinical leadership roles to enable one clear structure for the organisation, with a regional focus on service delivery, removing duplication, and providing clarity of accountability and authority. From March 2012			✓		A draft proposal will be developed for consultation with all staff.
4.	Make appointments to newly structured management and clinical leadership positions which demonstrate a commitment to instill the organisation's values, deliver the strategic direction, and bring an ability to model, and support the DHB through a programme of change and improvement. New CEO Post March 2012	✓				Agreed
5.	Appoint a Director of Allied, Scientific and Technical Staff at executive level. Acting CEO September 2011			✓		Interim solution implemented. Allied Health Director is now participating at Executive level.
9	Appoint a Chief Executive who can convey an inspiring and compelling vision of the future to all staff and stakeholders. Board Chair December 2011				✓	Appointed. Commences in March 2012.
19	Establish a multidisciplinary Clinical Quality Governance Board that reports to the Chief Executive, and is aligned structurally to the Executive Management Team, with an appropriately experienced senior clinical leader as Chair. EMT From November 2011	✓				To be considered along with the quality framework and strategy, <b>as part of #18</b>
<b>Learning &amp; Development</b>						
6.	Provide managers and clinicians who are appointed to senior management and leadership roles with orientation, training and mentoring opportunities. CEO From December 2011			✓		Agree. A programme for leadership development is being established.

Recommendation	Completion Date	PROGRESS				COMMENT
		Scoping	Behind	On Track	Completed	
<b>Financial</b>						
7.	Remove the current financial boundaries reflecting the previous Southland and Otago DHBs.	EMT From September 2011			✓	The Executive team is developing a programme to ensure that key messages such as this are understood throughout the organisation. This is being reinforced through the current annual planning round.
17	Develop a clinical capital expenditure programme for the next three years.	CMOs, CNMO, AHD, COOs, GMFF April 2012			✓	Agree will undertake as part of the development of the 2012/13 annual planning process.
<b>Collaboration</b>						
10	To enable effective partnership decisions establish:  - University representation at executive level of the DHB  - A senior primary care clinician to represent primary care at the executive level of the DHB.	Acting CEO  February 2011			✓	Further opportunities to review and strengthen the relationship to be discussed at the Joint Relations Committee. This will follow a strategic planning workshop early March.  <b>Strategic planning workshop held with Health Sciences Division leadership group. A framework for progressing the ideas identified is currently being worked-up. A meeting will the Business facility will be held in May.</b>  Agreed and will progress alongside review of organisation structure.
11	Other training and education tertiary providers in the region to be invited to meet quarterly with the DHB executive to discuss opportunities for shared innovations.	Acting CEO  ongoing			✓	Agree. Regular meetings in place.
<b>Operational</b>						
22	Complete the pilot of the original 'e-medication' programme. Have the pilot evaluated by the Health Quality and Safety Commission (HQSC).	Completed			✓	This work was completed prior to the review at the end of January 2011 in accordance with the expectations of the HQSC. Further approval was given to extend the pilot until the end of October. The evaluation material has been submitted.

# Southern District Health Board

## Minutes of the Joint Meeting of the Disability Support Advisory Committee and Community & Public Health Advisory Committee held on Wednesday, 4 April 2012, commencing at 10.00 am, in Conference Room 1, Copthorne Hotel, Frankton Road, Queenstown

---

**Present:** Dr Malcolm Macpherson Chairman  
Ms Sandra Cook  
Mrs Kaye Crowther  
Mrs Mary Flannery

**In Attendance:** Mr Joe Butterfield Board Chairman  
Mr Robert Mackway-Jones General Manager, Finance & Funding  
Ms Carole Heatly Chief Executive Officer  
Ms Leanne Illingworth Portfolio Manager  
Ms Jeanette Kloosterman Board Secretary

### 1.0 WELCOME

The Chairman welcomed everyone to the meeting.

### 2.0 APOLOGIES

An apology was received from Mr Neville Cook and an apology for lateness was received from Ms Sandra Cook.

***It was resolved:***

**"That the apologies be accepted."**

### 3.0 MEMBERS' DECLARATION OF INTEREST

The Chairman called for any adjustments or amendments to the Interests Register. Mrs Flannery advised that:

- Bodkins Alexandra was now Bodkins/AWS Legal;
- She was a *director* of the New Zealand Irrigation Board.

The Chairman asked if Committee members were aware of any agenda items with which they may have a potential conflict and reminded them of their responsibility to advise the meeting immediately should any potential conflict, actual or perceived, arise during discussions.

