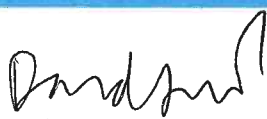

Appendix 1

Statement of Performance Expectations including Financial Performance

David Smol

Chair

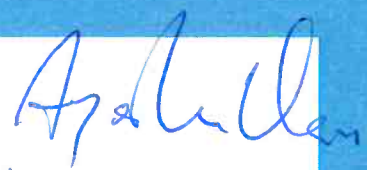
Date:


29/7/20

Ayesha Verrall

Deputy Chair

Date:


29/7/20

Statement of Performance Expectations including Financial Performance

This section must be tabled in Parliament. All components of this section are mandatory ([section 149C of the Crown Entities Act 2004](#))

As both the major funder and provider of health services in the CCDHB region, the decisions we make and the way in which we deliver services have a significant impact on the health and wellbeing of our population and communities.

Having a limited resource pool and growing demand for health services, we are strongly motivated to ensure we are delivering the most effective and efficient services possible.

On an annual basis, we evaluate our performance by providing a forecast of the services we plan to deliver and the standards we expect to meet. The results are then presented in our Annual Report at year end.

The following section presents CCDHB's Statement of Performance Expectations for 2020/21.

Interpreting Our Performance

As it would be overwhelming to measure every service delivered, the services we deliver have been grouped into four services classes. These are common to all DHBs and reflect the types of services provided across the full health and wellbeing continuum:

- Prevention services
- Early detection and management services
- Intensive assessment and treatment services
- Rehabilitation and support services

Under each service class, we have identified a mix of measures that we believe are important to our community and stakeholders, and provide a fair indication of how well the DHB is performing.

Setting Standards

In setting performance standards, we consider the changing demography of our population, areas of increasing demand and the assumption that resources and funding growth will be limited.

Our performance standards reflect the outcomes the DHB is wanting to achieve:

- Strengthen our communities and families so they can be well;
- It is easier for people to manage their own health needs;
- We have equal health outcomes for all communities;
- Long term health conditions and complexity occur later in life and for shorter duration; and,
- Expert specialist services are available to improve health gain.

We also seek to improve the experience of people in our care and public confidence in our health system.

While targeted intervention can reduce service demand in some areas, there will always be some demand the DHB cannot influence, such as demand for maternity services and palliative care services. It is not appropriate to set targets for these services, however they are an important part of the picture of health need and service delivery in our region.

In health, the number of people who receive a service can be less important than whether enough of the right people received the service, or whether the service was delivered at the right time. To ensure a balanced, well rounded picture, the mix of measures identified in our Statement of Performance Expectations address four key aspects of service performance:

Access	How well are people accessing services, is access equitable, are we engaging with all of our population?
Timeliness	How long are people waiting to be seen or treated, are we meeting expectations?
Quality	How effective is the service, are we delivering the desired health outcomes?
Experience	How satisfied are people with the service they receive, do they have confidence in us?

With a growing diversity and persistent inequities across our population, achieving equity of outcomes is an overarching priority for the DHB. All of our targets are universal, with the aim of reducing disparities between population groups.

Where does the money go?

In 2020/21, the DHB will receive approximately \$1.3 billion dollars with which to purchase and provide the services required to meet the needs of our population.

The table below represents a summary of our anticipated financial split for 2020/21 by service class.

	2020/21
Revenue	Total \$'000
Prevention	\$13,126
Early detection & management	\$273,416
Intensive assessment & treatment	\$855,548
Rehabilitation & support	\$132,469
Total Revenue - \$'000	\$1,274,559
Expenditure	
Prevention	\$13,126
Early detection & management	\$273,416
Intensive assessment & treatment	\$895,363
Rehabilitation & support	\$132,469
Total Expenditure - \$'000	\$1,314,374
Surplus/(Deficit) - \$'000	(\$39,815)

Prevention Services

Why are these services significant?

Prevention services are publically funded services that promote and protect the health of the whole population or targeted populations. These services seek to address individual behaviours by targeting physical and social environments and norms that can influence and support people to make healthier choices and are, in this way, distinct from treatment services.

The four leading long-term conditions - cancer, cardiovascular disease, diabetes, and respiratory disease - make up 80% of the disease burden for our population. By supporting people to make healthier choices we can reduce the risk factors that contribute to these conditions. High-need population groups are also more likely to engage in risky behaviours, or live in environments less conducive to making healthier choices. Prevention services are therefore one of our foremost opportunities to target improvements in the health of high-need populations and reduce inequities in health status and health outcomes. Prevention services are designed to spread consistent messages to a large number of people and can therefore be a very cost-effective health intervention.

How will we demonstrate our success?

