



NOTICE OF MEETING

OPEN MEETING

**A meeting of the Board Members of
Nelson Marlborough District Health Board
will be held on Tuesday 26 January 2010
at 1.00 pm in the
DHB Seminar Centre Room 1
Braemar Campus
Waimea Road
Nelson**

**BOARD MEETING AGENDA**

Nelson Marlborough District Health Board
 DHB Seminar Centre Room 1, Braemar Campus, Waimea Road, Nelson
 Tuesday, 26 January 2010 commencing 1.00 pm

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PUBLIC EXCLUDED MEETING		3.15 pm	
Resolution to exclude public			

RECOMMENDATION

THAT the Board resolve itself into a Committee of the whole and that in terms of the NZ Public Health & Disability Act 2000, the public be excluded while the following items are considered:

- ***Minutes of a meeting of Board Members held on 15 December 2009 (Clause 32(a) Third Schedule NZ Public Health & Disability Act 2000)***
- ***DHB Chair's Report - To protect information that is subject to a delegation of confidence (Clauses 32(a) and (b) Third Schedule NZ Public Health & Disability Act 2000)***
- ***DHB Chief Executive's Report - To protect information that is subject to a delegation of confidence (Clauses 32(a) and (b) Third Schedule NZ Public Health & Disability Act 2000)***
 - ***Draft District Annual Plan (DAP) 2010/11 – To protect information that is subject to negotiation (Clauses 32(a) and (b) Third Schedule NZ Public Health & Disability Act 2000)***

SECTION 1: WELCOME, KARAKIA AND APOLOGIES

SECTION 2: REGISTRATIONS OF INTEREST**Board Members**

Name	Existing – Health	Existing – Other	Interest Relates To	Possible Future Conflicts
John Moore	Nil	<ul style="list-style-type: none"> ▪ Member Nelson Regional Land Transport Committee ▪ Trustee Top of the South Athletics Charitable Trust 		
Judy Crowe	<ul style="list-style-type: none"> ▪ Chairperson of Nelson Marlborough Hospitals' Charitable Trust. 		<ul style="list-style-type: none"> ▪ Provision of trust funds towards equipment, training and patient support. 	
Liz Richards	<ul style="list-style-type: none"> ▪ Member of Nelson Community Health Links Group ▪ Chair of the Upper South A Regional Ethics Committee 	<ul style="list-style-type: none"> ▪ Deputy Chair Canterbury Community Trust ▪ Member of Nelson Labour Electorate Committee. ▪ Appointed as Trustee Tasman Bay Heritage Trust. 	<ul style="list-style-type: none"> ▪ Advocacy and Health Issues ▪ Health Research ▪ Donations to community health groups. 	
Lynette Jones	<ul style="list-style-type: none"> ▪ Convenor of "Friends of Marlborough Hospice" ▪ Patron of Marlborough Red Cross. 			
Sharon Brinsdon	<ul style="list-style-type: none"> ▪ Financial interest in husband's GP practice ▪ Husband is employed one-tenth at Nelson Hospital (Eye Department) ▪ Financial interest through husband's shareholding in Nelson Medical Limited (1/6 share) which owns the Health @132 medical centre ▪ Financial interest through husband's shareholding in different companies undertaking medical developments in Collingwood St, Nelson (1/60 share) and Queen Street, Richmond (1/10 share). 		<ul style="list-style-type: none"> ▪ The provision of health and disability services in the Nelson-Marlborough District. 	<ul style="list-style-type: none"> ▪ Husband is a member of executive of Southlink Health (IPA) ▪ Sister is staff nurse at Wairau Hospital. (A&E OPD).

Name	Existing – Health	Existing – Other	Interest Relates To	Possible Future Conflicts
Suzanne Win	<ul style="list-style-type: none"> ▪ Director of Split Ridge Associates Ltd that provides consultancy services to health & disability organisations ▪ Deputy Chair of Gracelands Group ▪ Member of DHBNZ Chairs Executive with lead responsibility for workforce and participant on Tripartite Forum ▪ Partner is a part-time employee of NMDHB Provider Division. 	<ul style="list-style-type: none"> ▪ Trustee of Donald Beasley Institute. 	<ul style="list-style-type: none"> ▪ Provision of consultancy services to health and disability organisations for DHBs or Ministry of Health. 	<ul style="list-style-type: none"> ▪ Partner is Chair of West Coast PHO ▪ Partner is an independent director of Access Home Health ▪ Contracted to MOH to coordinate the implementation of the Cardiac Network ▪ Member on PHO Alliance Executive.
Ian MacLennan	<ul style="list-style-type: none"> ▪ Treasurer of Nelson Centre of the Cancer Society of NZ. 			<ul style="list-style-type: none"> ▪ Accommodation for the Cancer Society.
Jennifer Black	<ul style="list-style-type: none"> ▪ Life member of Diabetes NZ. 			
Graeme Faulkner	<ul style="list-style-type: none"> ▪ Provision of rental premises to DHB clinic ▪ Employee of medical practice. 		<ul style="list-style-type: none"> ▪ District Nurse clinics ▪ Picton Medical Centre a contracted GP service. 	<ul style="list-style-type: none"> ▪ Negotiating DHB contracts for practice.
Judi Billens	<ul style="list-style-type: none"> ▪ NZ Pelim Practitioners Nelson (Kaumatua) ▪ NM Iwi Health Board ▪ Member of St John Regional Committee ▪ Healthcare New Zealand Advisory Committee Member ▪ Board member of Age Concern ▪ CYFS Care and Protection Group. 	<ul style="list-style-type: none"> ▪ Member Ngati Tama Iwi Trust Board ▪ Board of Governance Te Rito Family Violence ▪ Shareholder and owner in Wakatu Inc. 		
Joe Puketapu	<ul style="list-style-type: none"> ▪ Member IHB Executive Committee ▪ Chair IHB ▪ Chairperson Waikawa Marae Committee ▪ Employee, Te Hauora O Ngati Rarua Ltd ▪ Trustee on the Board of Kimi Hauora Wairau PHO. 	<ul style="list-style-type: none"> ▪ Trustee Te Atiawa Manawhenua Trust ▪ Former Director Tainui Taranaki Ki Te Tau Ihu. 	<ul style="list-style-type: none"> ▪ Health Services 	

As at 12 January 2010

REGISTRATIONS OF INTEREST – NMDHB STRATEGIC LEADERSHIP TEAM (SLT) MEMBERS

Name	Existing – Health	Existing – Other	Interest Relates To	Possible Future Conflicts
Andre Nel	<ul style="list-style-type: none"> ▪ Member RACMA NZ ▪ Member of National Service & Technology Review Sub-committee (NSTR) ▪ Wife works for DHB. 		<ul style="list-style-type: none"> ▪ Certification/accreditation, appointment of medical administrator candidates. 	
Denise Hutchins	<ul style="list-style-type: none"> ▪ Member DHBNZ Workforce Group ▪ Surveyor/Team Leader Quality Health NZ. 		<ul style="list-style-type: none"> ▪ Certification/Accreditation. 	
John Peters	<ul style="list-style-type: none"> ▪ Director of SISSAL ▪ Trustee of Nelson Marlborough Hospitals' Charitable Trust ▪ Trustee Churchill Trust. 	<ul style="list-style-type: none"> ▪ Director of Management and Industrial Services Ltd. 	<ul style="list-style-type: none"> ▪ Shared services provision, administration of trust funds for health purposes & provision of private health services at Wairau Hospital ▪ MIS Ltd previously provided consultant services to other DHBs. 	
Keith Rusholme	Nil			<ul style="list-style-type: none"> ▪ Sister works for IDSS.
Mike Cummins	Nil			
Nick Lanigan	Nil			
Nigel Trainor				<ul style="list-style-type: none"> ▪ Wife works for NMDHB Oral Health Services.
Peter Burton	Nil	<ul style="list-style-type: none"> ▪ NMDHB Representative on Tasman Council's Regional Land Transport Committee. 		
Sharon Kletchko	<ul style="list-style-type: none"> ▪ Member Exceptional Circumstances Panel – PHARMAC ▪ Member – DHBRF Governance Group with the Health Research Council ▪ Member St John Trust Board Northern Region (SI). 	<ul style="list-style-type: none"> ▪ Deputy Chair of Standards New Zealand Council. 		

Name	Existing – Health	Existing – Other	Interest Relates To	Possible Future Conflicts
Brenda Bruning (Acting DON)	<ul style="list-style-type: none"> ▪ Member NZNO College of Practice Nurses ▪ Secretary National Committee ▪ Co-Editor “LOGIC” Official Journal of NZNO College of Practice Nurses ▪ Member College of Nurses Aotearoa ▪ Trainee Assessor for Quality Health New Zealand. 			
Harold Wereta	<ul style="list-style-type: none"> ▪ Ngati Toarangatira Connections 		<ul style="list-style-type: none"> ▪ Tribal Interest 	

As at 12 January 2010

SECTION 3: MINUTES

MINUTES OF A PUBLIC MEETING OF BOARD MEMBERS OF NELSON MARLBOROUGH DISTRICT HEALTH BOARD HELD AT THE SEMINAR CENTRE BRAEMAR CAMPUS NELSON ON TUESDAY 15 DECEMBER 2009 AT 1.00 PM

Present:

Suzanne Win (Chair), Liz Richards, Graeme Faulkner, Judy Crowe, Ian MacLennan, Lynette Jones, John Moore, Jenny Black and Joe Puketapu

Apologies:

Judi Billens and Sharon Brinsdon

In Attendance:

John Peters (CE), Mike Cummins, Nigel Trainor, Sharon Kletchko, Tahī Takao, Harold Wereta, Andre Nel, Mike Wiles and Katherine Rock

Karakia:

Harold Wereta

SECTION 1: APOLOGIES

Moved: Jenny Black

Seconded: Judy Crowe

**RECOMMENDATION:
THAT THE APOLOGIES BE ACCEPTED.**

AGREED

SECTION 2: REGISTRATIONS OF INTEREST

Moved: Liz Richards

Seconded: Lynette Jones

**RECOMMENDATION:
THAT THE REGISTRATIONS OF INTEREST BE NOTED.**

AGREED

SECTION 3: MINUTES OF PREVIOUS MEETING**Minutes of Board Meeting 3 November 2009.**

Moved: John Moore
Seconded: Ian MacLennan

**RECOMMENDATION:
THAT SUBJECT TO THE FOLLOWING AMENDMENTS:
PAGE 10 – THAT PARAGRAPH 1 RATIFYING THE STRATEGIC HOUSING
FRAMEWORK BE DELETED AS DUPLICATING THE RESOLUTION ON PAGE 8.**

**THE MINUTES OF MEETING 3 NOVEMBER 2009 BE ADOPTED AS A TRUE AND
CORRECT RECORD.**

AGREED

Matters Arising

Update on the acute services review was set out in the report from the CPHAC Chair.

Correspondence

Moved: Joe Puketapu
Seconded: Graeme Faulkner

**RECOMMENDATION:
THAT THE CORRESPONDENCE BE RECEIVED.**

Discussion:

A letter from the Wairau Community Group regarding parking on Hospital Road was discussed. Noted that any work to be undertaken is not part of the current project and management will need to identify possible funding options.

AGREED

SECTION 4: REPORTS**4.1 Chair's Report**

Following discussions by each of the advisory committees two revised scenarios for two monthly committee meetings were discussed. The scenarios examined the issue of timeliness as raised by the HAC.

Moved: Suzanne Win
Seconded: Liz Richards

**RECOMMENDATIONS:
1. THAT THE BOARD AGREES THE AMENDED ADVISORY
COMMITTEE DATES FOR 2010 AS PER SCENARIO A.**

2. THAT THE BOARD CHAIR'S REPORT BE RECEIVED.**AGREED****4.2 Chief Executive's Report****(i) General**

Report was taken as read. The Chief Executive noted that Harold Wereta has commenced and reported that Robyn Henderson has been appointed as Director of Nursing and will commence in February 2010.

The Board noted the framework for the SIHSP.

(ii) For Decision**a) Food Servicing Contract**

Approval was sought to renew this contract with the existing provider for a further five year term. The renewal would be subject to the provider agreeing to fund the fitout of the new kitchen and café at Wairau Hospital.

The current contract expires in 2011 however due to the timing of the construction of the shell for the new kitchen a decision to extend the contract was required before the provider would consider investing.