### 4.0 PREVIOUS MINUTES

***It was resolved:***

**"That the minutes of the joint meeting of the Disability Support Advisory Committee and Community & Public Health Advisory**

**Committee held on 1 February 2012 be approved and adopted as a true and correct record."**

Moved: Dr Macpherson  
Seconded: Mrs Flannery

## **5.0 ACTION SHEET**

The Committees reviewed and noted the action sheet (agenda item 5).

The General Manager, Finance & Funding reported that it was taking longer than anticipated to get the clinical teams together to commence the Child & Youth work. Current activity was focused on the Gateway Assessment Programme.

It was noted that progress reports would be included in future agenda papers.

## **6.0 SUBMISSIONS POLICY**

The Committees considered a draft submissions policy and terms of reference for the Public Health Submissions Committee (agenda item 6).

*It was resolved:*

**"That, subject to the following amendments, the Committees recommend the Board approve the draft Southern DHB Submissions Policy and Public Health Submissions Committee terms of reference:**

- **The wording of the policy to be strengthened to make it clear that the author of a submission must have higher level sign-off;**
- **The chair's casting vote to be removed from the terms of reference and an escalation process inserted when a majority consensus cannot be reached;**
- **The sentence under 'Meeting Management' in the terms of reference to be changed to, 'A weekly teleconference shall be organised by the secretary'."**

Moved: Mrs Crowther  
Seconded: Mrs Flannery

*Ms S Cook joined the meeting at 10.25 am.*

## **7.0 TOBACCO CONTROL PLAN 2011-14**

The Committees considered a draft Tobacco Control Plan for 2011-14 (agenda item 7.0).

*It was resolved:*

**"That the Committees recommend the Board adopt the Southern DHB Tobacco Control Plan 2011-14."**

Moved: Mrs Crowther  
Seconded: Mrs Flannery

## **8.0 PRIMARY AND COMMUNITY**

Mr Mackway-Jones, General Manager, Finance & Funding, presented a report, and answered members' questions, on Primary and Community Portfolio activity (agenda item 8).

The Committees requested:

- An update on how many practices were not charging for under six year-olds;
- That Māori data be included in the key performance metrics for the Insulin Programme.

Mr Mackway-Jones reported that consultation meetings on the proposed new pharmacy agreement had commenced.

## **9.0 HEALTH OF OLDER PERSONS**

Ms Illingworth, Portfolio Manager, presented her update on Health of Older People (HOP) Portfolio activity (agenda item 9) and answered members' questions on HOP work streams.

The General Manager, Finance & Funding reported that an invitation for Expressions of Interest (EOI) for aged residential care services in Queenstown had been issued on Friday, 30 March 2012, and a good level of interest had been expressed.

## **10.0 PUBLIC AND POPULATION HEALTH**

Mr R Mackway-Jones, General Manager, Finance & Funding, presented a report, and answered members' questions, on Public and Population Health Portfolio activity (agenda item 10).

Mr Mackway-Jones informed the Committees that the Sexual Health stocktake had been completed and he would report back on the completion date for the Family Violence Intervention Programme stocktake.

The Committees also considered and noted reports on Public Health South activities and the South Island Public Health Project (agenda item 10).

Mr Mackway-Jones drew members' attention to the report on the South Island Alcohol Position Statement and advised that the intent was to develop a consistent South Island approach.

## **11.0 MENTAL HEALTH AND ADDICTIONS**

Mr R Mackway-Jones, General Manager, Finance & Funding, presented a report, and answered members' questions, on Mental Health and Addiction Portfolio activity (agenda item 11).

It was noted that consultation was currently taking place on the Mental Health and Addiction Draft Strategic Plan, *Raise Hope: Hapaia te Tumanako* and that submissions close on 11 April 2012.

Mr Mackway-Jones advised that a special meeting of the Committees would be required to consider modifications to the draft plan, based on the feedback received, prior to the May Board meeting.

## 12.0 FINANCIAL REPORT

The General Manager, Finance & Funding presented the Funder Financial Report for the period ended 29 February 2012 (agenda item 12) and answered members' questions on the non-Provider Arm expenditure statement.

The Board Chairman suggested that the Committees hold a workshop to review their reporting requirements.

***It was resolved:***

**"That the portfolio and financial reports be noted."**

Moved: Dr Macpherson  
Seconded: Mrs Crowther

## CONFIDENTIAL SESSION

***At 11.15 am it was resolved that the public be excluded for the following agenda items:***

<i>General subject:</i>	<i>Reason for passing this resolution:</i>	<i>Grounds for passing the resolution:</i>
1. Previous Minutes	As per reasons set out in previous agenda.	S 34(a), Schedule 4, NZ Public Health and Disability Act 2000 – that the public conduct of this part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under sections 9(2)(i) and 9(2)(j) of the Official Information Act 1982, that is, the withholding of the information is necessary to enable a Minister of the Crown or any Department or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities and negotiations.
2. Provider Agreements and Funding	Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage.	As above, sections 9(2)(i) and 9(2)(j).

