

## Project 20: Change of Address

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### The Project

- 1.1 The project was led by the Office of the E-Envoy, as part of the Cabinet Office, in partnership with the Inland Revenue, Department for Work and Pensions (DWP) and the Driver Vehicle Licensing Association (DVLA), as well as other less active partners, such as the Passport Agency and Northern Ireland social security agency. The aim of the project was to “*explore the viability of joining up government by allowing people to tell government once that they had moved*”. The project was intended to follow two main strands of activity:
- **Strand A:** Economic study - modelling of costs and benefits of handling the change of address service and the issues likely to arise
  - **Strand B:** A pilot web-based service to assess the public response and likely usage rates
- 1.2 It was initially expected that the pilot project would require research into delivery through existing intermediary service providers, but that a subsequent full implementation could involve significant systems development for specialised internal delivery.

### Background to the project and history of partnership working

- 1.3 The 1999 Modernising Government White Paper documented a commitment to provide people with the ability to “*notify different parts of government of a change of address, simply and electronically in one transaction*” by the end of 2001.
- 1.4 The office of the e-Envoy was established in 1999 to lead the government drive to get the UK online and build the ‘knowledge economy’. A key theme of the Paper was ‘joined-up’ government, and so the change of address project aimed to contribute to this objective through the use of the internet. This was part of the e-Envoy’s remit to establish the UK as the best place for e-commerce in the world, to increase access to the internet and to “*make all government services available online by 2005*”. The motivation behind the project was therefore the political commitment from central government. The ISB funding served as a convenient and appropriate funding source and was not responsible for prompting the inception of the project.

- 1.5 Cabinet office has a track record of working across and in collaboration with other government departments and agencies, so involvement with the project partners in this case was not new or unusual. Nonetheless, there had been few, if any, occasions in which the department had attempted to co-ordinate the services between government in this way. This project was also different from other work undertaken by the e-Envoy (and more generally, Cabinet Office) as it was concerned with the development and *delivery* of the service, as opposed to involvement at a *strategic* level.
- 1.6 The original bid was submitted to Treasury by the Post Office, who had already commissioned a feasibility study by McKinsey and Co. to scope the likely project costs and savings from a full roll out of the service, if successful. The Post Office proposed to provide the infrastructure for the service, and invite ‘clients’ from local government, and central departments and agencies, as well as private sector organisations to participate. In the event, Treasury asked the Office of the e-Envoy to take the project on, and the Post Office were involved simply as one of the three service providers supporting the Pilot.

### **Project Objectives**

- 1.7 The project objectives, outlined in the box below, were established in the original bid. The project proposal also identified key areas of innovation and the key risk factors involved.

<b>BOX 1: Project Objectives</b>
<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• <b>Assess citizen reaction to the proposition</b></li> <li>• <b>Test systems and processes</b> e.g. authentication, data management</li> <li>• <b>Prove benefits</b> – validation and quantification based on operational test</li> <li>• <b>Prove the commercial model</b> – enable assessment of costs for roll-out</li> <li>• <b>Risk management</b> – test of service without risks of roll-out, and enables assessment o risk</li> <li>• <b>Identify potential integration with other projects/pilots</b> e.g. Modernising Government projects</li> </ul>
<p><b>Innovation:</b></p> <ul style="list-style-type: none"> <li>• <b>Scale/impact</b> – ‘life episode’ for majority of citizens</li> <li>• <b>Integrated multi-channels</b> - increased accessibility</li> <li>• <b>Social inclusion/universal access</b> – convenient access to all</li> <li>• <b>Breadth of public sector involvement</b> – open to all departments with significant citizen interface</li> <li>• <b>Private sector involvement</b> – integrated public and private sector notification service</li> <li>• <b>New technology</b> – testing infrastructure/electronic signatures/electronic data interchange between departments</li> </ul>
<p><b>Key Risks:</b></p> <ul style="list-style-type: none"> <li>• Investment in ‘making the market’ and building infrastructure, with no guarantee of income or exclusivity</li> <li>• Negative PR if unsuccessful</li> <li>• Co-ordination and change of processes between departments, with different objectives</li> </ul>