Immunisation Services				
These services reduce the transmission and impact of vaccine-preventable diseases, both routinely and in response to specific risk. Engagement in programmes and high coverage rates are indicative of a well-coordinated, successful service	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
% of eight month olds fully vaccinated	Māori	87%	89%	≥95%
	Pacific	92%	85%	
	Non-Māori, Non-Pacific	95%	96%	
	Total	93%	94%	
% of two year olds fully immunised	Māori	86%	91%	≥95%
	Pacific	87%	84%	
	Non-Māori, Non-Pacific	95%	95%	
	Total	92%	93%	
% of five year olds fully immunised	Māori	86%	92%	≥95%
	Pacific	89%	82%	
	Non-Māori, Non-Pacific	90%	90%	
	Total	90%	90%	
% of children aged 11 years provided Boostrix vaccination	Māori	73%	72%	≥70%
	Pacific	81%	66%	
	Non-Māori, Non-Pacific	--	68%	
	Total	69%	68%	
% of children (girls and boys aged 12 years) provided HPV vaccination	Māori	59%	53%	≥75%
	Pacific	70%	56%	
	Non-Māori, Non-Pacific	71%	59%	
	Total	69%	57%	
% of population aged 65 years and over immunised against influenza	Māori	45%	45%	≥75%
	Pacific	65%	64%	
	Non-Māori, Non-Pacific	58%	58%	
	Total	58%	57%	

Health Promotion Services				
These services inform people about risk, and support them to make healthy choices. Success is evident through increased engagement, which leads over time to more positive behaviour choices and a healthier population.	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
% of infants fully or exclusively breastfed at 3 months	Māori	48%	51%	≥70%
	Pacific	43%	44%	
	Non-Māori, Non-Pacific	69%	69%	
	Total	64%	65%	
% of four year olds identified as obese at their B4 School Check referred for family based nutrition, activity and lifestyle intervention	Māori	92%	95%	≥95%
	Pacific	96%	100%	
	Non-Māori, Non-Pacific	96%	93%	
	Total	95%	94%	
% of PHO-enrolled patients who have quit smoking in the last 12 months	Māori	8%	11%	12%
	Pacific	10%	10%	

	Non-Māori, Non-Pacific	17%	16%	
	Total	14%	14%	
% of PHO-enrolled patients who smoke and have been offered help to quit by a health practitioner in the last 15 months	Māori	84%	84%	≥90%
	Pacific	83%	82%	
	Non-Māori, Non-Pacific	90%	89%	
	Total	87%	90%	
% of hospitalised smokers offered advice to help quit	Māori	88%	83%	≥95%
	Pacific	87%	86%	
	Non-Māori, Non-Pacific	87%	84%	
	Total	87%	84%	
% of pregnant women who identify as smokers upon registration with a DHB midwife or Lead Maternity Carer offered advice to quit	Māori	96%	100%	≥90%
	Total	100%	100%	

Population-based Screening Services				
These services help to identify people at risk of developing a long-term condition and support earlier intervention and treatment. Success is reflected by engagement in programmes and high coverage rates across the population.	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
% of eligible children receiving a B4 School Check	Māori	76%	79%	≥90%
	Pacific	85%	73%	
	Non-Māori, Non-Pacific	88%	86%	
	Total	86%	83%	
% of eligible women (25-69 years old) having cervical screening in the last 3 years	Māori	61%	66%	≥80%
	Pacific	65%	67%	
	Non-Māori, Non-Pacific	76%	75%	
	Total	74%	74%	
% of eligible women (50-69 years old) having breast cancer screening in the last 2 years	Māori	67%	67%	≥70%
	Pacific	68%	69%	
	Non-Māori, Non-Pacific	72%	72%	
	Total	72%	71%	

Early Detection and Management Services

Why are these services significant?

The New Zealand health system is experiencing an increasing prevalence of long-term conditions; so-called because once diagnosed, people usually have them for the rest of their lives. Some population groups suffer from these conditions more than others and prevalence increases with age.

Our Health System Plan is designed to support people and whānau-led wellbeing with the system organised around two elements: People and Place. For most people, their general practice team is their first point of contact with health services and is vital as a point of continuity in improving the management of care for people with long-term conditions. By promoting regular engagement with primary and community services we are better able to support people to stay well, identify issues earlier, and reduce complications, acute illness and unnecessary hospital admissions. Our approach will be particularly effective where people have multiple conditions requiring ongoing intervention or support.

How will we demonstrate our success?

Oral Health Services				
These services help people maintain healthy teeth and gums and support lifelong health and wellbeing. High levels of enrolment and timely access to treatment are indicative of an accessible and efficient service.	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
% of children under 5 years enrolled in DHB-funded dental services	Māori	68%	68%	≥95%
	Pacific	86%	86%	
	Non-Māori, Non-Pacific	98%	98%	
	Total	90%	90%	
% of children caries free at 5 years	Māori	53%	53%	≥69% (2018)
	Pacific	44%	44%	
	Non-Māori, Non-Pacific	78%	78%	
	Total	72%	72%	
Ratio of mean decayed, missing, filled teeth (DMFT) at year 8	Māori	0.8	0.8	≥0.49 (2018)
	Pacific	0.92	0.92	
	Non-Māori, Non-Pacific	0.42	0.42	

	Total	0.52	0.52	
% of children (0-12) enrolled in DHB oral health services overdue for their scheduled examinations	Māori	13%	13%	≤10%
	Pacific	13%	13%	
	Non-Māori, Non-Pacific	8%	8%	
	Total	9%	9%	
% of adolescents accessing DHB-funded dental services	Māori	54%	56%	≥85%
	Pacific	73%	73%	
	Non-Māori, Non-Pacific	86%	83%	
	Total	79%	77%	