Moved: Dr Macpherson  
Seconded: Mrs Flannery

The meeting closed at 12.40 pm.

Confirmed as a correct record:

Chairman ..... Date .....

---

## **MENTAL HEALTH AND ADDICTION DRAFT STRATEGIC PLAN – *RAISE HOPE: HAPAIA TE TUMANAKO***

---

As soon as they are finalised, a report on the Mental Health and Addiction Strategic Plan consultation and an amended draft plan will be circulated as part of the May DSAC/CPHAC agenda.

## Southern District Health Board

### Minutes of the Hospital Advisory Committee Meeting held on Wednesday, 4 April 2012, commencing at 2.00pm in Conference Room 1, Copthorne Hotel, Queenstown

---

<b>Present:</b>	Mr Paul Menzies Dr Malcolm Macpherson Mr Tahu Potiki Dr Branko Sijnja Mr Richard Thomson Mr Tim Ward	Chairman
<b>In Attendance:</b>	Mr Joe Butterfield Ms Sandra Cook Mrs Kaye Crowther Ms Mary Flannery Ms Carole Heatly Mrs Lexie O'Shea Mrs Vivian Blake Mrs Leanne Samuel Mr David Tulloch Ms Bron Anderson Mrs Joanne Fannin	Board Chairman Board member Board member Board member Chief Executive Officer Chief Operating Officer, Southland/Deputy CEO Chief Operating Officer, Otago Chief Nursing and Midwifery Officer Chief Medical Officer Senior Business Analyst, Southland Board Secretary Southland
<b>Apologies:</b>	Mr Neville Cook	HAC Member

#### 1.0 WELCOME AND APOLOGIES

The Chairman welcomed everyone to the meeting. An amended agenda was tabled for members' information and the additional item 'Annual Plan' included in the confidential section was highlighted. An apology was noted from HAC member, Mr Neville Cook.

***It was resolved:***

**"That the apology be accepted."**

**Moved: Mr Menzies  
Seconded: Dr Sijnja  
Carried**

#### 2.0 MEMBERS' DECLARATION OF INTEREST

The Chairman called for any adjustments or amendments to the Interests Register. None were advised.

The Chairman asked if members were aware of any agenda items with which they may have a potential conflict and reminded them of their responsibility to advise the meeting immediately should any potential conflict arise during discussions.



### 3.0 CONFIRMATION OF PREVIOUS MINUTES

*It was resolved:*

**"That the minutes of the 29 February 2012 Hospital Advisory Committee meeting be approved and adopted as a true and correct record."**

**Moved: Mr Thomson  
Seconded: Dr Sijnja  
Carried**

### 4.0 MATTERS ARISING

There were no matters arising from the previous minutes.

### 5.0 ACTION SHEET

The Committee reviewed the action sheet and the following highlights were noted:

**Action Point 62 – Enduring Power of Attorney** – this is being managed and is to be removed from the action sheet.

**Action Point 73 – IS Dashboard** – the information requested is included in the IS dashboard and is to be removed from the action sheet.

**Action Point 75 – Southern Clinical Services** – the Programme Managers are collating the dashboard for the Clinical Advisory Committee (CAC) and following discussion at the CAC this will go to HAC.

**Action Point 76 – COOs' Report, Hospital Quality and Productivity (HQP) Indicators** – on-going discussions are taking place with input by the COOs, the HAC Chairman and the CEO on reporting to HAC. An updated benchmarking set is included in the current agenda.

### 6.0 CHIEF OPERATING OFFICERS' REPORT

The Chief Operating Officer, Southland/Deputy CEO, Mrs Lexie O'Shea, provided an update on the Chief Operating Officers' Report and took questions from members and the following highlights were noted:

- Elective caseweights delivered (cwd) were behind plan for February 2012, but 0.91% above plan year-to-date (YTD). Health target elective discharges delivered were 10 below plan for the month and 19 above plan YTD.
- The unfavourable financial result was noted.
- Reporting on the operational performance is included in the Provider Arm Dashboard DAP 2011/12. The impact of the high activity in the Emergency Departments (ED) was noted.
- Health targets – whilst there was a dip in Southland for the 'shorter stays in ED' target, the result for March 2012 shows an improvement.
- Overall the Elective Services Patient Flow Indicators (ESPis) remain compliant. The ESPis are being monitored closely as Southern DHB must remain compliant within six months for both the outpatient and surgical areas by the end of June 2012.
- Elective cwd and discharges are being monitored closely to ensure Southern DHB comes in on target at year-end.
- The Chairman highlighted that the month on month increase in ED was not abating and queried the sustainability of the continued increase. Activity across the District, the staffing related to that and streaming patients through EDs in a different way are all areas being looked at. A national champion has been engaged to work with staff on the challenges being faced within the EDs. In response to a query regarding

whether ED is being accessed appropriately, it was noted that admission rates have remained relatively stable at all EDs. The COO Otago noted the increased activity being experienced at Dunedin Hospital ED on weekends and highlighted the need to ensure safe cover at weekends. Work is being done to ensure processes are in place to cope with the busier periods.

- Considerable work has gone in to ensuring that the HQP Indicators data is clean. The change to the Elective Day of Surgery Admission (DOSA) graph is, in the main, a result of data cleansing.
- Southern DHB Imaging Wait Time Update - the targets in the report are local ones, with national and South Island wide targets currently being developed. Under the new targets there will be a number of diagnostic parameters that must be met and these will align to the ESPI targets.

## **7.0 CHIEF OPERATING OFFICER'S REPORT, OTAGO**

The Chief Operating Officer, Otago, Mrs Vivian Blake, provided an update on her report and took questions from members, and the following highlights were noted:

- Whilst elective cwd were behind plan for the month of February 2012 they are 8.8% ahead of plan YTD. Elective discharges delivered are under plan by six discharges for the month of February 2012 and above plan by 216 discharges YTD.
- Operational performance was noted with the medical outlier bed days update highlighted. A pilot was put in place to look at medical outliers and surgical beds and the Discharge Planner role has been confirmed to manage the high needs patients. The significant number of bed days lost while patients wait to access Acute Theatre was noted. The adverse impact on clinical outcomes when patients are moved to an outlier area was highlighted by the CNMO, Mrs Leanne Samuel.
- The update on the InterRAI Implementation was noted.
- There were approximately 1000 more acute cwd than was budgeted for and 500 additional elective cwd year to date.

### ***Mr Tahu Potiki joined the meeting at 2.30pm.***

- In discussion around budgeting the following key issues were noted:
  - Due to affordability, the acute lines are not always supported by the funder.
  - The impact of the Christchurch earthquakes on flow and input throughout the South Island was highlighted.
  - Members expressed concerned and queried whether the acute forecast was being reduced in the budgeting process in order to balance the budget at the outset. The SBA is to provide members with the 2012/13 budget amount for acute procedures.
- Dr Sijnja queried whether the challenge with staffing in the rural sector may be impacting through a decrease in the acuity of cases being handled in the primary sector, with these being referred to the hospitals.
- Diagnostic and Support Services – the increased number of patients seen through the Dietetic outpatient service and the success of Sarah's Table luncheon featuring on Campbell Live television show were highlighted.
- Emergency Medicine and Surgery – the Otago University is not in a position to assist with a new facility build and alternatives are now being looked at.
- Mental Health and Community – the services relocated due to seismic risk have settled well. The long term plan for accommodation for those services is yet to be determined.
- Women's Children's and Public Health – as part of the priority improvement programme, the Gynaecology procedures are being undertaken in an outpatient based setting as an alternative to the secondary site.

### ***Mr Joe Butterfield and Ms Carole Heatly joined the meeting at 2.40pm.***

- The changes to the National Health Board and Southern DHB Joint Assessment of Systems – Dunedin Hospital were noted and the COO Otago responded to members questions.

## **8.0 CHIEF OPERATING OFFICER'S REPORT, SOUTHLAND**

The Chief Operating Officer, Southland, Mrs Lexie O'Shea, provided an update on the report for the Southland Hospital site, took questions from members and the following highlights were noted:

- Both elective cwd and health target elective discharges are below plan YTD for the reasons outlined in the report. The March 2012 results have been received and the full staffing within Orthopaedics has positively impacted on volume delivery and discharges to the end of March 2012. Ophthalmology continues to be a challenge, but the arrival of an Ophthalmologist is imminent. A plan is in place to handle additional volumes for Ear Nose and Throat (ENT).
- Operational Performance – the increased volume through the EDs at both Southland and Lakes District Hospitals was noted.
- The improvement to the ESPIs was noted. The fluctuations in Paediatrics due to having a visiting Surgeon from Canterbury were noted and a plan is being worked on for long wait plastics patients.
- An update was provided on the anomaly in the budget figure for Ophthalmology electives. Avastin procedures were caseweighted in the 2010/11 year, but not in the 2011/12 year, with the change occurring after the Price Volume Schedule (PVS) had been agreed. An adjustment has been made for the 2012/13 year. The impact is 100 cwd.
- The Chief Medical Officer's (CMO) report was noted and taken as read and an update is to be provided at the May 2012 HAC meeting on the executive leadership session where the emphasis is directed at quality and safety.
- The Directorate reports were noted and taken as read.

