

The Treasury

Budget 2017 Information Release

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[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
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[40]	Not in scope	

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

National Bowel Screening Programme – Extension of capital contingency

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Purpose

1. The paper seeks a one-year extension of the expiry date for the tagged capital contingency established at Budget 16 for the National Bowel Screening Programme (NBSP) IT system. The business case for the NBSP IT system is six months behind schedule. This delay puts at risk the previously announced rollout of the programme to the Counties Manukau and Southern District Health Boards (DHBs) in early 2018. The Treasury supports the extension of the contingency expiry date to 1 February 2018.

Comment

2. Following Cabinet approval of the programme business case for the NBSP in August 2016 and a review by Accenture of the programme's viability, Treasury, GCIO and Ministry of Health officials agreed to the delivery of the business case for the NBSP IT system in March 2017 to enable the rollout of the programme to a second tranche of DHBs (Counties Manukau and Southern DHBs). The first tranche – Waitemata (host of the pilot programme), Hutt and Wairarapa DHBs – are on track go live as scheduled on 1 July 2017 (pending agreement to ongoing funding in Budget 17) using an expanded version of the pilot programme's IT system.
3. At the time, Ministry officials indicated that the rollout of the NBSP IT system was a critical dependency for the tranche 2 rollout. This was due to the patient safety risks associated with the manual workarounds required to extend the use of the pilot programme's IT system beyond the tranche one DHBs. These risks are considered manageable for tranche one as the extension of the pilot system to Hutt and Wairarapa DHBs is of a significantly smaller scale.
4. Treasury and GCIO officials have recently been informed that the NBSP IT system business case is likely to require an additional six months to complete due to procurement processes emerging from the options analysis. The additional time would be required to clarify what would be purchased and how much it would cost. This would, however, delay a decision on the approval of the business case until after the September 2017 election putting the rollout timing for tranche 2 in jeopardy.
5. The Ministry is exploring contingencies, including whether the previously rejected extension of the pilot system could be rolled out to Counties Manukau and Southern DHBs, in order to keep the programme on track for the early 2018 rollout of tranche two. The paper is silent on these issues but has signalled that the programme deliverables will need to be re-baselined in the April 2017 update to Cabinet. There is likely to be a corresponding impact on risks, costs and benefits delivery.

Treasury Recommendation

6. We recommend that you **support** the recommendations in this paper, noting the risk to programme milestones resulting from the delayed NBSP IT business case.

Title	Pg	Recommend	Fiscal Implications (\$m GST excl.)					Treasury Comment
			16/17	17/18	18/19	19/20	Out years	
National Bowel Screening Programme (NBSP) – Extension of capital contingency		Support	<i>Operating</i>					<p>- An extension of the contingency is required due to delays in the delivery of the NBSP IT business case</p> <p>- The delay in the business case creates significant risks for the successful rollout of the programme</p>
			n/a	n/a	n/a	n/a	n/a	
			<i>Capital</i>					
			n/a	n/a	n/a	n/a	n/a	