Primary Care Services				
These services support people to maintain and manage their health and wellbeing and avoid unnecessary hospital admissions. High levels of enrolment and engagement with general practice are indicative of an accessible and responsive service.	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
% of newborn enrolment with general practice by three months of age	Māori	68%	74%	≥85%
	Pacific	89%	99%	
	Non-Māori, Non-Pacific	101%	98%	
	Total	95%	93%	
% of the DHB-domiciled population that is enrolled in a PHO	Māori	80%	90%	94%
	Pacific	96%	100%	
	Non-Māori, Non-Pacific	94%	92%	
	Total	92%	92%	
% of the eligible population assessed for CVD risk in the last five (ten) years ⁴	Māori	78%	79%	≥90%
	Pacific	80%	81%	
	Non-Māori, Non-Pacific	78%	90%	
	Total	78%	88%	
% of people with diabetes aged 15-74 years enrolled with a PHO who latest HbA1c in the last 12 months was ≤64 mmol/mol	Māori	54%	48%	≥60%
	Pacific	49%	46%	
	Non-Māori, Non-Pacific	67%	60%	
	Total	62%	56%	
Avoidable hospital admission rate for children aged 0-4 (per 100,000 people)	Māori	7,293	7,236	See System Level Measure Improvement Plan
	Pacific	10,297	10,644	
	Non-Māori, Non-Pacific	5,150	4,867	
	Total	6,151	5,983	
Avoidable hospital admission rate for adults aged 45-64 (per 100,000 people)	Māori	6,302	6,854	≤2,623
	Pacific	7,517	7,746	
	Non-Māori, Non-Pacific	2,642	2,623	
	Total	3,898	3,272	
Rate of hospitalisations potentially related to housing conditions per 1,000 population for children under 15 years age	Māori	10	17	≤10
	Pacific	16	19	≤16
	Non-Māori, Non-Pacific	3	5	≤3
	Total	6	9	≤6
Primary Care Patient Experience scores	Communication	8.5	8.3	8.5
	Partnership	7.5	7.5	8
	Physical & Emotional Needs	7.5	8.3	8.3
	Coordination	8.6	8.4	8.6

Pharmacy Services				
These are services which a health professional uses to help diagnose or monitor a health condition. While largely demand driven, timely access to services enables improved clinical decision-making and reduces unnecessary delays in treatment, and is therefore indicative of a successful service.	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
% of the DHB-domiciled population that were dispensed at least one prescription item	Māori	72%	74%	78%
	Pacific	81%	82%	
	Non-Māori, Non-Pacific	79%	76%	
	Total	78%	76%	
% of people aged 65+ years receiving five or more long-term medications	Māori	33%	32%	25%
	Pacific	48%	49%	
	Non-Māori, Non-Pacific	29%	29%	
	Total	30%	30%	
Number of people registered with a Long Term Conditions programme in a pharmacy	Total	6,571	6,516	6,604

⁴ Prior to 2019/20, CVD risk assessments have been for the previous five years. From 2019/20 on, they are for the previous ten years.

Number of people participating in a Community Pharmacy Anticoagulant Management service in a pharmacy	Total	208	190	250
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Intensive Assessment and Treatment Services

Why are these services significant?

Intensive assessment and treatment services are more complex services provided by specialists and health professionals working closely together. They are usually provided in hospital settings, which enables the co-location of expertise and equipment. A proportion of these services are delivered in response to acute events; others are planned, and access is determined by clinical triage, capacity, treatment thresholds and national service coverage agreements.

Timely access to intensive assessment and treatment can significantly improve people's quality of life through corrective action and is crucial to improving survival rates for complex illness such as cancer. Responsive services and timely access to treatment also enable people to establish more stable lives, and result in improved confidence in the health system.

As a provider of specialist services, the DHB is committed to ensuring the quality of its service provision. Adverse events and delays in treatment, as well as causing harm to patients, drive unnecessary costs. Improved processes will support patient safety, reduce the number of events causing injury or harm, and improve health outcomes for our population.

How will we demonstrate our success?

Maternity Services				
These services are provided to women and their families through pre-conception, pregnancy, childbirth and the early months of a baby's life. Demand driven, service utilisation is monitored to ensure services are accessible and responsive to need.	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
% of maternity deliveries made in Primary Birthing Units	Māori	20%	13%	≥9%
	Pacific	15%	19%	
	Non-Māori, Non-Pacific	7%	7%	
	Total	10%	9%	

Acute and Urgent Services				
These are services delivered in response to accidents or illnesses that have an abrupt onset or progress rapidly. While largely demand driven, not all acute events require hospital treatment. Because early intervention can reduce the impact of the event, multiple options and shorter waiting times are indicative of a responsive system.	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
Number of Community Acute Response packages of care provided in community settings	Total	674	1,328	1,368
Number of zero-fee consultations at after-hours services by children under 14 years	Māori	3019	2362	>3019
	Pacific	3924	2867	>3924
	Non-Māori, Non-Pacific	14,486	12,385	>14,486
	Total	21,429	17,636	>21,429
Age-standardised ED presentation rate per 1,000 population in sub-regional hospitals	Māori	202	210	≤149
	Pacific	246	249	
	Non-Māori, Non-Pacific	149	145	
	Total	160	157	
% of patients admitted, discharged or transferred from ED within 6 hours	Māori	80%	75%	≥95%
	Pacific	82%	73%	
	Non-Māori, Non-Pacific	80%	77%	
	Total	81%	76%	
Standardised acute readmission rate within 28 days	Total	12.7%	12.9%	12.4%