## **9.0 CHIEF NURSING AND MIDWIFERY OFFICER'S REPORT**

The Chief Nursing and Midwifery Officer, Mrs Leanne Samuel, provided an update on the Nursing and Midwifery Dashboard, with the following key points highlighted:

- A second cohort of Nurses is going through the Undergraduate Programme at the Southern Institute of Technology. The Nursing Council is auditing the programme and the standard of the Enrolled Nurse graduates.
- The Liverpool Care Pathways are being rolled out across the Dunedin and Wakari Hospitals. This is an international best practice pathway for palliative care.
- Nursing sensitive performance indicators are getting a much greater focus from the Health Quality and Safety Commission and the Ministry of Health. Work is being done with academics to clarify the definitions to ensure nationally consistent data. This aligns to work around trigger tools and central line acquired bacteraemia.

## **10.0 FINANCIAL REPORT**

The Senior Business Analyst (SBA) Southland, Ms Bron Anderson, provided an update on her financial report and the following areas were highlighted:

- The February 2012 result was unfavourable to budget by \$1,228K and the YTD Provider Arm is \$2,143K unfavourable to budget.
- The Annual forecast has been realigned and an unfavourable variance of \$2.9M against budget is now predicted. Operational teams are reviewing the result and salaries are the pressure area.

- The key area of concern is the Medical area and table three on page four of the Financial Report shows the trend that has been occurring throughout the financial year.
- The impact of the February result, leave liability, MECA settlements and outsourcing to private facilities was noted as the main reason for the forecast movement.
- The slight improvement in the Funder Arm forecast was noted.

An update was provided on the actions being taken to mitigate the unfavourable financial position and forecast. Mr Richard Thomson queried the budgeting process. The COO Otago advised on the impact of the high number of acutes (1000 additional cwd) and the action being taken to mitigate the risk. The Board Chairman expressed concern at the unfavourable financial position and forecast and highlighted the impact on the 2012/13 Annual Plan.

### 11.0 INFORMATION SYSTEMS (IS) DASHBOARD

Members noted the IS dashboard and the COO Southland/Deputy CEO highlighted that the Business Intelligence project is scheduled for completion mid 2013. It was confirmed that the server issues relating to InterRAI are now overcome.

### 12.0 HUMAN RESOURCES (HR) DASHBOARD

The HR dashboard was noted and taken as read and the COO Southland/Deputy CEO provided a brief update on the Incubator Programme.

### 13.0 BUILDING AND PROPERTY SERVICES

The Building and Property Services report was noted and taken as read.

***It was resolved:***

**“That the management and financial reports be noted.”**

**Moved: Mr Menzies  
Seconded: Mr Ward  
Carried**

### CONFIDENTIAL SESSION

***At 3.08pm, it was resolved:***

**“That the public be excluded from the meeting for consideration of the following agenda items:**

<b><i>General subject:</i></b>	<b><i>Reasons for passing this resolution:</i></b>	<b><i>Grounds for passing the resolution:</i></b>
<b>Previous Public Excluded Hospital Advisory Committee Minutes</b>	As per reasons set out in previous agenda	S 32(a), Schedule 3, NZ Public Health and Disability Act 2000 – that the public conduct of this part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under sections 9(2)(a), 9(2)(f), 9(2)(i), 9(2)(j) of the Official Information Act 1982, that is withholding the information is necessary to: protect the privacy of natural persons; maintain the constitutional conventions which protect the confidentiality of advice tendered by Ministers of the Crown and officials; to enable a Minister of the Crown or any Department or organisation holding the information to carry on, without prejudice or disadvantage, commercial activities and negotiations.

