

Budget Sensitive

Office of the Minister of Health

Chair, State Sector Reform and Expenditure Control (SEC)

National Bowel Screening Programme – Extension of capital contingency

Proposal

- 1 I ask the Committee to approve an extension to the contingency of s9(2)(f)(iv) for Vote Health for the capital component of the National Bowel Screening Programme to 1 February 2018. The contingency expired on 1 February 2017.

Background

- 2 Budget 2016 allocated \$39.3 million for the National Bowel Screening Programme establishment, subject to the approval of the Programme Business Case [CAB-16-MIN-0189.14].
- 3 Budget 2016 also allocated contingency capital funding of s9(2)(f)(iv) for Information Technology (IT) development, subject to Cabinet approval of the business case for the preferred option for the National Bowel Screening Programme long term end to end IT solution. The contingency expired on 1 February 2017.
- 4 On 24 August 2016 the Cabinet Social Policy Committee approved the Programme Business Case for the full National Bowel Screening Programme roll-out, the release of the operating funding appropriated in Budget 2016 and delegated the approval of future business cases to the Minister of Health and the Minister of Finance [SOC-16-MIN-0108]. The remaining programme funding will be considered as part of Budget 2017.
- 5 The IT business case will provide the confirmed cost of the capital requirement, and is expected to be with the Ministers of Health and Finance for consideration later in 2017.
- 6 The National Bowel Screening Programme will be available to all eligible men and women aged 60-74 in New Zealand. Once fully implemented the programme will invite over 700,000 people every two years to participate, and will detect up to 500-700 cancers each year during the early rounds of population bowel screening, assuming expected uptake levels.
- 7 The programme will be progressively rolled out across the country over four years with completion in the 2019/20 financial year.

Progress on confirming capital requirements

- 8 The Ministry of Health (the Ministry), with support from the Treasury and the Government Chief Information Officer (GCIO), has committed to undertaking an options analysis including a market scan for the National Bowel Screening Programme IT solution [SOC-16-MIN-0108]. The Ministry is partnering with Ernst and Young to

complete this work by the end of March 2017. This options analysis will identify whether a further procurement process is required to purchase any of the components associated with the IT solution.

- 9 The business case for the IT solution, required to draw down the contingency, will be informed by the options analysis and any subsequent procurement process. The options analysis is due for completion after the contingency expiry date of 1 February 2017. As funding for the IT solution is still required to ensure the successful delivery of the National Bowel Screening Programme, I request that the contingency be extended to 1 February 2018.
- 10 The contingency will be drawn down once the business case for the IT solution has been approved by joint Ministers later in 2017. An overall update on the National Bowel Screening Programme progress will be provided to Cabinet in early April 2017 and will include a report on next steps for the long term end to end IT solution.

Financial Implications

- 11 The proposed change to the contingency for Vote Health for the National Bowel Screening Programme cost is shown in Table 1 below.

Table 1: Capital Contingency – Phasing after contingency extended

Initiative Name	\$m – increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
National Bowel Screening Programme Roll-out	-	s9(2)(f)(iv)			-
Total Capital	-	s9(2)(f)(iv)			-

Consultation

- 12 The Treasury was consulted in the development of this paper and are supportive of the extension to the s9(2)(f)(iv) capital funding contingency to 1 February 2018.
- 13 The Department of Prime Minister and Cabinet have been informed.
- 14 The Treasury and GCIO are supportive of the approach to IT assurance.

Human Rights

- 15 The proposal does raise issues under the New Zealand Bill of Rights Act (1990) and the Human Rights Act (1993) because of the proposed age criteria. This discrimination is justified on the basis that the majority of cancers are detected in the proposed age band (as observed by the pilot).

Legislative Implications

- 16 There are no legislative proposals in this paper.

Regulatory Impact Analysis

17 The Regulatory Impact Analysis requirements do not apply to this paper.

Gender Implications

18 There are no gender implications. Bowel screening will be the first cancer screening programme in New Zealand to apply to both men and women in the age-appropriate population.

Disability Perspective

19 The design of the National Bowel Screening Programme will include provision for people with disabilities who may need assistance to complete tests.

Publicity

20 There is significant public and media interest in the National Bowel Screening Programme. I will issue media statements as implementation of the programme progresses.

Recommendations

I recommend that the Committee:

1. **Note** that s9(2)(f)(iv) capital funding for the development of a National Bowel Screening Programme IT solution was placed in contingency in Budget 2016, subject to Cabinet approval of the Business Case for the preferred option for the long term end to end IT solution.
2. **Note** that in August 2016 Cabinet delegated authority for the approval of the Business Case to the Minister of Finance and the Minister of Health.
3. **Note** the contingency expired on 1 February 2017.
4. **Agree** to an extension of the expiry date to 1 February 2018 of the contingency of s9(2)(f)(iv) for Vote Health for the capital component of the National Bowel Screening Programme.
5. **Note** that an update on the progress of the National Bowel Screening Programme, including a report on next steps for the long term end to end IT solution, will be provided to Cabinet in April 2017.

Hon Dr Jonathan Coleman
Minister of Health