Members noted that food services providers are now subject to a common MECA and have similar labour rates. Management confirmed there were no quality, price or timing issues with the existing provider.

Moved: Lynette Jones

Seconded: Liz Richards

RECOMMENDATIONS:

THAT THE BOARD DELEGATES TO THE CHIEF EXECUTIVE THE POWER TO SIGN A CONTRACT FOR THE PROVISION OF FOOD SERVICES TO NELSON MARLBOROUGH DISTRICT HEALTH BOARD SUBJECT TO OBTAINING THE APPROPRIATE APPROVALS FOR THE \$1.0M CAPITAL INJECTION FROM THE CONTRACTOR FOR WAIRAU KITCHEN & CAFE FITOUT.

AGREED

b) Sale and Lease Back IT Equipment

It was noted that no formal lease arrangement was in place at the time the initial number group of PCs and laptops were replaced. Leasing will enable the three yearly replacement programme to continue.

Moved: John Moore

Seconded: Jenny Black

RECOMMENDATIONS:

THAT THE BOARD RATIFIES THE SALE AND LEASE BACK OF 500 PCS AND MONITORS AND 60 LAPTOPS PURCHASED BETWEEN APRIL AND JUNE 2009 AT A COST OF \$736K TO ALLEASING NEW ZEALAND LTD.

AGREED

(iii) Finance

Noted the results year to date is deficit of \$997,000.

Summarised Results

For the Month Ended October 2009

	Year to Date			October 2009
	Budget \$000	Actual \$000	Variance \$000	Variance \$000
Funder	(987)	(851)	135	(317)
Governance	(33)	(89)	(56)	(21)
Provider	1,103	(57)	(1,159)	(27)
Net Result	82	(997)	(1,080)	(366)

The October report was taken as read.

Members were given a verbal update on the results to the end of November 2009, which show an overall deficit of \$1,518k. The largest increase being aged residential care in the Fund. Further work is being undertaken on the forecast which remains at \$7.4m.

(iv) Rutherford Initiative

Members noted that the concept of the Rutherford Initiative is becoming a normal management tool. Work is continuing on the DON area. It was also noted that there is a high level of part time or casual staff in the nursing areas. Rutherford is examining the impact of this mix.

Members asked what processes are in place to recruit to the planned levels. Management are looking at these processes and the overall make up of the staff.

(v) Planning and Funding

Taken as read.

(vi) Primary & Community

Taken as read. Members require an improvement in the smoking cessation rate.

(vii) Hospital Provider Services

It was noted that the Provider is examining workforce changes, bed occupancy, usage and how in an aggregated basis the rates do not reflect the variations between different clinical areas.

(viii) Maori Health/IWI Relationship

Taken as read.

(ix) HR, Quality and Organisational Development

Members were briefed on the management and administration cap reported monthly to the Minister. Staff with a clinical role are being identified.

(x) Information Services

Taken as read.

(xi) Intersectoral and other DHB linkages

Taken as read.

(xii) Strategic Issues

Golden Bay IMG.

Members noted this group continues to meet.

Physical Disability Support Services Blenheim

Members noted the extension of these services to Marlborough. A house is being rented through Housing NZ.

Moved: Judy Crowe

Seconded: Lynette Jones

RECOMMENDATIONS:

- 1. THAT THE CHIEF EXECUTIVE'S REPORT BE RECEIVED**
- 2. THAT THE FINANCIAL REPORT BE ADOPTED.**

AGREED

4.3 Committee Reports

Iwi Health Board

The Chair's report was taken as read. The IHB Chair noted that it had been a challenging year and that the IHB was looking at options to enable services for Maori to be delivered better and quicker across Te Tau Ihu.

The IHB plans to move forward with the new nurse graduate programme and working with the Pacific Island Reference Group to have a representative of that Group on the IHB Executive.

The Kaumatua gave an update on a recent combined meeting of the IHB, Maori Health providers and DHB staff. He also noted a non Maori is living at Te Awhina marae as a Kaumatua.

Suzanne Win acknowledged the work of the Kaumatua and the efforts of the IHB to improving health in the district.

Moved: Joe Puketapu

Seconded: Liz Richards

RECOMMENDATION:

THAT THE CHAIR'S REPORT BE RECEIVED.

AGREED

DiSAC

The Chair's report was tabled and taken as read.

Moved: Graeme Faulkner

Seconded: Joe Puketapu

RECOMMENDATION:

THAT THE CHAIR'S REPORT BE RECEIVED.

AGREED

CPHAC

The Chair noted the role of Sonny Alesena as the new IHB representative on this Committee. He also noted that the end of life debate was seen as a clinical issue.

Moved: John Moore

Seconded: Judy Crowe

RECOMMENDATION:

THAT THE CHAIRMAN'S REPORT BE RECEIVED.

AGREED

HAC

The Chair's report was tabled and taken as read. The Chair noted the efforts of the Provider Division Management Team to addressing cost pressures.

Moved: Lynette Jones

Seconded: Ian MacLennan

RECOMMENDATION:

THAT THE CHAIRMAN'S REPORT BE RECEIVED.

AGREED

SECTION 5: GENERAL

Nil

SECTION 6: MEMBERS ISSUES(a) Alcohol Harm

Members discussed the submission by the Public health Services unit to the Law Commission on alcohol related issues. The Chair and CE to look at putting the issue of addressing alcohol harm on the DHBNZ Executive Group agenda for 2010.

(b) Wairau Community Liaison Group.

Members were briefed on the activities of this group.

Actions Arising from the Meeting

Action	Responsible	Time Frame
Processes to recruit to planned levels	Keith Rusholme	26 January 2010
Improvement in the smoking cessation rate	Peter Burton	3 March 2010
Put addressing issues arising from alcohol harm on 2010 agenda for DHBNZ	John Peters and Suzanne Win	3 March 2010

Public Excluded

Moved: Liz Richards
Seconded: Ian MacLennan

RECOMMENDATION:

THAT the Board resolve itself into a Committee of the whole and that in terms of the NZ Public Health & Disability Act 2000, the public be excluded while the following items are considered:

- ***Minutes of a meeting of Board Members held on 3 November 2009 (Clause 32(a) Third Schedule NZ Public Health & Disability Act 2000)***
- ***DHB Chair's Report - To protect information that is subject to a delegation of confidence (Clauses 32(a) and (b) Third Schedule NZ Public Health & Disability Act 2000)***
- ***DHB Chief Executive's Report - To protect information that is subject to a delegation of confidence (Clauses 32(a) and (b) Third Schedule NZ Public Health & Disability Act 2000)***
 - ***Pascoe Trust- To protect information that is subject to a delegation of confidence (Clauses 32(a) and (b) Third Schedule NZ Public Health & Disability Act 2000)***

Meeting closed at 2.35 pm

Members of Public

No members of public or media attended.

MATTERS ARISING

Processes to recruit to planned levels

Part time and Casual nursing staff usage

At the last board meeting management was asked to provide information on what processes are in place to recruit to planned levels of nursing staff.

Part time staff

There are two mechanisms in place to control the number and job sizes of the part time workforce.

1. A policy is in place that limits the job size of part time nurses positions to .5FTE and above unless a case for a smaller FTE is agreed to by the District manager or Director of nursing.
2. The budgeted numbers of nursing staff.

Casual staff

Casual staff forms part of the budgeted level nursing staff so normal management processes are used to ensure that we recruit to the right level. For nurses there are defined numbers of casual staff maintained to ensure that we have sufficient to cover unplanned situations such as sick leave or greater demand/ throughput than expected.

Issues

The Nurses MECA gives the nurses 3 days a year away from the work area for continuing education. Due to budget constraints we have tried to manage without making adjustments to nursing levels by implementing team nursing or reduced nursing levels at times of high demand. However ward workloads have required that for much of the time we have had to cover the study time of by using casual staff or asking part time to temporarily increase their hours. This has the consequence of going over budgeted levels for many areas.

The Rutherford initiative working group have identified that x % of our nursing workforce is part time and that there is a significant number working less than .5fte. The real consequence of this on budget is that accruals for leave etc and the recruitment costs when recruiting more than one person to fill one FTE position are greater than plan. Also when a part time person works above contracted hours there is a direct impact on the budget spend.

Actions

The issue of making allowance for nursing study time will be dealt with in the 10/11 DAP.

The recommendations that are agreed by the CE in regards to part time staff will be implemented.

BST are developing a report that will identify contracted nursing hours versus actual hours worked as a supplement to the current accrued FTYE report. This will allow better targeting of problem areas so that we can remain within contracted hours.

Values

The update schedule will be tabled at the meeting.

CORRESPONDENCE RECEIVED

Date Received	Received From	Title
08/12/09	Medical Council	A framework for supervision of international medical graduates
11/12/09	Law Commission	Law Commission review of the Official Information legislation
11/12/09	Office of the Auditor General	What's next to improve service performance information and reporting
16/12/09	Ministry of Health	Improving patient pathway – evaluation of the diagnostic pilots
17/12/09	Quality Health NZ	Does improving quality save money?
21/12/09	Ministry of Health	Changes to National Health Information Collections effective from 1 July 2010
22/12/09	Ministry of Health	Funding Envelope 2010/11 and Planning Assumptions for 2011/12 and 2012/13

SECTION 4: REPORTS

4.1 Chair's Report

A verbal update will be provided at the meeting.

Suzanne Win
Chairman

Status

This report contains:

- For decision
- Update
- Regular report
- For information

**RECOMMENDATION:
THAT THE CHAIRMAN'S REPORT BE RECEIVED.**

4.2 Chief Executive’s Report

Status
 This report contains:
 For decision
 Update
 Regular report
 For information

(i) GENERAL

Welcome to 2010. No doubt it will prove to be an interesting year.

Acute hospital activity was slightly down in Nelson on previous years, slightly up in Wairau. ED admissions were 18% in Nelson and 22% in Wairau. The After Hours GP service in Nelson reports 134 people more than the equivalent 7 day period last year. Inpatients were down on expectation, with Nelson 62% occupancy and Wairau at 73%. It must be remembered that some elective services were not operating at full capacity because of Nelson surgical wards refurbishment.

There was a serious assault on a staff member over the festive period, with a sustained and dangerous attack on a nurse in the community. The staff member is showing tremendous strength in her recovery, and the attacker has been charged with attempted murder. This incident is being reviewed as a sentinel event.

There has been intense activity in the DAP processes and the penultimate draft will be reviewed at the Board workshop on the same day as the meeting. The deadline for the DAP is the 5th March.

(ii) FOR DECISION

(a) Environmental Sustainability Policy

1 Purpose of this Paper
To provide background for the Board on a draft Environmental Sustainability Policy. This is attached as an Appendix 1 .
2 Recommendation
THAT THE BOARD ADOPTS THE PROPOSED ENVIRONMENTAL SUSTAINABILITY POLICY.
3 Background
At a number of levels within the DHB, the organisation has been taking practical steps to become more environmentally sustainable. A further step in consolidating this is for the Board to adopt a policy that outlines obligations at various levels of the organisation.
4 Discussion
There are many examples in the NMDHB of steps that have been taken to improve sustainability practice. This needs to be encouraged.
While it is intended that the policy apply to the Board, Committee members and

staff it, intentionally, places a particular responsibility on managers. The view is that responsibilities assigned to staff at this level of the organisation are a key step in making further progress on sustainability.

If adopted it is intended that the policy be taken to the Iwi Health Board and the two PHOs with an invitation for them to become signatories to it.

(iii) FINANCIAL

The December 2009 net result for the year to date is a deficit of \$2,718k, which is \$2,541k unfavourable to budget.

	Year to Date			December 2009
	Budget \$000	Actual \$000	Variance \$000	Variance \$000
Funder	(1,592)	(1,903)	(312)	(255)
Governance	(37)	(72)	(35)	11
Provider	1,452	(743)	(2,195)	(492)
Net Result	(177)	(2,718)	(2,541)	(737)

The detailed finance report is attached as **Appendix 2**.

High level commentary and action planned on the financial result follows:

Fund

The Fund year to date result is a deficit of \$851k, this being \$135k favourable to budget, this result is due to additional revenue being received and expenditure over budget. Aged residential care \$105k is favourable to budget but off set by respite care being unfavourable \$88k and HBSS being unfavourable \$115k, these expenditure areas are demand driven and continue to be a risk. Additional elective expenditure is also favourable \$550k, but is off set by IDFs being \$770k over budget as the electives completed by other DHBs for NMDHB are over the estimate made by the MOH when setting the funding envelope.