<b>General subject:</b>	<b>Reasons for passing this resolution:</b>	<b>Grounds for passing the resolution:</b>
<b>Risk Register</b>	Commercial sensitivity and to allow activities to be carried on without prejudice or disadvantage	<i>As above, sections 9(2)(i) and 9(2)(j).</i>
<b>Ninth Operating Theatre Dunedin Hospital, Business Case</b>	Commercial sensitivity and to allow activities to be carried on without prejudice or disadvantage	<i>As above, sections 9(2)(i) and 9(2)(j).</i>
<b>Annual Plan 2012/13</b>	Plan is subject to Ministerial approval	<i>As above, sections 9(2)(f)(iv) and 9(2)(j).</i>

**Moved: Mr Menzies**  
**Seconded: Mr Thomson**  
**Carried**

*The meeting closed at 3.50pm.*

Confirmed as a true and correct record:

Chairman: \_\_\_\_\_

Date: \_\_\_\_\_

Unconfirmed

## Southern District Health Board

### Minutes of the Iwi Governance Committee Meeting held on Tuesday, 3 April 2012, commencing at 12.00pm in the Hospital Management Meeting Room, Southland Hospital Campus

---

<b>Present:</b>	Mrs Eleanor Murphy Mr Taare Bradshaw Mrs Kaye Crowther Ms Kingi Dirks Mr Peter Ellison Mr Paul Menzies Mr Tahu Potiki Ms Odele Stehlin Mrs Ann Wakefield	Ōtākou Rūnaka - Chair Hokonui Rūnaka Board member, Southern DHB Moeraki Rūnaka Puketeraki Rūnaka Deputy Chairman, Southern DHB Board member, Southern DHB (via vc) Waihōpai Rūnaka Ōraka Aparima Rūnaka
<b>In Attendance:</b>	Mr Donovan Clarke Mrs Joanne Fannin	Kaiwhakahaere Hauora Māori Board Secretary Southland
<b>Apologies:</b>	Ms Hana Morgan Ms Sandra Cook Ms Carole Heatly Ms Pania Coote	Awarua Rūnaka – Deputy Chair Board Member, Southern DHB CEO, Southern DHB District Manager Māori Health

#### 1.0 WELCOME APOLOGIES AND KARAKIA

The Chair welcomed members to the meeting, noting that an opening karakia had taken place at the Ka Rūnaka session of the meeting. Apologies were noted from IGC members, Ms Hana Morgan and Ms Sandra Cook; the CEO, Ms Carole Heatly and the District Manager Māori Health, Ms Pania Coote.

*It was resolved:*

**"That the apologies as noted be accepted."**

**Moved: Ms Murphy  
Seconded: Mr Menzies  
Carried**

#### 2.0 MEMBERS' DECLARATION OF INTEREST

The Chair called for any adjustments or amendments to the Interests Register.

Ms Kingi Dirks advised that she has resigned as Māori representative on the Older Persons Committee.

It is members' responsibility to declare any conflicts of interest throughout the course of the meeting.

### 3.0 CONFIRMATION OF PREVIOUS MINUTES

*It was resolved:*

**"That the minutes of the 1 February 2012 Iwi Governance Committee meeting be approved and adopted as a true and correct record."**

**Moved: Mr Menzies  
Seconded: Mr Ellison  
Carried**

### 4.0 MATTERS ARISING

It was noted that Board Governance training is being tailored to meet specific need as most Southern DHB Board members have been through the Governance 101 training.

### 5.0 CONFIRMATION OF MINUTES OF SPECIAL MEETING

*It was resolved:*

**"That the minutes of the special meeting of the Iwi Governance Committee held on 29 February 2012 be approved and adopted as a true and correct record."**

**Moved: Mr Ellison  
Seconded: Mr Bradshaw  
Carried**

The Kaiwhakahaere Hauora Māori thanked members for their commitment in meeting at short notice following the Whānau Ora Wānanga on 29 February 2012.

### 6.0 ACTION SHEET

The Committee reviewed the action sheet and in discussion the following was highlighted:

- **Action No. 75 – Southern PHO Board** – whilst a response has not yet been received from Southern PHO, it is believed that the Southern PHO Board is looking favourably at the request to co-opt a member of the IGC for a specified period and Mr Paul Menzies provided an update on further initiatives being looked at to ensure closer alignment between Southern PHO and Southern DHB governance and management meetings.
- **Action No. 85 – Annual Work Plan** – members asked that the KHM arrange for a brief Annual Plan to be prepared for consideration by the IGC including key dates and actions required for the year. It was agreed that the Māori Health Implementation Plan (MHIP) is a key priority for the IGC.
- **Action No. 88 – Reporting** – the KHM provided an update on the Māori Health Directorate Reporting Schedule, noting that it is a work in progress and there is additional information to be added. Mrs Kaye Crowther noted that a monthly report is to be provided for the Hospital Advisory Committee (HAC) and requested that a report also go to the combined Disability Support Advisory Committee/Community and Public Health Advisory Committee (DSAC/CPHAC). Members requested that a copy of the reports provided be included in the IGC agenda. The KHM confirmed that the primary reporting accountability to the IGC is the MHIP dashboard. He advised on the importance of the relationship with Southern PHO and the need to continue to

work closely with them to ensure the primary care input into Southern DHB's MHIP dashboard. Members queried what progress had been made on Southern PHO's MHP and an update was provided.