Elective & Arranged Services				
These are medical and surgical services provided for people who do not need immediate hospital	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21

treatment, where their assessment or treatment is booked or arranged. Maintaining access while reducing waiting times is indicative of an efficient service.				
Number of planned care interventions – inpatient surgical discharges	Total	11,207	10,212	11,207
Number of planned care interventions – minor procedures	Total	4,676	4,928	4,676
% of patients given a commitment to treatment but not treated within four months	Total	2.5%	4.9%	0%
% of “DNA” (did not attend) appointments for outpatient appointments	Māori	16%	14%	12%
	Pacific	18%	15%	13%
	Non-Māori, Non-Pacific	6%	6%	5%
	Total	8%	7%	7%
% of patients waiting longer than four months for their first specialist assessment	Total	0.8%	2.1%	0%
% of patients with a high suspicion of cancer and a need to be seen within two weeks that received their first cancer treatment (or other management) within 62 days of being referred	Total	89%	94%	≥90%
% of patients receiving their first cancer treatment (or other management) within 31 days from date of decision-to-treat	Total	92%	90%	≥85%

Mental health, addictions and wellbeing services					
These are services for those most severely affected by mental illness and/or addictions who require specialist intervention and treatment. Reducing waiting times, while meeting an increasing demand for services, is indicative of a responsive and efficient service.		Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
Access to mental health services: Number of mental health service users	Māori		2,500	2,611	2600
	Pacific		777	803	800
	Non-Māori, Non-Pacific		7,925	7,811	7850
	Total		11,202	11,225	11250
% of clients with a transition (discharge) plan		Total	52%	50%	≥95%
% of clients with a wellness plan		Total	39%	67%	≥95%
% of population accessing community mental health services	Mental health services	Māori	1.8%	1.6%	1.7%
		Pacific	1.1%	1.1%	1.1%
		Non-Māori, Non-Pacific	0.6%	0.6%	0.6%
		Total	0.7%	0.7%	0.7%
	Addiction services	Māori	1.4%	1.4%	1.4%
		Pacific	0.7%	0.8%	0.8%
		Non-Māori, Non-Pacific	0.3%	0.3%	0.3%
		Total	0.5%	0.5%	0.5%
% of population accessing secondary:	Mental health services	Māori	4.9%	4.5%	4.7%
		Pacific	2.3%	2.1%	2.2%
		Non-Māori, Non-Pacific	2.5%	2.3%	2.4%
		Total	2.7%	2.5%	2.7%
	Addiction services	Māori	0.4%	0.3%	0.4%
		Pacific	0.1%	0.1%	0.1%
		Non-Māori, Non-Pacific	0.2%	0.2%	0.2%
		Total	0.2%	0.2%	0.2%
% of patients 0-19 referred to non-urgent child & adolescent services that were seen within eight weeks:	Mental health services	Māori	95%	90%	≥95%
		Pacific	95%	93%	
		Non-Māori, Non-Pacific	92%	91%	
		Total	93%	87%	
	Addiction services	Māori	84%	86%	
		Pacific	80%	63%	
		Non-Māori, Non-Pacific	76%	78%	
		Total	80%	80%	
% of people admitted to an acute mental health inpatient service that were seen by mental health community team:	7 days prior to the day of admission	Māori	72%	63%	≥75%
		Pacific	67%	79%	
		Non-Māori, Non-Pacific	78%	67%	
		Total	75%	67%	
	7 days following the day of discharge	Māori	76%	74%	≥90%
		Pacific	77%	64%	
		Non-Māori, Non-Pacific	81%	79%	
		Total	79%	77%	
Rate of Māori under the Mental Health Act: Section 29 community treatment orders	Māori	494	511	445	
	Non-Māori	142	149	128	

Quality, safety and patient experience				
These quality and patient safety measures are national markers championed and monitored by the NZ Health Quality & Safety Commission. High compliance levels indicate quality processes and strong clinical engagement.	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
Rate of inpatient falls resulting in a fracture per 1,000 bed days	Total	0.1	0.05	0.05
Rate of hospital acquired pressure injuries per 1,000 bed days	Total	TBC	TBC	TBC
Rate of In-hospital falls with fractured neck of femur, per 100,000 admissions by month	Total	3.59	5.3	5
Rate of staphylococcus aureus bacteraemia, per 1,000 bed days	Total	0.14	0.1	0.1
Rate of surgical site infections for hip and knee operations, per 100 procedures	Total	2.64	1.2	0.8
Rate of in-hospital cardiopulmonary arrests in adult inpatient wards, per 1,000 admissions	Total	1.4	1.3	1.2
Rate of rapid response escalations, per 1000 admissions	Total	46.41	47.2	47
Rates of deep vein thrombosis/pulmonary embolus	Total	1.21	1.19	1.15
The weighted average score in the Inpatient Experience Survey by domain	Communication	8.5	8.4	8.4
	Partnership	8.6	8.6	8.6
	Physical & Emotional Needs	8.6	8.8	8.9
	Coordination	8.3	8.4	8.5

Rehabilitation and Support Services

Why are these services significant?

Rehabilitation and support services provide people with the assistance they need to live safely and independently in their own homes or regain functional ability after a health related event. These services are considered to provide people with a much higher quality of life as a result of people being able to stay active and positively connected to their communities. This is evidenced by less dependence on hospital and residential services and a reduction in acute illness, crisis or deterioration leading to acute admission or readmission into our hospitals.