## Project Initiation, design and Specification

- 1.8 The bid was made in round 2 of the ISB programme and the project was launched in November 2000. A project director was appointed from the e-Envoy's Office. The project was initially planned to run for 6 months, with the economic study in parallel, but the pilot was then extended in February 2001 to 12 months, so was completed in November 2001.
- 1.9 The anticipated costs of the project at bid stage are set out in Table 1 below. The CITU (now e-Envoy) of the Cabinet Office did not bid for the project, but was asked to undertake it by HM Treasury and, consequently, had not allocated any resources to the project in the early stages. However, staff costs, additional consultancy and the final evaluation was provided from the Office of the e-Envoy's budgets. The participating departments did not receive directly any funding from ISB, but bore the cost internally of integrating the service into existing systems.

Table 1: Project costs and ISB funding		
Bid Costs (£k):	e-Envoy funding	ISB Funding
<b>Current, including:</b> <ul style="list-style-type: none"> <li>• Economic advisers fees</li> <li>• Rolling pilot service onto 'Gateway'</li> <li>• Consultants - licensing process</li> </ul>	0	775
<b>Capital:</b>	0	0
<b>Total (% contribution)</b>	<b>0 (0%)</b>	<b>775 (100%)</b>

- 1.10 The anticipated benefits of the project at bid stage are set out in Box 2 below. The overall benefits were expected to be accrued by both citizens and the 'clients' of the service i.e. government or government departments and agencies.

BOX 2: Anticipated Project Benefits		
User Group	Qualitative	Quantitative
<b>Citizens</b>	<ul style="list-style-type: none"> <li>• Convenience/access</li> <li>• Integration/channel choice</li> <li>• Security/confidentiality</li> <li>• Speed/accuracy (through one-stop shop approach)</li> <li>• Added value services – related ancillary services to be added</li> </ul>	<ul style="list-style-type: none"> <li>• Cost savings (10-20 telephone calls, letters or visits)</li> </ul>
<b>Government departments</b>	<ul style="list-style-type: none"> <li>• Improved customer service</li> <li>• PR for Modernising Government agenda</li> <li>• Security/confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Direct</b> cost savings of processes, marketing etc through economies of scale</li> <li>• <b>Indirect</b> cost savings e.g:</li> </ul>

<b>BOX 2: Anticipated Project Benefits</b>		
<b>User Group</b>	<b>Qualitative</b>	<b>Quantitative</b>
	credibility through authentication by PO/private provider <ul style="list-style-type: none"> <li>• Achievement of e-government targets</li> </ul>	<ul style="list-style-type: none"> <li>✓ opportunity cost of handling CoA enquiries;</li> <li>✓ reduced error;</li> <li>✓ cost of non-compliance in informing departments of a CoA</li> </ul>

- 1.11 The expected benefits and costs of rolling out such services were to be modelled as part of the pilot project by Frontier Economics. Their approach used different estimations of the volume of users and measured the relative marginal cost of provision and benefit to the service providers (the departments and agencies) and to the end-user.

### **Direction and management of the project**

- 1.12 A steering group comprising representatives of the participating government departments, was set up to discuss and drive forward the progress of the project, who met on a regular basis at first, but became unnecessary as the pilot got underway. The project manager, Sebastian Madden, within the e-Envoy, was responsible for the policy direction of the project and its day-to-day running. In January 2001 responsibility for the operational aspects of the pilot (and, subject to its conclusions, for any subsequent integration with the Gateway) were transferred to the UK Online team, under Mark Rickard's leadership. The project was left to run without close supervision, and the project manager's departure contributed to this to some extent. This was not considered to have caused any significant slippage to the day-to-day running of the project, however, as it was fairly self-sustaining once the consultancy project had been completed and the web service was operational.
- 1.13 It became evident, after other departments were involved that a formal definition of roles and contingencies was required, as a Memorandum of Understanding, due to the sensitive nature of public information and high public profile of the departments involved. For example, it defined the responsibilities of the service providers in the event of 'downtime' and also allowed the project partners to exit the project with 24 hours notice. This helped to reduce the risk to partners and helped build co-operation between them.
- 1.14 The project partners each had different objectives, which in some cases were felt to have caused difficulties. The e-Envoy was concerned with delivering the government's modernising agenda, intermediaries were keen to establish themselves as viable suppliers and

the participating departments were responsible for delivering operational objectives and aimed to minimise disruption.