Total Provider

The NMDHB Provider year to date financial result is a deficit of \$57k against a budget surplus of \$1,103k. Overall revenue is favourable to budget. All expenditure categories are unfavourable to budget except outsourced clinical. Personnel FTEs are over budget, this is creating a situation where the overall volumes delivered are over the year to date volumes planned. In addition the interest received is unfavourable to budget while the capital charge is also unfavourable to budget. Management are working on analysing the variance to put corrective action in place.

Forecast

The consolidated forecast is a deficit of \$7,469k.

The Fund is forecasted better than budget by \$900k. This is driven from the favourable variances to date being maintained during the year, this has some risk given that some of the favourable variances are in demand driven expenditure lines.

The Provider is forecasting a deficit of \$3,401k against a budget of \$916k deficit. Revenue is forecasted below budget by \$964k, this reflects the change in reimbursement for blood products and other items at risk.

Personnel costs are forecast to be over budget by \$1,261k, this is driven by the current FTEs and related costs.

Expenditure lines are forecast to be \$433k under budget. This is due to reduced blood costs, not paid direct by tertiary hospitals and savings on consumables. Interest received is forecast to be under budget, interest paid slightly better than budget and capital charge over budget due to the revaluation and better than planned result as 30 June 2009.

(iv) RUTHERFORD INITIATIVE

Good progress is being made on the Rutherford Initiative. Overall we on track to achieve the savings of \$10m required to achieve a break even position in 2012.

Reviews have been completed covering:

- Information Technology
- Business Support
- Payroll
- The Director of Nursing
- Mental Health Services Planning and Funding contracts. A further review will be completed on the Hospital Provider Mental Health Service which will also identify other opportunities
- Planning and Funding Primary and Community, Child Youth & Family and Smokefree Services NGO contracts. A review will also be completed of NGO categories of Pharmaceuticals, the PHOs, capitated, laboratory costs and Palliative Care.

The report on Organisational Development is almost complete. Good progress is also being made on the review of the Chief Financial Officer. Analysis work is under way for Property, Hotel Services and Procurement.

We are now moving into the implementation phase for these reviews. This will require careful management as we work with Government, Provider and Internal stakeholders to implement the review recommendations. Dr Andre Nel and I will take responsibility for media and stakeholder communication.

The reviews are expected to be finalised in the first quarter of 2010. The team found investigations were more effective at a deeper level, which is taking a bit longer, but I am comfortable with this because they are more comprehensive and staff have been well engaged in the process. This will enable implementation to be undertaken so that these changes resulting from the reviews are in place for the start of the 2010/11 financial year.

(v) PLANNING & FUNDING

(a) Home Based Support Services (HBSS)

Providers have agreed to the recent offer by the DHB for an 18-month term of contract employing newly aligned packages of care within the agreed funding availability. Work is now progressing on embedding the new packages and ensuring Providers and Support Works NASC work together to enable best practice.

(b) Pharmaceutical costs

NMDHB is proceeding with various initiatives to constrain pharmaceutical costs. This includes further analysis of costs and the areas contributing to cost growth. The PHO Pharmacy Facilitator in Nelson Tasman has been making good progress towards reducing prescription errors, standardising prescription habits, substitution by pharmacists to dispense cheaper generic brands and other initiatives to modify prescriber selection of medications. Almost all pharmacists are now "linked" to the health network. Many are progressing towards on-line claiming and weekly on-line claiming will be permitted early next year.

(c) Laboratory Contract Review

The annual laboratory contract variation has been negotiated and agreed. For the first time, NMDHB has approved the inclusion and funding of a new test which seems to have resolved a protracted period of debate about an appropriate mechanism for funding approved new tests (assuming they meet all funding criteria). Providing the test is an additional cost to the provider which is incorporated as a fixed volume and price as a variation to the contract with a wash-up provision. This, essentially, satisfies the intent of the capitated contract. It is our estimation that this test (fetal fibronectin) will result in reduced expenditure in other areas and is therefore good value for money.

(d) Child, Youth and Family

The Ministry of Health have issued a proposal for a needs assessment and care planning process for families from the antenatal period through to Well Child Tamariki Ora services. This has arisen consequent to the review of the Well Child Framework taking place over the last couple of years. Hui were arranged by the Ministry and representatives from NMDHB and Tamariki Ora providers attended to receive information and provide input. At one hui, Planning Funding and Performance did a presentation about rural well child services in Nelson Marlborough. Input from stakeholders in NMDHB are being collated into a submission, and this will also stimulate more thinking about what the implementation implications will be for this district. We believe

it has potential to provide better, more co-ordinated services to families according to their needs.

(vi) PRIMARY & COMMUNITY

(a) Environmental Health & Communicable Disease

Health Report, Mapua Chemical Site

The draft Health Report, prepared by the Public Health Service for the Ministry of Health, was submitted prior to Christmas. The draft report now goes through a peer review and fact checking process before release by the Ministry.

(b) Health Promotion

Alcohol and Other Drugs

A collaborative project, to raise awareness of responsibilities on preventing intoxication for people who hold General Managers Certificates on licensed premises, was conducted with Police, District Licensing Authorities and education providers.

'Christmas Safety Packs', an initiative under the community alcohol accord, were distributed to 5,000 employees across the Top of the South prior to Christmas.

(c) Nutrition and Physical Activity Programme

Services of the Nelson and Marlborough Breastfeeding Coordinators have aligned to ensure a district-wide approach, under a new name, 'Mum4Mum'. Discussions have been held with both PHOs on picking up the coordination role of the breastfeeding networks.

NPA funded, and took an active role in, the coordination of the inaugural "Nelson Growables" Festival. Attendance at the Festival was around 4,000. The revenue generated from entry and stall holders' fees has ensured the event for 2010.

The Marlborough Community Gardens officially opened to the Marlborough community. There has been good progress in developing education components of the gardens, linking with key groups who can support this from a local perspective.

A contract has been entered into with Nelson City Council to take on the coordination of the Active Transport Forum. Key components are to: recruit 'Upcycle' host organisations and run 'Upcycle' courses; run the Nelson Tasman Active Transport Forum meetings; and, to run Nelson Walk2Work and Cycle2Work events.

Rodney Tolley, Director of Walk 21, has been commissioned by Nelson City Council to develop plans for improving walking linkages at five sites and by Marlborough District Council to do an accessibility analysis of Picton. The latter

will be incorporated into the Picton urban growth strategy and the Resource Management Plan review.

(d) Primary Health Care Initiatives

(i) Golden Bay Integrated Health Services

Work proceeds on evaluation of the building sites and configuration of the proposed building. For the latter a key step is the planned 'value management' workshop aimed at agreeing the optimal layout of the building so as to meet the service need within the available resource. Work also proceeds on revisions of the proposed Trust Deed, staff consultation and change process and community consultation and communication.

(ii) GP After Hours Services

The Marlborough After Hours Service is to be based in what was the Child and Adolescent Mental Health Services cottage, immediately adjacent to the new Emergency Department facility on the Wairau campus. The cottage has now been shifted to its new location and will be ready for occupation in February.

A business case is being prepared for the upgrade of 96 Waimea Road for the Nelson GP After Hours Service.

(iii) B4 School Checks

For the quarter to December, 352 checks were undertaken against a target of 226.

(iv) HPV Vaccination Programme

The first year of the HPV (Human Papillomavirus) school based vaccination programme for girls has been completed.

(vii) HOSPITAL PROVIDER SERVICES

(a) General

With the exception of AT&R at Nelson (91%) demand for inpatient services was low for December. Nelson Hospital had an average occupancy of 61% and Wairau 73%. Both hospitals did experience some peaks particularly Nelson which had to deal with some major incidents (car crashes).

Nelson ED had 2254 attendances compared to the average for the previous 5 months of 2185 attendances. We have ascertained that the Nelson After hours practice had 134 more attendances than at the same time last year. We believe this is a result of our advertising campaign to get the public to access the after hours GP service and reduce the pressure on our services. 22% of patients were admitted to hospital.

Wairau ED had greater demand than expected, there were 1737 attendances compared to the average for the previous 5 months of 1515 attendances. 18% of patients were admitted to hospital.

Due to the negative variance to budget of \$2.2m year to date and the fact that we are providing more services (volumes) than plan for the Provider Division we are reassessing our strategies to get back within budget.

As an interim measure until the plans are redeveloped the following has been implemented.

1. Filling of vacancies is on hold
2. We are stopping the use of casuals to cover those vacancies
3. Overtime has been stopped
4. All discretionary spending (courses and conferences etc) has been stopped
5. Thresholds are being further reviewed.

It is expected that this will cause some short term difficulties whilst the plans are redeveloped. We will work to ensure that if necessary those areas with greatest priority will be supported by other departments.

(b) Shorter waits for cancer treatment

	A	B	C	Total	A	B	C	Total	weeks	
C&C DHB	0	0	11	11	0	0	11	11	100%	0% –
CDHB	4	17	32	53	4	19	45	68	78%	22% ▼
Total	4	17	43	64	4	19	56	79	81%	19% ▼

Demand at Canterbury has dramatically increased outstripping the planned capacity increase, which was to take effect this quarter. Canterbury advises they are currently working through a capacity sharing process with both Otago and Wellington in order to smooth access across the cancer centres. NMDHB referrals to both Wellington and Canterbury are slightly higher this quarter than last, contributing to the overall result. Of note is the significant rise in referrals of priority B (curative) which require rapid response and create the knock on effect to Cat C patients' waiting time. It is this group of patients who both NMDHB and Canterbury try to divert to Wellington; however, patients are still electing to undertake therapy at their location of choice at the current time, despite being advised of waiting times.

It is expected that for a defined period NMDHB will need to direct an additional 3-5 patients per month to Wellington for treatment in order to improve the overall results. Confirmation of this arrangement will be received mid January. A communication plan will follow to advise all referrers and oncology support staff to ensure the contingency plan is successful.

Reasons for delayed commencement of treatment during the last quarter were:

- 4 delays were at patient request
- 5 delays were due to clinical complications/investigations
- 8 delays were due to facility or department constraints.

(c) Contracted volumes for November

Acute / Elective Caseweights - KPI View

NB. Note that Additional Electives are now contained within the PVS
Maternity has been included in casemix funding from July 09

November 2009

Type	DM Area	Unit Code	Description	Annual Contract	Budget YTD	Actual YTD	Vol Variance	Actual % Complete vs YTD Contract	
Acute	Med	M00001	General Internal Medical Services - Inpatient Serv	4873	2068	2213	146	107%	
		M10001	Cardiology - Non PCI Inpatient Services (DRGs)	527	224	74	-149	33%	
		M10001P	Cardiology - PCI Inpatient Services (DRGs)	147	63	131	68	209%	
		Med Total			5547	2354	2419	65	103%
	Surg	S00001	General Surgery - Inpatient Services (DRGs)	2262	960	933	-27	97%	
		S05001	Anaesthesia Services - Inpatient Services (DRGs)	22	9	7	-2	77%	
		S25001	Ear, Nose and Throat - Inpatient Services (DRGs)	147	62	38	-24	61%	
		S40001	Ophthalmology - Inpatient Services (DRGs)	27	11	32	21	283%	
		S45001	Orthopaedics - Inpatient Services (DRGs)	1745	740	658	-82	89%	
		S70001	Urology - Inpatient Services (DRGs)	209	89	89	0	100%	
			Surg Total			4412	1872	1758	-114
	W, C & OH	D01001	Inpatient Dental treatment	48	21	6	-14	31%	
		M55001	Paediatric Medical Service (Inpatient)	718	305	311	6	102%	
		S30001	Gynaecology - Inpatient Services (DRGs)	207	88	74	-14	85%	
		W06003	Neonatal Inpatient (DRGs)	416	177	152	-25	86%	
		W10001	Maternity Inpatient (DRGs)	1345	571	634	63	111%	
		W, C & OH Total			2735	1160	1177	17	101%
Acute Total				12694	5386	5353	-32	99%	
Elective	Med	M00001	General Internal Medical Services - Inpatient Serv	0	0	58	58	0%	
		M10001	Cardiology - Non PCI Inpatient Services (DRGs)	128	54	154	100	284%	
		M10001P	Cardiology - PCI Inpatient Services (DRGs)	147	63	38	-24	61%	
		Med Total			275	117	251	134	215%
	Surg	S00001	General Surgery - Inpatient Services (DRGs)	1870	794	788	-6	99%	
		S05001	Anaesthesia Services - Inpatient Services (DRGs)	68	29	15	-14	52%	
		S25001	Ear, Nose and Throat - Inpatient Services (DRGs)	420	178	170	-8	95%	
		S40001	Ophthalmology - Inpatient Services (DRGs)	586	248	351	103	141%	
		S45001	Orthopaedics - Inpatient Services (DRGs)	1641	696	1003	307	144%	
		S70001	Urology - Inpatient Services (DRGs)	424	180	233	53	129%	
			Surg Total			5010	2126	2560	434
	W, C & OH	D01001	Inpatient Dental treatment	188	80	91	11	114%	
		M55001	Paediatric Medical Service (Inpatient)	0	0	15	15	0%	
		S30001	Gynaecology - Inpatient Services (DRGs)	678	288	373	85	130%	
		W, C & OH Total			866	367	479	112	130%
	Elective Total				6151	2610	3289	680	126%
	Grand Total				18846	7995	8643	647	108%