Even when returning to full health is not possible, timely access to responsive support services enables people to maximise their independence. In preventing deterioration, acute illness or crisis, these services have a major impact on the sustainability of our health system by reducing acute demand, unnecessary ED presentations and the need for more complex interventions. These services also support patient flow by enabling people to go home from hospital earlier.

Support services also include palliative care for people who have end-of-life conditions. It is important that they and their families are appropriately supported, so that the person is able to live comfortably and have their needs met in a holistic and respectful way, without undue pain and suffering.

How will we demonstrate our success?

Disability Support Services				
These services support people with disabilities to find solutions to support their engagement in health services. Success is measured by responsive services that support people with disabilities and consumer-clinician partnership.	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
Number of sub-regional Disability Forums	Total	1	1	1
% of hospital staff that have completed the Disability Responsiveness eLearning Module	Total	23%	28%	33%
Number of people with a Disability Alert	Total	8,881	9,020	9,500
% of the CCDHB domiciled population with a Disability Alert who are Māori or Pacific	Māori	10.7%	10.4%	15%
	Pacific	5.6%	6.5%	10%

Health of Older People Support Services				
These services aim to restore or maximise people's health or functional ability, following a health-related	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21

event such as a fall, heart attack or stroke. Largely demand-driven, success is measured through appropriate service referral following an event.				
% of people 75+ living in their own home	Māori	TBC	TBC	TBC
	Pacific	TBC	TBC	TBC
	Non-Māori, Non-Pacific	TBC	TBC	TBC
	Total	88%	90%	90%
Acute average length of stay in hospital for people 75+	Māori	5.1	6.5	≤ 6.0
	Pacific	5.3	4.2	≤ 5.0
	Non-Māori, Non-Pacific	5.0	5.1	≤ 5.0
	Total	5.0	5.1	≤ 5.0
Standardised acute readmission rate for people 75+	Māori	12.4%	11.6%	≤ 12%
	Pacific	11.3%	8.3%	≤ 9%
	Non-Māori, Non-Pacific	11.9%	12.3%	≤ 12%
	Total	11.9%	12.1%	≤ 12%
Rate of hip (neck of femur) fractures due to an out of hospital fall per 1,000 people 50+ ⁵	Māori	Fewer than 5 events	Fewer than 5 events	≤ 2.3
	Pacific	Fewer than 5 events	Fewer than 5 events	
	Non-Māori, Non-Pacific	Fewer than 5 events	Fewer than 5 events	
	Total	2.5	2.3	

Aged Residential Care Services				
With an ageing population, demand for aged related care (ARC) is expected to increase, but a reduction in demand for lower-level residential care is indicative of more people being successfully supported for longer in their own homes. The DHB subsidises ARC for people who meet the national thresholds for care.	Target Group	CCDHB Baseline 2018/19	CCDHB Forecast 2019/20	CCDHB Target 2020/21
% of residential care providers meeting three year (or more) certification standards	Total	93%	97%	95%

⁵ If there are less than five admissions for any ethnicity in the past twelve months, that ethnicity will not have its rate shown for privacy reasons. Where this has occurred, "No data available" has been added.

Financial Performance

The prospective planned result for Capital and Coast DHB 2020/21 annual plan is a deficit of \$39.8 million. The forecast result for 2019/20 is a deficit of \$44.2 million. This includes \$8 million related to COVID-19 costs plus a Holiday Act revaluation addition of \$12.4m. The planned result for 2021/22 includes a donation of \$60 million towards the building of the new Children's Hospital. The DHB is working towards a break even position by 2022/23.

Financial Performance Summary

Capital & Coast DHB Annual Plan Budget for the Four years ending 30 June 2024	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
Funding (excluding IDF inflows below)	943.5	990.9	1,032.3	1,136.6	1,129.2	1,184.1
Services provided for Other DHBs (IDF Inflows)	218.2	227.3	242.2	251.9	262.0	272.5
Total Funding	1,161.6	1,218.2	1,274.6	1,388.5	1,391.2	1,456.6
DHB Provider Arm	860.2	841.5	879.2	903.9	926.2	976.5
Funder Arm	290.3	312.0	321.6	334.3	343.8	353.6
Governance Arm	11.0	10.8	10.6	10.8	11.0	11.3
Services Purchased from Other DHBs (IDF Outflows)	96.4	98.1	103.1	106.2	109.3	112.6
Total Allocated	1,258.0	1,262.4	1,314.4	1,355.2	1,390.4	1,454.0
Surplus / (Deficit)	(96.4)	(44.2)	(39.8)	33.3	0.9	2.6