- 1.15 On the whole, the partners interviewed felt that there could have been more planning and consultation before the start of the project, which could have prevented delays in starting the pilot. This included the need to draw up legal documentation, such as the Memorandum of Understanding between departments and the providers. The senior level of political commitment to the project put pressure on some partners to participate, which caused slight tension between partners and Cabinet Office. Some partners had been introduced to the project as a piece of work for CO, which turned into a full business pilot, involving financial commitment from them, the extent of which had not been anticipated.

### **Project outcomes, including contingency and monitoring**

- 1.16 The timetable of milestone activities and slippage is presented in Table 2 below.

<b>Table 2: Original and revised milestones for the Notification of Change of Address project</b>		
	<b>Planned time scale at bid</b>	<b>Revised time scale</b>
1. Approach, select and appoint economic advisers to study pilot project	July-August 2000	August 2000
2. Report to HMT	30 October 2000	15 November 2000
3. Roll departmental pilot CoA services onto Gateway	October 2000-January 2001	January-June 2001
4. Economic advisers' report	November 2000	Interim report November 2000; final report Jan 2001
5. Appoint consultants to assist in running licensing process – and run licensing process	December 2000	January 2001
6. Issue ITT for CoA license	December 2000	February 2001
7. ITT Licensing	March 2001	May 2001
8. Process completed: intermediaries services commence roll-out		
9. Report to HMT	30 April 2001	
10. Full roll out of UK Online Citizen portal, including intermediaries CoA services component	December 2001	
11. Evaluation report		In progress (Feb 2002)

- 1.17 There was initial slippage in the pilot, which delayed results that were to inform the consultants' report. This was due to problems in building, testing and departmental 'sign off' of the three commercial providers' services. Hence, the appointment of consultants to run the procurement for the full CoA process and the ITT were delayed.

***Pilot results and cost-benefit analysis***

- 1.18 The pilot was delivered through three intermediary service providers, the Post Office (now Consignia), Ihavemoved.com and Simplymove.co.uk, rather than investing in internal systems development. These providers usually charge their client organisations for such services, with no charge to users. In this case, no fee was charged to the government by any of the companies. The UK Online team was also given responsibility for elements of the CoA programme to ensure that it was fully integrated into their forward planning.
- 1.19 The economic modelling was undertaken by Frontier Economics, who produced a report after 3 months of the project launch. The active partners did not find this report particularly helpful as it did not explore a sufficient level of detail of the cost structure of the individual departments. Nonetheless, the analysis in the report was sufficient to make conclusions about the viability of roll-out of the service, and it was felt, in general, to have justified the case for not pursuing further investment and roll-out. The report found that there was a marginal benefit to some agencies' processes and a 'disbenefit' to others, such as DVLA driver details, which could be processed at a cost of 27% below current transactions, compared to the process for vehicle information which would cost 54% more. Greater unit benefits, of between 48% and 88% of previous transactions costs, could be realised in the roll-out only if the notification services could be integrated with existing customer information systems. However, this was deemed unfeasible until at least 2006 with the current technology available, and without the budget to make a substantial capital investment.
- 1.20 Initial usage results from the pilot study, and indications from the Frontier Economics scoping report, suggest that take-up of the service was not particularly high and may not be sufficient to justify the large investment required to capture the full benefit. The pilot project attracted around 10,000 users, relative to an estimated upper limit of 2.5 million, of a possible 7-15% of the population that move each year. This relatively low take up was felt to be indicative of the take up of electronic services and use of the internet generally across Britain, which was slower than had been anticipated at the outset of web technology and at present has penetrated 27-40% of the population. There was no apparent problem with the way in which the service was offered, as it was relatively simple to use. Awareness raising, undertaken by providers, activity was felt to be sufficient. Marketing on the part of government, however, was kept to a relatively low profile in order to prevent a surge in demand on limited resources.