November 2008

Type	DM Area	Annual Contract	Budget YTD	Actual YTD	Vol Variance	Actual % Complete vs YTD Contract
Acute	Med	5011	2126	2175	49	102%
	Surg	4366	1852	1586	-266	86%
	W, C & OH	1338	568	1113	545	196%
Acute Total		10715	4546	4874	328	107%
Elective	Med	201	85	244	159	286%
	Surg	5730	2431	2374	-56	98%
	W, C & OH	1068	453	430	-23	95%
Elective Total		6999	2969	3049	79	103%
Grand Total		17714	7515	7923	407	105%

NB. In 2008/09 Maternity was not budgeted as a DRG caseweight as it has been in 2009/10
However, in order to match the 2009/10 casemix model, actual maternity caseweights have been included in this 08/09 view

(viii) MAORI HEALTH/IWI RELATIONSHIP**(a) Maori Health Reference Group**

NMDHB Oral Health Advisory Group presented to Maori & Pacific reference group. Feedback from the Reference Group included a request for regular updates from the Oral Health Advisory Group and for a member of the Maori Health Directorate to sit on the Oral Health Advisory Group.

A new process has been put in place for effective use of transport resources from Wairau participants to attend meetings in 2010. Meetings will be extended to 6 weekly intervals.

(b) Whanau Ora

The whanau ora project has been incorporated into the 2010 DAP. It outlines all the expected activities required to implement the Whanau Ora Head Agreement. It is expected that the Head Agreement will take another 12 months to complete roll out.

(ix) ORGANISATIONAL DEVELOPMENT**(a) FTE Report – November 2009**

**FTE Report
November 2009**

FTE	Budget CM	Actual CM	Variance	Actual YTD	Variance
Medical	150	170	(20)	162	(12)
Nursing	643	680	(37)	650	(7)
Allied Health	561	577	(16)	558	3
Support	101	99	2	99	2
Management/Admin	369	362	7	369	-
Total	1,824	1,888	(64)	1,838	(14)

(b) ACC/NMDHB Memorandum of Understanding

In 2008 NMDHB signed a MOU with the two ACC branches in the district aimed at productive local working relationships. The MOU requires the two parties to establish an annual Action Plan outlining joint operational activity. The 2008/09 Plan was recently reviewed by the parties and the 2009/10 one agreed. Activities for the upcoming year focus on joint initiatives relating to injury prevention in the community, particularly focused on the older adult; safer cities development; patient/manual handling for NMDHB staff and ensuring the administration of patient related ACC documentation within the organisation is efficient and effective.

(c) NMDHB/ACC Safe Holiday Packs for Staff

NMDHB and the local ACC Branches have again combined to prepare a Stay Safe Holiday Pack for staff. The packs, containing useful information relating to drinking and driving, the preparation and storage of food and water safety were distributed to staff prior to Christmas.

(d) Complaints

There were 29 complaints received for the month of November, compared to 34 for October. No complainants identified themselves as Maori. Of the 29 complaints, 21 were for Nelson and 8 were for Wairau. 100% of complaints for November were responded to within 30 days.

(e) Employee Relations

The National Multi Employer Collective Agreement (MECA) and NMDHB Collective Agreement updates are attached as **Appendix 3**.

(x) QUALITY

(a) Quality Improvement Committees

The Clinical Quality Improvement Committee (CLQIC) met in December and considered update reports on a number of audit processes underway including the Not for Resuscitation Audit and the implementation of the revised district wide Surgical Safety Checklist. The Committee considered reports on complaints and reportable events and made recommendations accordingly. The revised policy on Reporting Defective or Non-Conforming Medical Devices was approved.

The Corporate Quality Improvement Committee (COQIC) met on the 19th January. The key issue for consideration was the proposal for the revision of the NMDHB Policy and Forms Management process. The Committee have agreed in principle to the process and have requested further clarification from the Chief Information Officer as to implementation issues.

(xi) INFORMATION SERVICES**(a) Waikato DHB Virus Incident**

During December, Waikato DHB had a significant event with a computer virus which resulted in all of Waikato's computer infrastructure being shut down. Waikato is the 3rd major health organisation to be hit with the virus.

Whilst we await a full report from Waikato, NMDHB has taken a number of steps to try and minimise our own risk, including blocking access to all web mail applications (except NMDHB's own) and increasing administration password complexity.

NMDHB will continue to review our security arrangements as we receive more information from Waikato DHB.

(xii) INTERSECTORAL AND OTHER DHB LINKAGES**(a) Intersectoral and other DHB linkages for the period:**

- Golden Bay Interim Management Group
- National CEOs
- CEO Executive Board
- SI CEOs
- HMSC Governance Group.

(xiii) STRATEGIC ISSUES**(a) Wairau Redevelopment**

The Project Manager's report is attached as **Appendix 4**.

(b) H1N1 Immunisation Programme

Work is continuing on preparing for the winter influenza season. The Ministry has issued information to Medical Officers of Health, GPS and Secondary Care Specialist Units briefing them on the current signals.

The seasonal vaccine (which contains the H1N1 strain) will not be available until March and as the Northern Hemisphere experience suggests H1N1 influenza may occur earlier than usual influenza a targeted immunisation programme using a specific H1N1 pandemic vaccine is planned for those at highest risk of complications and frontline healthcare workers. This vaccine is available now subject to Medsafe licensing and plans are being finalized locally with the PHOs to enable this programme to commence in February. Only a limited number of doses will be available in Nelson Marlborough and GPs are being asked to identify patients that they consider are at greatest risk.

The vaccine is being provided at no cost to the DHB or the patient. DHBs are expected to cover the cost of delivery. Options being considered include a joint

mobile vaccination service (the vials contain 10 shots and have a 3 hour life once opened) for practices and health care workers as well as DHB static clinics.

John Peters
CHIEF EXECUTIVE
20 January 2010

RECOMMENDATIONS ARISING FROM THIS REPORT:

- 1. THAT THE BOARD ADOPTS THE PROPOSED ENVIRONMENTAL SUSTAINABILITY POLICY**
- 2. THAT THE CHIEF EXECUTIVE'S REPORT BE RECEIVED**
- 3. THAT THE FINANCIAL REPORT BE ADOPTED.**

4.2 Committee Reports

There have been no Committee Meetings since the last Board meeting.

APPENDIX 1 – SUSTAINABILITY POLICY

POLICY	ENVIRONMENTAL SUSTAINABILITY
Purpose	The purpose of this policy is to ensure that Nelson Marlborough District Health Board (NMDHB) integrates environmentally sustainable practices into its purchasing decisions and operating practices wherever it is practical.
Background	<p>NMDHB recognises sustainability as a key determinant for supporting the wellbeing of our population, and recognises the need to demonstrate leadership in protecting our local environment by integrating sustainability practices into the purchasing decisions and operating practices of the DHB.</p> <p>The key messages of sustainability also tie in with what are generally considered to be sound business practices, such as building efficiency, minimising waste and pollution, and maximising resources.</p>
Scope	This policy applies to all staff employed by, or contracted to, NMDHB, the Board and Committee members.
Policy statement	<p>Sustainability practices will, wherever practical and financially sensible, be integrated into the purchasing decisions and operating practices of NMDHB. This will:</p> <ol style="list-style-type: none"> 1. include a focus on: <ul style="list-style-type: none"> • reducing waste and pollution, • reducing water and energy consumption, • ensuring that wherever possible we purchase the product we use from sustainable sources, 2. be done by: <ul style="list-style-type: none"> • ensuring that a sustainability lens is applied in NMDHB planning and monitoring processes; • applying, wherever practicable, water and energy saving technologies; • focusing on the reduction of waste produced and pollution, • minimising the use of environmentally hazardous materials; • establishing recycling systems, • encouraging and supporting sustainable transport options for staff, and 3. be guided in practice by the indigenous concepts of <i>kaitiakitanga</i> (guardianship), <i>kotahitanga</i> (unity), <i>manaakitanga</i> (caring), and <i>whakatipuranga</i> (future generations).
ROLES AND RESPONSIBILITIES	
Roles and Responsibilities	<p>Board/Committee Members</p> <p>Board/ committee members shall:</p> <ol style="list-style-type: none"> 1. incorporate informed sustainability perspectives where applicable and appropriate into their decision making; and

-
2. encourage a culture of sustainability and the capacity to deliver sustainable outcomes in all parts of the organisation.
-

Staff

All staff shall:

1. be personally committed to ensuring the intent of the Nelson Marlborough District Health Board Sustainability Policy is taken up and adhered to; and
 2. incorporate informed sustainability perspectives where applicable and appropriate into their work practices and decision making.
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General/District Managers

Managers will:

1. require staff to incorporate informed sustainability perspectives where applicable and appropriate into their work practices and decision making;
 2. ensure that all new policies, practices, and procedures respect and give effect to the intent of this policy;
 3. seek to build a culture of sustainability and the capacity to deliver sustainable outcomes in all parts of the organisation; and
 4. take all practical steps to ensure sustainable practices are considered in planning and building, purchasing of goods, and procuring of services.
-

References

- *Australian and New Zealand Government Framework for Sustainable Procurement*. Australian Procurement and Construction Council.
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 - *Resource Management Act 1991*.
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 - *A Tangata Whenua Perspective on Sustainability using the Mauri Model*.
<http://www.nzsses.auckland.ac.nz/conference/2004/Session5/36%20Morgan.pdf>
 - *Creating our Future. Sustainable Development for New Zealand* Parliamentary Commissioner for the Environment, 2002.
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 - *New Zealand Efficient Lighting Strategy*, EECA, 2008.
<http://www.eeca.govt.nz/eeca-library/products/lighting/report/nz-efficient-lighting-strategy-08.pdf>
 - *Sustainability Report for the Energy Efficiency and Conservation Authority (EECA)*, 2006. <http://www.eeca.govt.nz/eeca-library/eeca-reports/sustainability/report/sustainability-report-05-06.pdf>
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APPENDIX 2 – FINANCIAL REPORT DECEMBER 2009

1. OPERATING RESULTS

1.1. NMDHB Consolidated Profit & Loss of the Three Divisions (Governance & Funding Administration, Provider and the Fund)

The consolidated result is a year to date deficit of \$2,718k against a budget deficit of \$177k. This is an overall negative variance of \$2,541k.

- The Provider Division has an unfavourable variance of \$2,195k
- Governance and Administration has an unfavourable variance of \$35k
- The Fund has an unfavourable variance of \$312k.