CCDHB Prospective Financial Performance

Capital & Coast DHB Statement of Comprehensive Income & Expenditure Plan for the Four Years ending 30 June 2024	Actual 2018/19 * (000s)	Forecast 2019/20 ** (000s)	Plan 2020/21** (000s)	Plan 2021/22 (000s)	Plan 2022/23 (000s)	Plan 2023/24 (000s)
REVENUE						
Government and Crown Agency Sourced	1,126,347	1,187,473	1,244,451	1,297,846	1,359,900	1,424,614
Patient / Consumer Sourced	5,238	5,527	4,965	5,064	5,166	5,269
Other Income	30,036	25,189	25,143	85,637	26,141	26,703
TOTAL REVENUE	1,161,621	1,218,189	1,274,560	1,388,548	1,391,207	1,456,586
OPERATING COSTS						
<i>Personnel Costs</i>						
Medical Staff	187,670	175,829	185,399	189,261	193,217	199,767
Nursing Staff	238,301	233,986	234,861	244,244	249,342	257,752
Allied Health Staff	63,990	63,729	69,242	70,684	72,162	74,611
Support Staff	10,930	9,759	10,977	11,208	11,442	11,830
Management / Administration Staff	72,008	71,657	77,405	79,022	80,675	83,416
Total Personnel Costs	572,898	554,959	577,884	594,419	606,838	627,376
<i>Clinical Costs</i>						
Outsourced Services	24,601	28,267	31,922	32,476	33,040	33,843
Clinical Supplies	130,291	131,045	139,820	144,967	150,182	156,410
Total Clinical Costs	154,891	159,312	171,742	177,443	183,221	190,253
<i>Other Operating Costs</i>						
Hotel Services, Laundry & Cleaning	23,809	25,054	25,819	26,310	26,810	27,461
Facilities	43,401	43,363	45,016	45,872	48,243	50,879
Transport	3,157	2,537	3,029	3,086	3,145	3,221
IT Systems & Telecommunications	13,454	16,336	15,284	15,574	15,870	16,256
Interest & Financing Charges	29,850	24,485	22,836	23,270	23,712	24,289
Professional Fees & Expenses	7,258	7,637	108	110	112	115
Other Operating Expenses	10,886	6,303	17,642	17,977	18,319	36,764
Democracy	432	776	505	515	524	537
Provider Payments	386,764	410,103	424,626	440,502	453,187	466,252
Recharges	11,193	11,497	9,884	10,124	10,370	10,622
Total Other Operating Costs	530,204	548,091	564,749	583,340	600,293	636,395
TOTAL COSTS	1,257,993	1,262,362	1,314,375	1,355,202	1,390,352	1,454,024
NET SURPLUS / (DEFICIT)	(96,373)	(44,173)	(39,815)	33,345	855	2,562
***Asset Revaluation (Equity movement - IRFS requirement)	(5,350)	(702)	-	-	-	-
TOTAL COMPREHENSIVE INCOME SURPLUS/(DEFICIT)	(101,723)	(44,875)	(39,815)	33,345	855	2,562

* Please note that the 2018/19 and 2019/20 actuals include adjustments for year end provisions i.e. Holidays Act and write offs.

** Please note that final audited actuals for the 2019/20 year is pending. Plan for 2021/22 includes a donation of \$56m from benefactor towards the Children's Hospital

*** Please note that for IRFS purposes, any movement in the Revaluation Reserves now needs to be displayed in the Statement of Comprehensive Income (above), as well as in the balance sheet as per normal. This is purely for presentation purposes, and doesn't change the target the DHB is working to. The DHB is still working to the 'Net Surplus / (Deficit)', rather than the 'Total Comprehensive Income' amount.

Prospective Financial Position

Capital & Coast DHB Statement of Financial Position Plan for the Four Years ending 30 June 2024	Actual 2018/19 * (000s)	Forecast 2019/20 ** (000s)	Plan 2020/21** (000s)	Plan 2021/22 (000s)	Plan 2022/23 (000s)	Plan 2023/24 (000s)
Non Current Assets						
Land	41,165	40,352	40,352	40,352	40,352	40,352
Buildings	447,637	429,528	505,342	599,282	629,664	641,549
Clinical Equipment	33,611	32,635	46,756	65,251	84,618	98,317
Information Technology	14,921	17,416	31,398	45,314	59,161	72,920
Work in Progress	42,115	68,943	64,943	69,643	56,843	56,843
Other Fixed Assets	4,374	4,196	6,133	8,043	9,927	11,776
Total Non Current Assets	583,823	593,071	694,924	827,886	880,566	921,758
Current Assets						
Cash	33	6,554	6,554	6,554	6,554	6,554
Trust/Investments	10,754	11,683	11,683	11,683	11,683	11,683
Prepayments	4,197	6,257	6,257	6,257	6,257	6,257
Accounts Receivable	58,394	48,571	49,375	49,375	49,375	49,375
Inventories	9,046	8,995	8,995	8,995	8,995	8,995
Other Current Assets	(6,528)	804	-	-	-	-
Total Current Assets	75,896	82,864	82,864	82,864	82,864	82,864
Current Liabilities						
Bank overdraft	2,704	-	22,162	55,907	86,617	113,231
Payables & Accruals	215,766	251,426	251,679	251,679	251,679	251,679
GST & Tax Provisions	9,642	9,820	9,820	9,820	9,820	9,820
Current Private Sector Debt	55	-	-	-	-	-
Total Current Liabilities	228,167	261,246	283,660	317,406	348,116	374,729
Net Current Assets	(152,271)	(178,382)	(200,796)	(234,542)	(265,252)	(291,866)
NET FUNDS EMPLOYED	431,552	414,689	494,128	593,344	615,314	629,893
Term Liabilities						
Restricted & Trust Funds Liability	72	95	95	95	95	95
Non Current Provisions & Payables Personnel	6,958	7,169	7,169	7,169	7,169	7,169
Total Term Liabilities	7,029	7,264	7,264	7,264	7,264	7,264
Net Assets	424,523	407,424	486,863	586,079	608,049	622,628
General Funds						
Crown Equity	774,716	812,773	932,028	997,898	1,019,014	1,031,031
Revaluation Reserve	131,361	130,660	130,660	130,660	130,660	130,660
Trust & special funds no restriction	10,648	-	-	-	-	-
<i>Retained Earnings</i>						
Retained Earnings - DHB	(492,203)	(536,008)	(575,823)	(542,478)	(541,624)	(539,062)
Total Retained earnings	(492,203)	(536,008)	(575,823)	(542,478)	(541,624)	(539,062)
Total General Funds	424,523	407,424	486,863	586,079	608,049	622,628
NET FUNDS EMPLOYED	431,552	414,689	494,128	593,344	615,314	629,893