***Constraints and contingencies***

- 1.21 The issue of authentication of data collected from the notification service had not been fully anticipated by the Project team at the outset. The initial bid underestimated the difficulty of

integrating data into existing systems, and hence the cost of processing the notifications on a mainstream basis. This constraint arose largely as a result of the rules and regulations governing the management of Social Security benefits, requiring a signature from the customer with any change of circumstances, including a change of address. This meant that when the DWP and Inland Revenue received notification through the web-based service, further clerical procedures were necessary to confirm the accuracy of the information. To mainstream this process would therefore require significant resources to action the change, as the current IT systems did not have the capacity to implement the process efficiently.

- 1.22 In addition, the data collected through the web sites were not in an appropriate automated form that could be entered simply into existing departmental databases. In order for internal departments to reap the full benefit of the new notification service, the data collected would have to be integrated into each back-end system, which would require complex programming, likely to be extremely expensive, given that there are several systems within one department e.g. DWP has 15 separate systems for different benefits.
- 1.23 There were also changes of priority in the government's gateway programme, which resulted in delays to anticipated dates for the full service to roll onto the gateway. The pilot service was then developed separately to avoid delays. However, changes to the timing and scope of the gateway project made the CoA element less relevant to the full service. The gateway offers public access to various services, such as completion of on-line tax self-assessments and services relating to customs & excise regulation, and DEFRA. The DWP offers a claiming service and a secure messaging service through the gateway. This system is internal to government, across departments, and offers a more secure system for interacting with customers. By providing a CoA service through existing providers, the service was limited to one-way data flows (i.e. departments were not allowed to respond through the same channels to the customer providing the notification), which limited the efficiency of the service offered in the pilot.
- 1.24 The final outcomes at the end of the pilot have not yet been quantified and will be reported in the end of project evaluation, which was in progress at the time of SQW's visit. The evaluation will draw together the views of the participating departments. The final results and conclusions are expected to include the following:
- The problem of authentication
  - Cost of integration of web data and existing departmental databases
  - Low take up of pilot service

### **Additionality, longer term effects and value for money**

- 1.25 The results of the pilot indicated that it should not be rolled out on a wider scale. The DWP decided not to continue with the service and the Inland Revenue also chose to discontinue, pending the results in the evaluation report. The bulk of benefits appear to have been accrued by DVLA, whose simpler data processing systems enabled them to use the service efficiently. DVLA reported that the project had achieved more than expected, with the advantages slightly outweighing the disadvantages, and have expressed an interest in continuing the service, but on an individual basis with the service providers. The e-Envoy have rejected the project roll-out and are preparing an exit strategy.
- 1.26 DWP are currently developing a similar service internally, through the government Gateway. This offers a much more secure environment for storing and communication change of address notification, as it uses authentication and registration at the outset, allowing data to be accepted immediately, direct to DWP. Rules governing the authentication of such data have also been relaxed recently, improving the legal powers of departments to respond to electronic notification, allowing claims and payments to be accepted through the Internet.
- 1.27 Few Partners felt they had learned any significant lessons from this project. It was deemed successful in that it established further investment was not a feasible or desirable use of resources, at least not in the short to medium term. Having the courage to admit that it does not work was perhaps the most important lesson. The project partners also learned a great deal about the complexity of the delivery of the particular service, including legal requirements, authentication and the marketing perspective, which will be useful to those departments that continue to develop the service internally. Usage data collected during the pilot has also been useful to some partners, by providing information about the demographic of customers using the departments' services.
- 1.28 The process of partnership working appears to have yielded benefits on the partners' side and few benefits to Cabinet Office and between CO and other agencies and departments, in terms of managing risk or collaboration. Partners felt that the project had strengthened relations between them, (e.g. DWP and Inland Revenue, through the process of defining the data fields needed to be captured in order to implement the notification). The departments had close links prior to the project due to overlaps in the services provided generally and shared infrastructure, but through the project developed useful contacts that have spilled over into other areas of work since the project ended.
- 1.29 Partners felt that without ISB funding the project was still likely to have gone ahead under a different funding stream due to the political pressure, driven by central government