Consolidated Statement of Financial Performance								
\$000	December 2009			Year to Date			Full Year	
	Budget	Actual	Variance	Budget	Actual	Variance	DAP	Forecast
Revenue	31,278	31,386	108	187,809	188,443	633	375,574	377,890
Expenditure								
Personnel Costs	12,032	12,184	(152)	69,772	70,563	(791)	142,633	142,562
Outsourced Services	982	988	(6)	5,811	5,821	(10)	11,646	11,364
Clinical Supplies	2,567	2,787	(220)	15,443	15,942	(499)	31,138	31,019
Infrastructural and Non Clinical Supplies	2,561	2,561	(0)	15,360	15,484	(124)	31,132	30,505
Personal Health Expenditure	8,560	8,659	(98)	51,564	51,674	(110)	105,111	105,976
Mental Health Expenditure	997	1,007	(10)	5,981	6,057	(77)	12,021	12,102
Public Health Expenditure	24	13	12	144	23	121	288	288
Disability Support Expenditure	3,310	3,561	(251)	19,658	20,247	(589)	39,014	38,967
Hauora Maori Services Expenditure	231	203	27	1,383	1,293	90	2,766	2,766
Total Expenditure	31,264	31,962	(699)	185,114	187,102	(1,988)	375,746	375,544
Net Surplus/(Loss) before Interest & Capital Charge	14	(576)	(590)	2,695	1,340	(1,355)	(172)	2,346
Interest Received	276	122	(154)	1,678	801	(877)	3,302	1,743
Interest Paid	(222)	(181)	41	(1,334)	(1,206)	128	(2,669)	(2,425)
Capital Charge	(532)	(566)	(34)	(3,216)	(3,653)	(437)	(6,342)	(7,153)
Net Surplus/(Loss)	(464)	(1,200)	(737)	(177)	(2,718)	(2,541)	(5,881)	(5,489)
Made up of Divisional Surplus/(Loss):								
Funder	(271)	(525)	(255)	(1,592)	(1,903)	(312)	(4,965)	(4,324)
Governance	(2)	9	11	(37)	(72)	(35)	0	(99)
Provider	(191)	(684)	(492)	1,452	(743)	(2,195)	(916)	(1,067)
Total	(464)	(1,200)	(737)	(177)	(2,718)	(2,541)	(5,881)	(5,489)

1.2. Fund Financial Performance

The Fund has a year to date deficit of \$1,903k against a budgeted deficit of \$1,592k. This is an overall unfavourable variance of \$312k.

Fund Statement of Financial Performance								
\$000	December 2009			Year to Date			Full Year	
	Budget	Actual	Variance	Budget	Actual	Variance	DAP	Forecast
Revenue								
Ministry of Health	28,565	28,633	68	171,387	171,932	545	342,774	344,755
Other Revenue	0	10	10	0	59	59	0	118
Total Revenue	28,565	28,642	78	171,387	171,991	604	342,774	344,873
Expenditure								
Personal Health Expenditure	20,532	20,572	(40)	123,394	123,313	81	248,770	249,347
Mental Health Expenditure	3,047	3,066	(20)	18,279	18,395	(116)	36,618	36,798
Public Health Expenditure	271	272	(1)	1,628	1,592	36	3,256	3,379
Disability Support Expenditure	4,409	4,655	(246)	26,242	26,871	(629)	52,170	52,191
Hauora Maori Services Expenditure	231	203	27	1,383	1,293	90	2,766	2,766
Other Expenses	472	472	(0)	2,830	2,831	(0)	5,661	5,661
Total Expenditure	28,961	29,241	(280)	173,757	174,295	(538)	349,242	350,142
Net Surplus/(Loss) before Interest & Capital Charge	(396)	(598)	(202)	(2,370)	(2,304)	66	(6,467)	(5,269)
Interest Received	126	73	(53)	778	400	(378)	1,502	945
Net Surplus/(Loss)	(271)	(525)	(255)	(1,592)	(1,903)	(312)	(4,965)	(4,324)

1.2.1. Fund Revenue

Year to date revenue is favourable to budget by \$604k.

Previously explained Variances
Favourable
<ul style="list-style-type: none"> ▪ New subcontract funding from MOH \$1,373k, this covers increased funding for Rural After Hours Premium, Primary Mental Health, AOHS, NRT, Travel assistance, hospice, new born hearing and Herceptin reimbursements, this will all be offset by additional expenditure ▪ Recognition of HEHA funding received in 2008/09 \$186k, but to be use for service in 2009/10.
Unfavourable
<ul style="list-style-type: none"> ▪ MOH PBFF adjustments \$201k, reductions to fund national services for children & young people in CYF residences and reduction for Herceptin drug costs which are then paid on a reimbursement basis

- MOH funding subcontracts \$830k, a number of projects or programmes that have yet to be implemented/invoiced
Emergency Planning, smoke-free, Oral Health, immunisation co-ordination, and PHO Programmes.

1.2.2. Fund Expenditure

Total Fund expenditure is unfavourable to budget by \$538k.

Personal Health expenditure is favourable to budget by \$81k.

Mental Health expenditure is unfavourable to budget by \$116k.

Public Health expenditure is favourable \$36k.

Disability support expenditure is unfavourable to budget by \$629k.

Maori Health expenditure is favourable to budget by \$90k.

Other (Governance & Admin) are on budget.

Significant expenditure variances from budget are as follows:

New Variance	
Personal Health	
Favourable	
Timing	
<ul style="list-style-type: none"> Maternity favourable \$105k. Initiative to increase postnatal stays not yet implemented Tobacco Control favourable \$102k. Contracts for Smoke free Leadership programmes yet to be established. 	
Unfavourable	
Permanent	
<ul style="list-style-type: none"> Rural Support \$175k. Relates to utilisation of additional Rural premium funding received from the Ministry for Rural After Hours GP services (\$226k) Vision/Hearing Screening \$80k. Ministry Funded programme. 	

Previously explained Variance	
Personal Health	
Favourable	
Timing	
<ul style="list-style-type: none"> PHO payments favourable \$319k for performance management programmes, this is offset by reduced revenue from MOH Additional electives favourable \$820k, this is off et by increased expenditure on IDFs \$1,043k the majority being electives higher than forecast. 	
Permanent	
<ul style="list-style-type: none"> PCT drugs favourable \$249k, the Herceptin costs were included in the budget, but now directly funded by MOH, off set by reduced income. 	

Unfavourable
Permanent

- Palliative care unfavourable \$199k, this is a wash up for 2008/09 and additional hospice funding received
- Inter District Flows unfavourable \$1,043k, an accrual has been made to recognise the over delivery of personal health inpatients to the budget, this is partially funded by a favourable 08/09 wash up for Ministry Funded Herceptin costs in the IDFs
- Patient travel and accommodation \$306k, this is due to increased subsidy and volume of referrals to tertiary DHBs, and is partially offset by additional revenue.

New variance

Mental Health

Favourable

No favourable variances.

Unfavourable

Permanent

- Forensic Service \$39k. Regional initiative funding is being utilised by the Provider arm.

New variances

Disability Support

No new variances

Previously explained variances

Disability Support

Favourable

No favourable variances.

▪ .

Unfavourable

Timing/Permanent

- HBSS unfavourable \$238k, this is due to the Rutherford savings of \$700k being phased from 1 July and the new contracts being effective from 1 Jan. New contract will bring expenditure within budget for the last six months of the year
- Respite care \$94k, due to higher use of the service
- Residential care Rest Homes & Hospital Care unfavourable \$304k. Due to increased number of beds available in the sector since the opening of Ernest Rutherford and Jack Inglis. Little or no decrease in occupancy has been noted at other rest homes in the region.

1.3. Total Provider

The Provider Division has a year to date deficit of \$743k against a budget surplus of \$1,452k. This is an overall unfavourable variance of \$2,195k.

Provider Statement of Financial Performance								
\$000	December 2009			Year to Date			Full Year	
	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>	<i>DAP</i>	<i>Forecast</i>
Revenue								
Ministry of Health	1,656	1,746	90	9,880	10,203	323	19,725	21,044
Internal Fund	15,368	15,327	(41)	92,197	92,170	(27)	184,381	184,284
Other Government	437	314	(123)	2,660	2,135	(525)	5,372	4,254
Other Revenue	608	682	74	3,812	4,115	303	7,563	7,801
Total Revenue	18,070	18,069	(1)	108,549	108,624	75	217,041	217,383
Expenditure								
Personnel Costs								
Medical Personnel	3,040	2,983	57	17,092	17,406	(314)	35,363	35,366
Nursing Personnel	4,086	4,285	(199)	23,679	24,431	(752)	48,327	48,661
Allied Health Personnel	2,666	2,690	(25)	15,637	15,522	116	32,004	31,993
Support Personnel	401	370	31	2,309	2,256	53	4,666	4,558
Management/Administration Personnel	1,681	1,710	(29)	10,096	10,092	4	20,341	20,184
Total Personnel	11,873	12,038	(165)	68,814	69,708	(894)	140,701	140,762
Outsourced Services	940	948	(7)	5,560	5,543	17	11,143	10,818
Clinical Supplies	2,567	2,787	(220)	15,443	15,942	(499)	31,138	31,018
Infrastructural and Non Clinical Supplies	2,498	2,503	(5)	14,981	15,124	(143)	30,374	29,745
Provider Payments	0	0	0	0	0	0	0	(0)
Total Expenditure	17,878	18,275	(397)	104,798	106,317	(1,520)	213,357	212,344
Internal Allocations	61	61	(0)	368	367	(1)	736	736
Net Surplus/(Loss) before Interest & Capital Charge	253	(145)	(398)	4,120	2,674	(1,446)	4,420	5,775
Interest Received	150	49	(101)	900	400	(500)	1,800	798
Interest Paid	(222)	(181)	41	(1,334)	(1,206)	128	(2,669)	(2,425)
Capital Charge	(372)	(407)	(35)	(2,234)	(2,611)	(378)	(4,467)	(5,215)
Net Surplus/(Loss)	(191)	(684)	(492)	1,452	(743)	(2,195)	(916)	(1,067)

1.3.1. Provider Revenue

Overall revenue (excluding interest received) was \$75k unfavourable to budget.

New variances
No New Variances

Previously explained variances
<p>MOH Favourable in total \$323k Permanent variances - favourable</p> <ul style="list-style-type: none"> ▪ Herceptin reimbursements \$210k ▪ IDSS & PD higher volumes than budget \$267k. <p>Timing differences – unfavourable</p> <ul style="list-style-type: none"> ▪ Public Health revenue \$44k ▪ CTA revenue \$77k, this is being investigated as to who we can and cannot claim for. <p>Internal Fund Unfavourable in total \$27k Permanent variances</p> <ul style="list-style-type: none"> ▪ Herceptin revenue, now paid direct by MOH \$269k. <p>Favourable</p> <ul style="list-style-type: none"> ▪ Mental Health funding \$94k ▪ Motueka revenue 96k ▪ Maternity services \$80k. <p>Other Gov't Unfavourable in total \$525k Permanent variances</p> <ul style="list-style-type: none"> ▪ Hemophilia blood products \$571k, as the Tertiary DHB now purchases blood supplies direct from NZ Blood. <p>Other Income Favourable Other income is favourable \$303k made up of: Permanent variances - Favourable</p> <ul style="list-style-type: none"> ▪ Kiwi saver credits \$443k <p>Timing differences – Favourable</p> <ul style="list-style-type: none"> ▪ Other income \$256k <p>Timing differences –Unfavourable</p> <ul style="list-style-type: none"> ▪ Gain on sale assets \$76k ▪ Patient co-payment \$320k.

1.3.2. Provider Personnel Costs

Personnel costs are unfavourable to budget by \$894k.

It should be noted that an accrual was made to adjust the unpaid day in personnel costs, this is due the payroll system accruing for additional unpaid days when a number of these are leave days.

New variance
Unfavourable Permanent Nursing – Lump sum retention payment made in December totaling \$204k. No FTE adjustment, therefore nursing costs and FTE out of line.