- **Action No. 94 – BreastScreen HealthCare** – it was noted that Ms Winsome Skerrett has accepted the position as Māori representative on the BreastScreen HealthCare Regional Co-ordination Group.

## 7.0 UPDATE BY THE KAIWHAKAHAERE HAUORA MĀORI (KHM)

The KHM, Mr Donovan Clarke, provided an update and the following was highlighted:

**Māori Health Directorate** – nine days in, the Māori Health Directorate is up and running and the appointment of the three Managers within the Directorate was acknowledged. The KHM thanked members for their input into the Proposal for Change – ka pu te ruha ka hao te rangatahi process.

**Māori Health Implementation Plan (MHIP) and Dashboard** – an updated copy of the MHIP was tabled for members' information (*appendix 1*). Meetings with the various groups feeding into the MHIP have been on-going.

**Pōwhiri for Chief Executive Officer** – the Pōwhiri for the CEO, Ms Carole Heatly, is to be held on 7 May 2012 at the Ōtākou Marae. Members requested that management investigate having the IGC meeting on the same day as the Pōwhiri.

**Whānau Ora Wānanga** – a copy of the Whānau Ora Update for District Health Boards Issue 7 (*appendix 2*) was tabled for members' information. The front page article entitled "Southern hui outcome 'awesome'", featuring a photo and article on Southern DHB's Whānau Ora Wānanga was highlighted.

**Te Herenga Hauora Group** – the KHM advised that he has been invited to a hui for the South Island Māori Health Summit to be held at Wigram on 11 May 2012. Mr Mark Solomon is to facilitate the hui.

**Tumu Whakarae** – Ms Teresa Wall, Deputy Director-General Māori Health provided an update on Whānau Ora at the national meeting.

**Māori Provider Collective Hui** – the KHM outlined the purpose of the collective Hui bringing Māori Providers together across the District to support them to work closer, with speakers provided to korero on specialist areas of their business.

**Tobacco Control Plan** – discussion was held on smoking cessation and the comparison between performance within the hospital and at a primary care level. Members requested an update outlining what return Public Health South is getting for the FTE investment in this area. The KHM is to arrange for a performance data report showing what is being delivered and how it is being delivered across the Southern DHB district. The KHM provided an update on a request for proposal (RFP) process that is being progressed for smoking cessation in rural Otago at the current time.

## 8.0 MĀORI REPRESENTATION ON STEERING/ADVISORY GROUPS

Members noted the four recommendations outlined in the update on Māori representation and endorsed recommendations three and four confirming the appointment of Mr Graeme Thompson on the Children's Health Inpatient



Relocation Project (CHIRP) Planning Committee and Ms Winsome Skerrett as Māori representative on the Breast Screening Advisory Group.

Members requested the documentation in relation to recommendations one and two relating to Māori representation on the DHB Smokefree Steering Group and the Health of Older Persons (HOP) Advisory Committee. Members felt it would be beneficial to have a community voice as a Māori representative on the DHB Smokefree Steering Group.

The Chair advised that the IGC would endeavour to achieve a two month turn-around for Māori representation appointments.

## **9.0 SOUTHERN DHB CHIEF EXECUTIVE OFFICER'S REPORT**

The CEO's report was noted and taken as read. In her absence, the KHM advised that the CEO had attended a brief meeting with himself and the IGC Chair and had attended the MAGMH meeting on 30 March 2012. Brief discussion was held on the content of the CEO's report and the KHM highlighted the importance of the GP sector in making gains for Māori health. Brief discussion was held on the success of the One Stop Shop in Southland and the number of young Māori accessing that service.

## **10.0 WHĀNAU ORA WĀNANGA**

The notes from the Whānau Ora Wānanga held on 29 February 2012 were noted and taken as read.

The KHM advised that Te Herenga Hauora is assessing the Whānau Ora Te Waipounamu Programme of Action (POA).

In response to concerns raised, brief discussion was held on the role of Ngai Tahu across Te Waipounamu and a brief update was provided by Mr Tahu Potiki. The relationship between Ka Rūnaka and Southern DHB, endorsed by the signed Principles of Relationship was highlighted. Further discussion would be held at the Summit in Wigram on 11 May 2012.

## **11.0 MANAGEMENT ADVISORY GROUP MĀORI HEALTH MINUTES**

The minutes of the MAGMH meeting held on 24 February 2012 were noted and taken as read. A copy of the minutes of the MAGMH meeting held on 30 March 2012 was tabled for members' information.