Prospective Cash Flow

Capital & Coast DHB Statement of Cashflows Budget for the Four Years ending 30 June 2024	Actual 2018/19 * (000s)	Forecast 2019/20 ** (000s)	Plan 2020/21** (000s)	Plan 2021/22 (000s)	Plan 2022/23 (000s)	Plan 2023/24 (000s)
Operating Activities						
Government & Crown Agency Revenue Received	1,139,635	1,269,327	1,316,509	1,374,752	1,441,150	1,510,093
All Other Revenue Received	19,299	23,420	23,989	70,230	10,425	10,677
Total Receipts	1,158,934	1,292,747	1,340,498	1,444,982	1,451,574	1,520,770
Payments for Personnel	(501,958)	(530,469)	(551,693)	(562,175)	(579,040)	(602,202)
Payments for Supplies	(200,849)	(267,133)	(317,458)	(324,425)	(334,289)	(363,864)
Capital Charge	(29,805)	(12,297)	(12,297)	(12,297)	(12,297)	(12,297)
GST (net)	(2,244)	(1,595)	(1,641)	(1,641)	(1,641)	(1,641)
Other Payments	(415,453)	(451,219)	(462,668)	(476,125)	(486,299)	(498,661)
Total Payments	(1,150,309)	(1,262,712)	(1,345,756)	(1,376,662)	(1,413,565)	(1,478,664)
Net Cashflow from Operating	8,625	30,036	(5,258)	68,320	38,010	42,106
Investing Activities						
Sale of Fixed Assets	-	500	-	-	-	-
Interest Receipts from 3rd Party	1,204	762	756	756	756	756
Dividends	-	138	139	139	139	139
Total Receipts	1,204	1,400	895	895	895	895
Capital Expenditure						
Land, Buildings & Plant	(18,139)	(22,453)	(95,506)	(122,783)	(43,683)	(40,083)
Clinical Equipment	(13,152)	(15,464)	(20,746)	(25,246)	(26,246)	(20,746)
Other Equipment	(3,979)	(3,313)	(3,313)	(3,313)	(3,313)	(3,313)
Informations Technology	(4,142)	(4,373)	(17,489)	(17,489)	(17,489)	(17,489)
Total Capital Expenditure	(39,412)	(45,602)	(137,053)	(168,830)	(90,730)	(81,630)
Net Cashflow from Investing	(38,208)	(44,203)	(136,159)	(167,936)	(89,836)	(80,736)
Financing Activities						
Equity Injections	(3,484)	8,376	79,439	39,216	21,116	12,016
Deficit Support	14,100	16,000	39,815	26,655	-	-
Other Financing Activities	(246)	(55)	-	-	-	-
Total Financing Activities	10,370	24,321	119,254	65,871	21,116	12,016
Net Cashflow	(19,213)	10,153	(22,162)	(33,745)	(30,710)	(26,613)
Plus: Opening Cash	27,296	8,083	18,236	(3,926)	(37,671)	(68,382)
Closing Cash	8,083	18,236	(3,926)	(37,671)	(68,382)	(94,995)
Closing Cash comprises:						
Balance Sheet Cash	10,787	18,236	18,236	18,236	18,236	18,236
Balance Sheet Operating Overdraft	(2,704)	-	(22,162)	(55,907)	(86,617)	(113,231)
Total Cashflow Cash (Closing)	8,083	18,236	(3,926)	(37,671)	(68,381)	(94,995)

Prospective Output Class Financials

Capital & Coast DHB Statement of Objectives and service performance Plan for the Year Ending 30 June 2021 Statement of revenue and expenses by output class	Prevention (000s)	Early Detection and Management (000s)	Intensive Assessment and Treatment (000s)	Rehabilitation and Support (000s)	Total DHB (000s)
REVENUE					
Crown	13,126	273,416	825,440	132,469	1,244,451
Other	-	-	30,108	-	30,108
Total Revenue	13,126	273,416	855,548	132,469	1,274,559
EXPENDITURE					
Personnel	173	3,266	572,697	1,748	577,884
Depreciation	-	-	35,200	-	35,200
Capital charge	-	-	22,729	-	22,729
Provider Payments	11,578	228,335	74,476	110,238	424,626
Other	1,375	41,815	190,262	20,483	253,935
Total Expenditure	13,126	273,416	895,363	132,469	1,314,374
Net Surplus/(Deficit)	-	-	(39,815)	-	(39,815)