Previously explained variances
Unfavourable Permanent/timing variance <ul style="list-style-type: none"> • Medical staff costs \$314k. FTEs are over budget in total 18, however the SMOs are under budget \$648k and 1.84 FTE over, with MOSSs over budget \$1,057k and 13.21FTE and RMOs favourable to budget \$67k and 0.67 FTE • Nursing staff costs \$752k however once adjusted for miscoding DON staff the total unfavourable variance would be \$1,169k, made up as follows: <ul style="list-style-type: none"> ○ Senior Nurses Unfavourable \$39k and 1.4 FTE ○ Registered Nurses unfavourable \$287k and 14.41 FTE ○ Enrolled Nurses unfavourable \$132k and 2.93 FTE ○ Midwives unfavourable \$288k and 5.79 FTE ○ Health Assistants favourable \$45k and 4.3 FTE ○ Internal Bureau unfavourable \$673k and 18.77 FTE. • While the majority of departments are over budget in Nursing costs the more significant are: <ul style="list-style-type: none"> ○ Wairau ED \$152k ○ MCT \$147k ○ Nelson ED \$130k ○ Ward 4 Wairau \$107k ○ Medical Unit Nelson \$79k ○ Acute Mental Health \$75k ○ SCBU \$72k ○ Ward 9 Nelson \$71k ○ Ward 5 Wairau \$69k ○ Maternity Nelson \$66k ○ Paediatric Inpatients \$61k ○ Mental Health – Tipahi St \$60k

- District Nursing Wairau - \$58
- Golden Bay \$54k
- Motueka \$54k
- ATR Nelson \$51k
- Theatres Nelson \$39k
- District Nurses Nelson \$39k.

Nursing costs has become a high priority for full analysis and has been bought forward in the Rutherford program with a report completed for approval.

1.3.3. Outsourced Services

Outsourced services are \$17k favourable to budget.

New variances
No New Variances

Previously explained variances
Favourable Timing <ul style="list-style-type: none"> ▪ Clinical services favourable by \$174k. NPA favourable \$254k, Primary & Community development favourable \$84k, offset by the following unfavourable variances: Lab services \$51k, Radiology services \$166k and Rutherford \$50k. Unfavourable Permanent <ul style="list-style-type: none"> ▪ Medical fees are unfavourable by \$209k. Cover for Physicians Nelson \$93k, Obstet/Gynae Wairau \$100k, and RMOs \$52k.

1.3.4. Clinical Supplies Expenditure

Clinical supplies are \$499k unfavourable to budget.

New variances
No New Variances

Previously explained variances
Unfavourable Permanent <ul style="list-style-type: none"> ▪ Air Ambulance \$197k, this was settlement of older invoices.
Favourable Permanent variances <ul style="list-style-type: none"> ▪ Blood products favourable \$406k this is due to the Tertiary services now purchasing Hemophilia blood products direct, this is offset by reduced revenue.
Unfavourable Permanent variances <ul style="list-style-type: none"> ▪ Implants & Prostheses \$276k, knees are unfavourable \$203k, Hips unfavourable \$130k and Screws are favourable \$69k ▪ Treatment disposable \$172k favourable ▪ Pharmaceuticals are unfavourable \$115k spread across most drug types, particularly Immunosuppressant \$66k, and with the notable exception of Gastro-Intestinal with a favourable variance of \$77k ▪ NPA \$90k offset by outsourced favourable \$254k.

1.3.5. Infrastructure and Non Clinical Costs

Infrastructure and non-clinical supplies is \$143k unfavourable to budget (excluding capital charge & interest paid).

New Variances
Favourable Timing variance Transport \$127k, largest under spend being Staff Travel at \$83k.

Previously explained Variances
Favourable Timing variance Hotel services - \$149k patient meals and \$39k uniforms offset by unfavourable variances of \$20k Outsourced Orderlies and \$25k Food & Groceries.

Unfavourable

Permanent/Timing variance

- Facilities unfavourable \$285k – outsourced maintenance, (particularly carpenters and fitters) \$105k, rents \$37k, depreciation \$227k revaluation at 30 June 2009
- IT & Telecommunications \$45k unfavourable – Mobile phones are unfavourable \$127k offset by a favourable software lease/charge variance of \$58k
- Professional fees unfavourable \$291k, the audit fee of \$32k this is timing with the budget, and consultants \$299k with \$282k relating to Rutherford. Offset by a favourable variance of \$38k in Legal Fees
- Stationery \$43k and Doubtful debts \$23k

1.3.6. Interest & Capital Charge

Interest & Capital charge is \$750k unfavourable to budget

Previously Explained Variances

Unfavourable

- Interest received is \$500k unfavourable due to the budget being set with an assumed interest rate too high. Offset by Interest Paid favourable by \$128k
- Capital charge unfavourable \$378k due to the effects of the revaluation.

Governance and Funding Administration

The Governance Division has a year to date deficit of \$72k against a budget deficit of \$37k.

Governance & Admin Statement of Financial Performance								
\$000	December 2009			Year to Date			Full Year	
	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>	<i>DAP</i>	<i>Forecast</i>
Revenue	483	474	(10)	2,900	2,829	(72)	5,801	5,676
Expenditure								
Personnel Costs	160	146	13	958	855	103	1,931	1,801
Outsourced Services	42	41	1	251	278	(26)	503	546
Infrastructural and Non Clinical Supplies	63	58	5	379	359	20	758	762
Internal Allocations	61	61	0	367	366	1	734	727
Total Expenditure	326	306	19	1,955	1,858	97	3,926	3,836
Net Surplus/(Loss) before Interest & Capital Charge	158	167	9	945	970	25	1,875	1,839
Capital Charge	(159)	(158)	1	(982)	(1,042)	(60)	(1,875)	(1,938)
Net Surplus/(Loss)	(2)	9	11	(37)	(72)	(35)	0	(99)

New Variances
Favourable Timing variance Various infrastructure and non-clinical costs including Staff Travel \$9k.

Previously explained variances
Income Unfavourable Timing variance <ul style="list-style-type: none"> ▪ Income to be received from other DHBs is unfavourable \$70k.
Expenditure Favourable Timing variance <ul style="list-style-type: none"> ▪ Personnel costs favourable \$103k related to FTEs.
Unfavourable Permanent variance <ul style="list-style-type: none"> ▪ Capital charge is unfavourable \$60k.

2. CASHFLOW

2.1. NMDHB Consolidated Statement of Cash flows for the 6 months ended 31 December 2009

Consolidated Statement of Cash Flows \$000s	Current Month			Year to Date			Full Year	
	Budget	Actual	Variance	Budget	Actual	Variance	DAP	Forecast
Operating Cash Flow								
Receipts								
Government & Crown Agency Received	30,667	58,939	28,272	183,980	218,893	34,913	367,979	370,056
Other Revenue Received	612	682	70	3,754	4,116	362	7,447	7,685
Total Receipts	31,279	59,621	28,342	187,734	223,009	35,275	375,426	377,741
Payments								
Personnel	12,032	13,740	(1,708)	69,620	72,774	(3,154)	141,499	141,428
Payments to Suppliers	5,202	5,065	137	31,191	36,901	(5,710)	62,369	61,341
Capital Charge	5	-	5	2,735	3,592	(857)	6,364	7,175
GST	-	(4,720)	4,720	(549)	(3,889)	3,340	72	162
Payments to Other DHBs	2,789	2,797	(8)	16,907	19,537	(2,630)	33,474	33,474
Payments to Other Providers	10,333	10,646	(313)	61,824	59,757	2,067	125,019	125,918
Total Payments	30,361	27,528	2,833	181,728	188,672	(6,944)	368,797	369,498
Net Cash Inflow/(Outflow) from Operating Activities	918	32,093	31,175	6,006	34,337	28,331	6,629	8,246
Cash Flow from Investing Activities								
Receipts								
Interest Received	276	122	(154)	1,678	801	(877)	3,302	1,743
Sale of Fixed Assets	-	694	694	4,085	708	(3,377)	4,085	4,085
Total Receipts	276	816	540	5,763	1,509	(4,254)	7,387	5,828
Payments								
Capital Expenditure	1,071	3,683	(2,612)	14,358	12,388	1,970	33,397	33,397
Total Payments	1,071	3,683	(2,612)	14,358	12,388	1,970	33,397	33,397
Net Cash Inflow/(Outflow) from Investing Activities	(795)	(2,867)	(2,072)	(8,595)	(10,879)	(2,284)	(26,010)	(27,569)
Net Cash Inflow/(Outflow) from Financing Activities	(72)	601	673	(434)	(953)	(519)	(1,400)	(1,159)
Net Increase/(Decrease) in Cash Held	51	29,827	29,776	(3,023)	22,505	25,528	(20,781)	(20,482)
Plus Opening Balance	34,357	30,202	(4,155)	37,431	37,524	93	37,431	37,524
Closing Balance	34,408	60,029	25,621	34,408	60,029	25,621	16,650	17,042

2.2. Operating Cash flow

The year to date result shows the net cash inflow from operating activities of \$34,337k against a budget inflow of \$6,006k, an overall favourable variance of \$28,331k.

Previously explained Variances

Cash inflow is favourable to budget by \$35,275k:

- This is mainly due to effect of the \$30m payment from the MoH for January which was received on 31 December, and reduced debtors against 30 June 2009 actual, with the payment of the 2008/09 elective initiatives wash-up.

Cash outflow is unfavourable to budget by \$6,944k:

- Personnel cash outflow is unfavourable to budget \$3,154k due to personnel costs being over budget, and reduction in employee entitlement liability and the payment (reduction) of the ACC liability for 08/09
- Payments to suppliers/GST/other DHBs and providers is unfavourable to budget \$2,933k, this is due to reduction in creditors compared to June 2009
- Capital charge is unfavourable to budget due to the timing of payments and the better than budget 30 June 2009 result.

2.3. Investing Cash flow

Investing Cash outflow is unfavourable to budget by \$2,284k. This is mainly due to the timing of capital expenditure offset by reduced interest received and timing of asset sales.

2.4. Financing Cash flow

Financing cash flow is unfavourable to budget by \$519k (\$1,210k YTD variance in October). 500 PCs and 60 laptops were sold and leased back in December.

3. STATEMENT OF FINANCIAL POSITION

3.1. NMDHB Consolidated Statement of Financial Position as at 31 December 2009

Consolidated Statement of Financial Position \$000s	June 2009	CM Budget	CM Actual	Variance	DAP	Forecast
Bank	37,524	34,408	60,029	25,621	16,650	17,042
Debtors & Prepayments	16,949	12,964	9,825	(3,139)	13,151	13,151
Stock	2,318	2,378	2,428	50	2,378	2,378
Current Assets	56,791	49,750	72,282	22,532	32,179	32,571
Creditors	28,852	27,610	56,916	(29,306)	28,711	28,711
Employee Entitlements	25,597	23,730	23,828	(98)	22,263	22,263
Term Debt - Current Portion	13,556	2,436	1,734	702	2,670	2,670
Current Liabilities	68,005	53,776	82,478	(28,702)	53,644	53,644
Working Capital	(11,214)	(4,026)	(10,196)	(6,170)	(21,465)	(21,073)
Non Current Assets	141,870	140,164	150,223	10,059	153,193	153,193
Net Funds Employed	130,656	136,138	140,027	3,889	131,728	132,120
Long Service Leave	1,871	1,406	1,871	(465)	1,406	1,406
Retiring Gratuities	8,657	7,364	8,657	(1,293)	8,241	8,241
Sabbatical Leave	942	1,125	942	183	1,125	1,125
Term Debt	26,073	41,653	38,139	3,514	42,599	42,599
Non Current Liabilities	37,543	51,548	49,609	1,939	53,371	53,371
Crown Equity	93,113	84,590	90,418	5,828	78,357	81,140
Net Funds Employed	130,656	136,138	140,027	3,889	131,728	132,120

3.2. Working Capital

Disregarding the effect of the \$30m payment from the MoH for January which was received on 31 December (increase in Bank, and corresponding increase in accrued creditors), Working Capital is unfavourable to budget due to a decrease in Bank and Debtors and partly off set by reduced creditors.

3.3. Term Liabilities

The term liabilities are better than budget, due mainly to the timing of drawing the IT leases.

3.4. Non Current Assets

Non current assets are better than budget due to the revaluation completed at 30 June 09.

3.5. Shareholders Equity

Shareholders equity is over budget due to the revaluation of the term assets as at 30 June 2009.

APPENDIX 3 – EMPLOYEE RELATIONS

NATIONAL MULTI EMPLOYER COLLECTIVE AGREEMENT (MECA) UPDATE

MECA & UNION	COVERAGE	UPDATE
Service & Food Workers Union	Nil	Currently NMDHB has no employees who are members of the SFWU. NMDHB is listed as a party to the negotiations and will keep a watching brief. Currently bargaining has paused consistent with national terms of settlement programme.
Medical Radiation Technologists (MRTs)	47 employees	Current MECA expired on 30 September 2009. Negotiations have been underway since June 09. Bargaining Agreement agreed with the assistance of the Mediation Service. DHB bargaining strategy consistent with Government expectations. Union claims exceed these expectations. Progress to date limited and no negotiations have been held since November 2009.
Resident Doctors Association (RMO2s)	53 employees	RDA initiated on 16 November for three SECA for the three Auckland DHBs and one MECA made up of 18 DHBs. The DHBs have challenged the initiation process. This challenge will be heard by the Employment Court in February 2010. No negotiations will take place until after that time.