## **12.0 EXPRESSIONS OF INTEREST (EOI) - MAGMH**

Eight EOI have been received for the two vacant positions on the MAGMH and a short list provided as outlined in the agenda. The KHM confirmed that he had discussed the matter with the CEO and he outlined the process for the short listed names provided. A decision on the appointments to MAGMH was deferred and all CVs are to be circulated to members following the meeting. Appointments to MAGMH are to be confirmed at the IGC meeting to be held on 2 May 2012.

## **13.0 UPDATE BY SOUTHERN DHB BOARD MEMBERS**

Mr Tahu Potiki provided a brief update on the Annual Plan (AP) process and it was agreed that the relevant sections from the AP be circulated to members for their input, noting the confidentiality of the document until Ministerial sign-off has been

received. Members queried progress on the South Island Regional AP and it was noted that this is still a work in progress.

#### **14.0 GENERAL BUSINESS**

A copy of the Raise Hope – Hapaia te Tumanako (The Southern DHB draft Mental Health and Addiction Strategic Plan 2012-2015) was tabled for members' information. The KHM invited feedback from members, noting that Ms Gemma Griffin-Dzkiewicz had presented on the plan at the MAGMH meeting held on 30 March 2012. He outlined the submission process and advised that he would be liaising with the General Manager Finance and Funding to ensure a Māori representative is involved in the analysis of submissions with Planning and Funding staff.

#### **15.0 CONCLUSION**

Mr Taare Bradshaw provided a closing karakia.

*The meeting closed at 1.40pm.*

Confirmed as a true and correct record:

Chair: \_\_\_\_\_

Date: \_\_\_\_\_

**FUNDING ADMINISTRATION  
CONTRACTS REGISTER (EXPENSES) - APRIL 2012**

PROVIDER NAME	DESCRIPTION OF SERVICES	SIGNED BY	CONTRACT/VARIATION END DATE
Roman Catholic Diocese of Dunedin Catholic Social Services Agreement	Pregnancy and Parenting.	Adele Knowles	31.03.13
Age Concern Otago Inc Variation to Agreement	Senior Chef Otago.	Thelma Brown	10.08.12
Healthcare of New Zealand Limited Variation to Agreement	Home Based Support Services - Personal Health	Leanne Illingworth	31.10.12
Little Sister of the Poor Aged Care NZ Ltd t.a Sacred Heart Hospital Variation to Agreement	Exceptional Circumstances Palliative Care for a Named Individual.	Leanne Illingworth	02.03.12
Ryman Healthcare Limited t.a Rowena Jackson Hospital Service Schedule	Exceptional Circumstances Palliative Care for a Named Individual.	Leanne Illingworth	23.05.12
Radius Residential Care Ltd t.a Radius Fulton Care Centre Variation to Agreement	Exceptional Circumstances Palliative Care for a Named Individual.	Peter Hay	19.06.12
Arai Te Uru Whare Hauora Limited Variation to Agreement	Tamariki Ora, Whanau Ora, DSM	Peter Hay	31.03.13
Kai Tahu Ki Otago Ltd Variation to Agreement	Whanau Ora - East and North Otago	Peter Hay	31.03.13
St Clair Park Residential Centre Limited Variation to Agreement	Individual Agreement for a Named Individual.	Gemma Griffin-Dzikiewicz	31.07.12
Presbyterian Support Otago Incorporated t.a Ross Hospital Service Schedule	Exceptional Circumstances Palliative Care for a Named Individual.	Peter Hay	11.06.12
Presbyterian Support Otago Incorporated t.a Ross Hospital Service Schedule	Exceptional Circumstances Palliative Care for a Named Individual.	Peter Hay	04.03.12
Creative Arts Trust Variation to Agreement	Arts Based Day Activities	Peter Hay	28.02.13

**FUNDING ADMINISTRATION  
CONTRACTS REGISTER (EXPENSES) - APRIL 2012**

Takitimu Home Anglican Care Trust t.a Takitimu Rest Home Service Schedule	Exceptional Circumstances Palliative Care for a Named Individual.	Peter Hay	19.05.12
Ryman Healthcare Limited t.a Yvette Williams Service Schedule	Exceptional Circumstances Palliative Care for a Named Individual.	Peter Hay	18.06.12
Southern Primary Health Organisation Variation to Agreement	Primary Mental Health.	Peter Hay	30.06.13
Marne Street Hospital Limited Service Schedule	Exceptional Circumstances Palliative Care for a Named Individual.	Peter Hay	18.06.12

**TOTAL AMOUNT FOR THE MONTH: \$2,204,453.58**