commitment, to provide the service. Some partners felt that the project would have been slightly less likely to go ahead (one estimate of more than 50% likely), due to a lack of internal pressure for change from their point of view.

### **Administrative and Accountability Issues**

- 1.30 There were several problems quantifying the costs and benefits of this project. On the benefit side, the service offered was only a small part of an existing service, so to test the benefit to users of public services that this process achieves would be difficult. Measuring costs is also problematic due to the difficulty in costing individual processes and services within government departments e.g. quantifying the cost to Inland Revenue of processing a change of address.
- 1.31 The cost-benefit analysis by Frontier Economics estimated the transactions costs involved in processing a change of address notification within each of the participating departments, and consumers. The results indicated, from their assumptions, that there was not a significant net benefit to rolling out the service, with a marginal ‘disbenefit’ to some departments. This influenced the decision to reject mainstreaming to a reasonable extent, although it was felt that, within Cabinet Office, a case could have been made if there was a significant benefit to users. However, in this case, the system development necessary to exploit the full potential was unrealistic at this stage, and the take-up in the pilot was relatively low, so it was difficult to secure funding to go ahead with the roll out.
- 1.32 There was some disagreement, however, about whether it should be dropped; some felt that the expense of employing one or two staff in some departments to input the web data into existing systems was justified in order to open a new channel to the public. The departments involved, however, felt that this was not an appropriate use of resources and could not justify a significant investment in integrating existing systems to accommodate the service.
- 1.33 The Treasury’s management of the project process was not acknowledged as being a help or hindrance, as the ‘laissez-faire’ approach meant that there was little to no contact with Treasury, nor were there any formal or informal systems for communicating with other ISB project managers or disseminating best practice. ISB was not perceived as a ‘programme’, but simply a funding stream.

### **Conclusions and Implications**

- 1.34 The benefits and wider impacts appear to have been accrued mostly by the project partners and not the sponsoring department (Cabinet Office). In this case the ISB funding did not

contribute a great deal to the partnership working and innovation of service delivery within and between CO and other government departments, but had some positive effects between the other departments. In some cases their attitude towards risky collaborative projects had changed, and they were more willing to work with other departments. There was an issue raised in engaging government departments in objectives that did not fit well with their day-to-day operational objectives. This was mostly overcome by the political commitment from central government, and the Memorandum of Understanding, both of which established a level of responsibility and commitment to co-operate, but perhaps at the expense of causing a degree of tension within the partnership.

- 1.35 The project highlighted the need to *“have the courage to admit when it is not working”*. Partners also agreed that early involvement and consultation on user requirements and solution specifications is important and would have helped anticipate problems of delivery.
- 1.36 The project was not significantly risky from the outset and had few long-term impacts on partnership working. It was innovative in attempting to co-ordinate the departments’ services, but was unsuccessful in ‘joining up’ an activity, as it was unfeasible at that stage in the development of the data systems used, without massive investment and became somewhat obsolete due to unforeseen developments in the government’s ‘Gateway’ programme.

### **Web Links**

- 1.37 Several web sites provide references to the Change of Address service:
- [www.ukonline.gov.uk/doitonline/](http://www.ukonline.gov.uk/doitonline/)
  - [www.e-envoy.gov.uk](http://www.e-envoy.gov.uk)
  - [www.ihavemoved.com](http://www.ihavemoved.com)
  - [www.simplymove.com](http://www.simplymove.com)