NMDHB & REGIONAL COLLECTIVE AGREEMENT (CEA) UPDATE

CEA & UNION	COVERAGE	UPDATE
PSA South Island Clerical	242 employees	CEA expired on 30 June 2009. Bargaining initiated on 4 May 2009. A number of negotiation sessions held from July to October. Limited progress. The union initiated industrial action affecting a part of three working days over a two week period from 16 November to 27 November. The organisations contingency plans were instituted. These negotiations have paused consistent with the national terms of settlement programme.
IDSS PSA	303 employees	CEA expired on 30 September 2009, Negotiations commenced in 2009, now on hold until 16 February 2010.
IDSS NUPE	49 Employees	CEA expired on 30 September 2009, Negotiations commenced and continue.
NUPE Clerical	4 employees	CEA expired 30 June 2009, discussions took place in August. The parties have agreed to delay further discussions pending progress on other similar negotiations.

APPENDIX 4: WAIRAU REDEVELOPMENT REPORT

Steering Group Report – 17 December 2009

Tracking - Milestones

Anticipated and actual completion dates, revised Preliminary Design (Option 4a)

Milestone	Original target	Revised target (option 4a)	Actual	Forecast
Preliminary Design	Aug 2007	June 2008	Ph 1 March 08 Ph 2 June 08	Ph 1 March 2008 Ph 2 June 2008
Developed Design	Oct 2007	July 2008	Ph 1 April 08 Ph 2 Aug 08	Ph 1 April 2008 Ph 2 July 2008
Commence Construction	Nov 2007	July 2008	Sept 2008	Sept 2008
<i>Complete Construction</i>				
Stage 1	N/A	March 2009	May 2009	May 2009
Stage 2	N/A	November 2009		February 2010
Stage 3	N/A	August 2010		October 2010
Stage 4	Sept 2009	November 2010		February 2011
Certification & Migration	20 Working Days after construction works completed			

Notes

Major delays to the original target dates result from delays by the Ministry of Health for the approval of the Preliminary Design.

The forecast date for the completion of the final project Stage (Stage 4) ready for occupation is 20 working days after construction completion (current forecast February 2011 plus 20 days).

Stage 1: Inpatients, AT&R, Allied Health, Chapel, CAMHS and Pharmacy.

Stage 1A: Third Theatre – Target construction period is October 2009 to April 2010.

Stage 2: ED/HDU/AAU, Imaging, Laboratory, Clerical and Admin. Note: Imaging migration may exceed 20 days due to the transfer of existing CT and X-Ray equipment.

Stage 3: Maternity, Child & Youth, Day Stay, Outpatients/Oncology, Main Entrance, Café.

Stage 4: AOD/Adult Mental Health, Kitchen.

Churchill Trust wish to build new facilities in the location partly occupied by existing Ward 5 (demolition scheduled to commence at the end of Stage 3) subject to a lease agreement.

Dental Clinic is funded separately and is outside the scope of the redevelopment project.

Facilities Progress

During the last reporting period the key activities have been:

- Good progress continues to be made on Stage Two construction works
- The majority of decorating and floor finishes, together with second fix services to ground floor Arthur Wicks (ED/AAU/HDU) have been completed. Plasterboard linings for first floor Arthur Wicks is complete; Laboratory decorating is complete and fixing joinery units has commenced; Theatre structural frame is complete; first fix services to Imaging are complete and Records plasterboard linings are complete. Bulk earthworks for the ED and ambulance access roads have been completed
- A 22 working days delay to the construction critical path programme has been reported as a consequence of the delays to the issue of design and procurement documentation. Currently it is forecast that these delays cannot be recovered within the Stage Two programme
- The majority of furniture, fittings and equipment for Stage Two have now been ordered by the Purchasing Team for procurement
- The schedule for Stage Two departments is noted below:

Handover Date	Operational Date	Department
22 January 2010	3 February 2010	Clinical Records
29 January 2010	8 February 2010	Laboratory
5 February 2010	15 February 2010	Administration
8 February 2010	17 February 2010	ED/AAU/HDU
26 February 2010	8 March 2010	Radiology

- Detailed Design for Stage Three is progressing well and is scheduled for completion on 27 January 2010
- Early enquiries have been sought for the demolition trade works which are due to commence at the end of Stage Two
- The detailed design has been agreed with a specialist catering organisation for the café, and will be submitted with the building consent documentation for Stage Three.
- There is no 'float' remaining in the overall project programme, and completion of the construction programme relies upon design and procurement information being issued on time
- The works for new Dental clinic on the campus will be undertaken by the project's incumbent main contractor to gain efficiencies and simplify the coordination of the interface between the two projects
- Feedback from the '90 Day Review' of the Stage One completed facilities has been analysed, and feedback is being sought on the recommended actions arising from the review.

Change Management Progress

- The Individual clerical hub plans are being formed with business and operational leaders. A structured approach is being taken. A start-up meeting with all clerical staff is scheduled for 18 December 2009

- Following a review of the clerical staffing model, it has been confirmed that a separate reception position cannot be accommodated in the model; therefore the main entrance reception will need to be resourced by volunteers following the completion of the redevelopment. There will be no main reception facility for the period February 2010 and October 2010 during the construction of Stage Three. The cash collection function will continue to be undertaken by the clerical staff in the new Medical Records location during this period
- A paper describing a new nursing model with the key principles is being developed by the Acting Director of Nursing. A Collaborative Care model used by other DHBs may become the basis for the NMDHB model. The implementation of the new model will be dealt with via change management processes and it is aimed that it will be ready to pilot by 1 March 2010. A meeting has been held with relevant parties at Wairau to commence planning the approach for the implementation
- A follow up meeting between the Project Sponsor, PHO Manager, Planning & Funding representatives and District Managers to further progress the primary and secondary integration in line with the business case objectives has been held
- A review of clinical scheduling focusing on smoothing the patient flows and clearly identifying the influences on this has been undertaken, based on the new facilities configuration. This included looking at top groups of acute admissions and the top five avoidable hospital admissions. This information will also be used to inform areas that can improve with primary and secondary integration
- The Optimising the Patient Journey project activities are progressing in Radiology and Outpatients. Utilisation of the OPJ resources, methodologies, and application of 'lean' for the clerical hub development is planned. The interface between OPJ work-streams and Nursing team plans is being co-ordinated with the Acting DON and OPJ service improvement co-ordinators
- Draft tenancy agreements have been developed between the Stage Two areas with shared facilities, ready for further review
- Staff orientation and training programme has been issued for the new departments in Stage Two.

Budget

- The current capital cost estimate for construction is within the budget, following the identification of a number of cost savings which will be implemented without any clinical compromises
- The Stage Two furniture, fittings and equipment are reported to be within budget
- A site visit by the Quantity Surveyor representing the CHFA was undertaken on 9 December 2009, and an updated project cash flow and budget cost forecast was provided for their consideration.

Activity Planned for Next Reporting Period

- Construction activities for Stage Two continue with the completion of construction works and the commencement of commissioning
- Final migration planning for Stage Two facilities to be undertaken during January 2010
- Detailed design for Stage Three is due for completion 27 January 2010, following which a submission for Building Consent will be lodged with Marlborough District Council

- Commencing installing furniture, fittings and equipment for Stage Two during January 2010
- Arrange programming of the preferred text paging solution for the Nurse Call system
- Progress the Maternity transition plan further
- Identify further Primary Care interface opportunities
- A meeting has been scheduled in late January 2010 for the Project Team to update the SMOs with progress and obtain feedback.

Communications

- The Wairau Site Redevelopment web site has been updated with the latest project information and may be viewed using the URL <http://nmdhb.govt.nz/wairau>
- A public preview of the new ED/AAU/HDU facilities is planned for 10 February 2009
- Edition 37 of the project newsletter 'Ex-Site' will be issued 18 December 2009
- Blessing and decommissioning ceremonies for Stage Two new facilities and buildings scheduled for demolition are being planned for February 2010
- The Community Liaison Group has a number of projects underway:
 - Concept sketches for sand-blasted glass panels of the local landscape to adorn the new Main Entrance have been commissioned from a local artist
 - Response is awaited from the local secondary schools who have been invited to take part in an art competition intended to provide the hospital with updated artworks
 - Feedback has been provided in response to the concept design for the Paediatric courtyard
 - Gifts for staff relocating to new facilities in Stage Two have been ordered
 - Donation of furnishings for the Relatives and Whanau rooms is being coordinated with Blenheim Round Table
 - A landscape architect has been commissioned to produce a first concept for the Memorial Garden design
 - Representatives of the group will be present at the ED/AAU/HDU open afternoon to discuss their plans for 2010 with the community
- Weekly site visits to the construction zones for Stage Two staff continue
- Weekly construction impact meetings with staff continue through 2009/2010.

Key risks

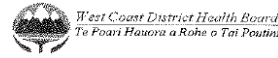
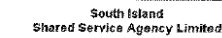
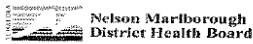
- MEDIUM RISK – The agreed program re-sequencing which mitigates the earlier reported delays to the design resulted in Stage Two construction works commencing prior to the completion of detailed design. The mitigation measures reduce the risk of the overall project being completed late; however there is an increased risk of a higher out-turn cost if the mitigation measures do not achieve the planned completion date for the whole project
- MEDIUM RISK - The revised staffing efficiency benefits for delivering additional 'throughput' volumes without increasing staffing may not compare as favourably with the proposed staffing efficiencies in the business case associated with reducing FTEs, and are therefore being kept under review
- MEDIUM RISK – Capital costs may have been underestimated. The design and cost estimates are being reviewed frequently, including the remaining contingency allowance, to provide early cost alerts. Mitigation measures will be implemented as necessary if any cost alerts are raised

- MEDIUM RISK - The peer review of the fire design for Stage Three resulted in a recommendation for referral to the Fire Service Design Review Unit (DRU), which will be undertaken when Stage Three Design is submitted for Building Consent approval, which may result in delays to commencing Stage Three and associated additional costs for the project.

Key Issues

- The delays to Stage Two have placed pressure on the overall project completion date. A programme review is being undertaken to identify potential re-sequencing mitigation measures
- The issue of the programme for the provision of the new hospital campus Dental clinic has been delayed. This delay could result in a requirement for a further temporary Dental facility to be provided, or no Dental service provision from May 2010 when the existing temporary Dental facility will be demolished, but mitigation measures including fast track procurement and construction will help recover the delays.

SECTION 5: FOR INFORMATION



South Island Health Service Planning – UPDATE DECEMBER 2009

The following update from the SIHSP Steering Group outlines progress towards the development of a South Island Health Services Plan (SIHSP).