Capital & Coast DHB Statement of Objectives and service performance Plan for the Year Ending 30 June 2022 Statement of revenue and expenses by output class	Prevention (000s)	Early Detection and Management (000s)	Intensive Assessment and Treatment (000s)	Rehabilitation and Support (000s)	Total DHB (000s)
REVENUE					
Crown	13,690	285,147	860,857	138,153	1,297,846
Other	-	-	90,702	-	90,702
Total Revenue	13,690	285,147	951,558	138,153	1,388,548
EXPENDITURE					
Personnel	176	3,331	589,129	1,783	594,419
Depreciation			35,869		35,869
Capital charge			23,160		23,160
Provider Payments	12,011	236,872	77,260	114,359	440,502
Other	1,502	44,944	192,794	22,011	261,252
Total Expenditure	13,691	285,146	918,214	138,153	1,355,203
Net Surplus/(Deficit)	(0)	(0)	33,345	(0)	33,345

Capital & Coast DHB Statement of Objectives and service performance Plan for the Year Ending 30 June 2023 Statement of revenue and expenses by output class	Prevention (000s)	Early Detection and Management (000s)	Intensive Assessment and Treatment (000s)	Rehabilitation and Support (000s)	Total DHB (000s)
REVENUE					
Crown	14,344	298,781	902,017	144,758	1,359,900
Other	-	-	31,307	-	31,307
Total Revenue	14,344	298,781	933,324	144,758	1,391,207
EXPENDITURE					
Personnel	180	3,398	601,442	1,818	606,838
Depreciation			38,050		38,050
Capital charge			23,601		23,601
Provider Payments	12,251	241,609	82,682	116,646	453,189
Other	1,913	53,773	186,697	26,293	268,676
Total Expenditure	14,344	298,780	932,469	144,758	1,390,352
Net Surplus/(Deficit)	0	0	855	0	855

Financial Assumptions

The assumptions are the best estimates of future factors which affect the predicted financial results. As such there is necessarily a degree of uncertainty about the accuracy of the predicted result, which is unable to be quantified.

Factors which may cause a material difference between these prospective financial statements and the actual financial results would be a change in the type and volume of services provided, significant movement in staff levels and remuneration, plus unexpected changes in the cost of goods and services required to provide the planned services.

Revenue

- PBFF Increase as per Funding Envelope.
- IDF levels based on Funding Envelope or agreed changes within the sub-region.

Expenditure

- Personnel expenditure increase in line with wage cost of settlement expectations
- Trendcare model for nursing staff rosters across all Directorates
- Supplies and expenses based on current contract prices where applicable
- Depreciation to include base, plus work in progress, plus new purchases
- Capital Charge at 6% payable half yearly
- Total Capital Expenditure of up to \$153 million is planned for 2020/21. This includes \$91 million for equity funded capital projects.

Financial Risks

There has been good progress over the last year on many of the initiatives that were included in the savings plan however the pressure continues and further change is required to ensure the DHB meets the fiscal targets. The

savings strategies underpin the DHB getting to a surplus position in the future. The key risks and assumptions associated with this financial plan are;

- Wage settlement increases higher than the funding increase;
- Not meeting elective targets;
- Acute demand exceeding plan;
- Inter-district inflows being below plan;
- Not realising the financial savings associated with change initiatives;
- Additional cost in RHIP and NZ Health Partnerships initiatives;
- Pharmaceutical costs for cancer related treatments;
- COVID-19 related pressures and risks

Capital Plan

The operational capital funding requirements for the Provider Arm will be met from cash flow from depreciation expense, and they are prioritised with the clinical leaders and managers both within the Directorates and across the Provider Arm. Items with compliance, health & safety and a risk to patient care elements, or essential to support the District Annual and Strategic Plans, or yielding a fast payback have been included to be funded from the internal cash flow. The baseline CAPEX for 2020/21 is \$62 million. Baseline CAPEX is required to be funded internally.

Equity Drawing

Additional deficit support may be requested for the 2020/21 financial year.

Working Capital

CCDHB has a working capital facility limit with BNZ bank. This is part of the “DHB Treasury Services Agreement” between New Zealand Health Partnerships (NZHP) and the participating DHBs. The agreement enables NZHP to “sweep” DHB bank accounts daily and invest surplus funds on their behalf. The working capital facility is limited to one month’s provider revenue, to manage fluctuating cash flow needs for the DHB.

Gearing and Financial Covenants

No gearing or financial covenants are in place.

Asset Revaluation

Land and buildings are valued to fair value as determined by an independent registered valuer with sufficient regularity. This is to ensure the carrying amount is not materially different to fair value and the valuation is done at least every five years. The latest revaluation was carried out in June 2018.

Strategy for disposing of assets

The DHB regularly reviews its fixed asset register, and undertakes fixed asset audits in order to dispose of assets which are surplus to requirements. This ensures that the DHB reduces its level of capital to the minimum consistent with the supply of contracted outputs.

Disposal of Land

All land that has legally been declared to be surplus to requirements will be disposed of following the statutory disposal process defined in the Public Works Act 1991, the Health Sectors Act 1993, the New Zealand Public Health and Disabilities Act 2000, the Reserves Act 1977 and the Maori Protection Mechanism Regulations set up to fulfil the Crown’s obligations under the Treaty of Waitangi. No land has been identified as surplus to requirements within this plan.