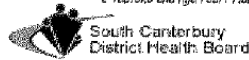
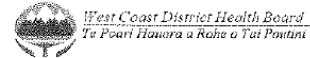
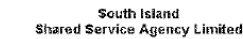
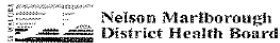
1. Service Development Workstreams

- Child Health
 - The Child Health project progressing well
 - DHB visits have been well attended
- Neurosurgery
 - Ian Brown has commenced in his role as the South Island Neurosurgical Service Clinical Establishment Leader role.
 - DHB meetings have been held with key clinicians and managers at Canterbury, Otago, Southland and South Canterbury. Meetings with staff at West Coast & Nelson Marlborough will be held in the New Year.
- Elective Services
 - Planning for a South Island approach for Elective Services is underway.
 - Clinical Leaders from each DHB have been nominated, and a meeting will be held mid January
 - Key assumptions for this work include
 - Meeting the agreed additional cases for 2010/11
 - IDF's will continue to be used until an alternative mechanism is used.
 - There will be common definitions
 - There will be a national CPAC tool used within DHBs
 - Common data
 - Three year plan
 - Private surgical facilities will be considered if appropriate.
 - Most appropriate provider to be utilised

2. Enabler workstreams

- Communications
 - Clinician Q&A approved and will be circulated within each DHB
- Demand Modelling
 - DHBs to be advised when base data will be available
 - DHB Executive teams to sign-off on base data
- Economic & social impacts of clinician v patient travel
 - The meeting with the Health Impact Assessment staff from the MoH identified the need for further work to be undertaken prior to screening & scoping for HIA
 - Health Economist resource still to be sourced
- Human Resources
 - Consideration being made to including:
 - the SI HSP Conceptual Framework in employment packs
 - a clause in the appropriate employment documentation identifying the changing approach to service delivery in the South Island

For further information contact your Steering Group representative Chris Fleming (SCDHB), Sharon Kleitchko (NMDHB), Wayne Turp (WCDHB), Mary Gordon, Hector Matthews (CDHB), Richard Burton (ODHB), Lexie O'Shea (SDHB), Rob Weir (SISAL), Siobhan Brown (MoH) or Jan Barber – 03 372 3013 or sihsp@sisal.govt.nz
 Website – <http://www.sisal.govt.nz/SIHSP/SIHSPHome.html>



- Technology
 - Current systems stocktake underway:

3. *Related Activity*

- The draft SI HSP 2009 Report has been circulated for comment
- Planning for 2010 SI wide activity has commenced

For further information contact your Steering Group representative Chris Fleming (SCDHB), Sharon Kleichko, (NMDHB), Wayne Turp (WCDHB), Mary Gordon, Hector Matthews (CDHB), Richard Bunton (ODHB), Lexie O'Shea (SDHB), Rob Weir (SISSAL), Stobhan Brown (MoH), or Jan Barber – 03 372 3013 or sihsp@sissal.govt.nz
Website - <http://www.sissal.govt.nz/SIHSP/SIHSPHome.htm>

SECTION 6: MEMBERS' ISSUES

GLOSSARY OF COMMONLY USED ACRONYMS AND ABBREVIATIONS

A4HC	Action for Healthy Children
A&D / AOD	Alcohol and Drug / Alcohol and Other Drugs
ACC	Accident Compensation Corporation
ACNM -	Associate Charge Nurse Manager
ACU	Ambulatory Care Unit
AEP	Accredited Employer Programme
AIR	Agreed Information Repository
ALOS	Average Length of Stay
AOD	Alcohol and Drug
AOHS	Adolescent Oral Health Services
ARC	Aged Residential Care
ARF	Audit Risk and Finance
ARCC	Aged Residential Care Contract
ASMS	Association of Salaried Medical Specialists
AT&R	Assessment, Treatment & Rehabilitation
BSCQ	Balanced Score Card Quadrant
BA	Business Analyst
BCTI	Buyer Created Tax Invoice
BFCI	Breast Feeding Community Initiative
BFCI	Baby Friendly Community Initiative
BS	Business Support
BSI	Blood Stream Infection
CAMHS	Child and Adolescent Mental Health Services
CBAC	Community Based Assessment Centres
CBF	Capitation Based Funding
CE (CEO)	Chief Executive (Chief Executive Officer)
CEA	Collective Employee Agreement
CDHB	Canterbury District Health Board
CCDHB	Capital & Coast District Health Board (also called C & C)
CCF	Chronic Conditions Framework
CCU	Coronary Care Unit
CDEM	Civil Defence Emergency Management
CDHB	Canterbury District Health Board
CDM	Chronic Disease Management
CEG	Coordinating Executive Group (for emergency management)
CFA	Crown Funding Agreement <u>or</u> Crown Funding Agency
CFO	Chief Financial Officer
CHFA	Crown Health Financing Agency
CHS	Community Health Services
CIMS	Coordinated Incident Management System
CIO	Chief Information Officer
CME	Continuing Medical Education
CMI	Chronic Medical Illness
CMS	Contract Management System
CNM	Charge Nurse Manager
COO	Chief Operating Officer
COPMI	Children of Parents with Mental Illness

CPHAC	Community and Public Health Advisory Committee
CPU	Critical Purchase Units
CSR	Contract Status Report
CSSD	Central Sterile Supply Department
CTA	Clinical Training Agency
CTC	Contributions to Cost
CTANAG	Clinical Training Agency Nursing Advisory Group
CTU	Combined Trade Unions
CVD	Cardiovascular Disease
CVDRA	Cardiovascular/Diabetes Risk Assessment
CWD	Case Weighted Discharge
CYAERG	Child Youth Advisory & Expert Reference Group.
CYF	Child, Youth and Family
CYFS	Child, Youth and Family Service
DAP	District Annual Plan
DHB	District Health Board
DHBNZ	District Health Boards New Zealand
DHBRF	District Health Boards Research Fund
DiSAC	Disability Support Advisory Committee
DMH	Director of Maori Health
DNA	Did Not Attend
DRG	Diagnostic Related Group
DSP	District Strategic Plan
DSS	Disability Support Services
DWCSP	District Wide Clinical Services Plan
EAP	Employee Assistance Programme
EBID	Earnings Before Interest & Depreciation
ECWD	Equivalent Case Weighted Discharge
ED	Emergency Department
EDA	Economic Development Agency
EFI	Energy For Industry
EOI	Expression of Interest
ENT	Ears, Nose and Throat
ESOL	English Speakers of Other Languages
ESPI	Elective Services Patient Flow Indicators
ESR	Environmental Science & Research
ESU	Enrolled Service Unit
FF&E	Furniture, Fixtures and Equipment
FFT	Future Funding Track
FMIS	Financial Management Information System
FOMHT	Friends of Motueka Hospital Trust
FOUND	Found Directory is an up-to-date listing of community groups and organisations in Nelson/Tasman
FRC	Fee Review Committee
FSA	First Specialist Assessment
FST	Financially Sustainable Threshold
FTE	Full Time Equivalent
FVIP	Family Violence Intervention Programme
GM	General Manager
GMS	General Medical Subsidy
GP	General Practitioner
HAC	Hospital Advisory Committee
H&DC / HDC	Health and Disability Commissioner
HBI	Hospital Benchmarking Information

HBSS	Home Based Support Services
HBT	Home Based Treatment
HDSP	Health & Disability Services Plan Programme
HDU	High Dependency Unit
HEHA	Healthy Eating Healthy Action
HEP	Hospital Emergency Plan
HESDJ	Ministries of Health, Education, Social Development, Justice
HFA	Health Funding Authority
HHS	Hospital and Health Services
HIA	Health Impact Assessment
HM	Household Management
HMS	Health Management System
HODs	Heads of Department
HOP	Health of Older People
HPI	Health Practitioner Index
HPV	Human Papilloma Virus
HR	Human Resources
HR & OD	Human Resources and Organisational Development
IANZ	International Accreditation New Zealand
IBA	Information Builders of Australia
IDF	Inter District Flow
IDSS	Intellectual Disability Support Services
IFRS	International Financial Reporting Standards
IHB	Iwi Health Board
IM	Information Management
InterRAI	Inter Residential Assessment Instrument
IPA	Independent Practitioners Association
IPC	Intensive Patient Care
IPC Units	Intensive Psychiatric Care Units
IPU	In-Patient Unit
IS	Information Systems
ISSP	Information Services Strategic Plan
IT	Information Technology
JAMHWSAP	Joint Action Maori Health & Wellness Strategic Action Plan
KIM	Knowledge and Information Management
KPI	Key Performance Indicator
KHW	Kimi Hauora Wairau (Marlborough PHO)
LA	Local Authority
LCN	Local Cancer Network
LOS	Length of Stay
LSCS	Lower Segment Caesarian Section
LTC	Long Term Care
LTCCP	Long Term Council Community Plan
LTSFSG	Long Term Service Framework Steering Group
MHDSF	Maori Health and Disability Strategy Framework
MHFS	Maori Health Foundation Strategy
MPDS	Maori Provider Development Scheme
MA	Medical Advisor
MCT	Mobile Community Team
MDC	Marlborough District Council
MDO	Maori Development Organisation
MDS	Maori Development Service
MDT	Multi Disciplinary Team
MECA	Multi Employer Collective Agreement

MHAU	Mental Health Admission Unit
MHC	Mental Health Commissioner
MHD	Maori Health Directorate
MHINC	Mental Health Information Network Collection
MHWSF	Maori Health and Wellness Strategic Framework
MOH	Ministry of Health
MOH	Medical Officer of Health
MOA	Memorandum of Agreement
MOSS	Medical Officer Special Scale
MOU	Memorandum of Understanding
MOW	Meals on Wheels
MRI	Magnetic Resonance Imaging
MRT	Medical Radiation Technologist (or Technician)
MSD	Ministry of Social Development
NPA	Nutrition and Physical Activity
NRAHDD	Nelson Region After Hours & Duty Doctor Limited
NRT	Nicotine Replacement Therapy
MRSA	Methicillin Resistant Staphylococcus Aureus
NASC	Needs Assessment Service Coordination
NBPH	Nelson Bays Primary Health
NCC	National Capital Committee
NCC	Nelson City Council
NCSP	National Cervical Screening Programme
NGO	Non Government Organisation
NHI	National Health Index
NIR	National Immunisation Register
NMDHB	Nelson Marlborough District Health Board
NMDS	National Minimum Dataset
NMIT	Nelson Marlborough Institute of Technology
NPA	Nutrition and Physical Activity (Programme)
NPV	Net Present Value
NRAHDD	Nelson Regional After Hours and Duty Doctor Ltd
NSU	National Screening Unit
NZHIS	NZ Health Information Services
NZMA	New Zealand Medical Association
NZNO	NZ Nurses Organisation
NZPH&D Act	NZ Public Health and Disability Act 2000
OIA	Official Information Act
OIS	Outreach Immunisation Services
OPD	Outpatient Department
OPF	Operational Policy Framework
OPJ	Optimising the Patient Journey
OSH	Occupational Health and Safety
OT	Occupational Therapy
PACS	Picture Archiving Computer System
P&F	Planning and Funding
PANT	Physical Activity and Nutrition Team
PBF(F)	Population Based Funding (Formula)
PC	Personal Cares
P&C	Primary & Community
PCI	Percutaneous Coronary Intervention
PCO	Primary Care Organisation
PCT	Pharmaceutical Cancer Treatments
PDR	Performance Development Review

PDRP	Professional Development and Recognition Programme
PDSA	Plan, Do, Study, Act
PFG	Performance Framework Group (formerly known as Services Framework Group)
PHS	Public Health Service
PHCS	Primary Health Care Strategy
PHI	Public Health Intelligence
PHO	Primary Health Organisation
PHOA	PHO Alliance
PHONZ	PHO New Zealand
PHS	Public Health Service
PHU	Public Health Unit
PN	Practice Nurse
PSAAP	PHO Service Agreement Amendment Protocol
PT	Patient
PTAC	Pharmacology and Therapeutics Committee
PRIMHD	Project for the Integration of Mental Health Data
PVS	Price Volume Schedule
QA	Quality Assurance
QHNZ	Quality Health NZ
QIC	Quality Improvement Council
RDA	Resident Doctors Association
RDA	Riding for Disabled
RIF	Rural Innovation Fund
RFI	Request for Information
RFP	Request for Proposal
RICF	Reducing Inequalities Contingency Funding
RM	Registered Midwife
RMO	Resident Medical Officer
RN	Registered Nurse
ROI	Registration of Interest
RSE	Recognised Seasonal Employer
SAN	Storage Area Network
SCBU	Special Care Baby Unit
SCN	Southern Cancer Network
SDB	Special Dental Benefit Services
SHSOP	Specialist Health Services for Older People
SICF	South Island Chairs Forum
SICSP	South Island Clinical Services Plan
SI HSP	South Island Health Services Plan
SIRCC	South Island Regional Capital Committee
SISSAL	South Island Shared Service Agency
SLH	SouthLink Health
SLT	Strategic Leadership Team
SMO	Senior Medical Officer
SNA	Special Needs Assessment
SOI	Statement of Intent
SOPD	Surgical Outpatients Department
SOPH	School of Population Health
TDC	Tasman District Council
TLA	Territorial Local Authority
TOW	Treaty of Waitangi
TOR	Terms of Reference
TRTT	Te Roopu Tupu Tahi

UG	User Group
VLCA	Very Low Cost Access
VRA	Vascular Risk Assessment
WAM	Wairau Accident & Medical Trust
WAVE (Project)	Working to Add Value through E-Information
YTD	Year to Date

January 2010