Driver and Vehicle Licensing Northern Ireland

Electronic Licensing & Data Sharing Project

Project Evaluation Document

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Project Background:

'Better Government 1998' sets out the Government principles of improving services, efficiency and accessibility for public services.

The Prime Minister, in the Green Paper *'Government Direct'* confirmed the Government's commitment to delivering 25% of public services electronically by 2002.

Government policy supports the involvement of the private sector in partnership with the Public Service to deliver this electronic service.

Proposals to introduce a pilot project for Electronic Re-Licensing of Vehicles were announced by the Minister on 13th January 1999.

This service was first proposed by BT as a project for the transport community in Great Britain (GB), however it was felt that a prototype should be developed and tested on a smaller scale and Northern Ireland had been identified as a pilot site.

DVLNI initiated the Electronic Licensing and Data Sharing project in January 1999. This project was funded under HM Treasury's 'Invest To Save' budget which had been established to assist the financing of innovative projects. DVLNI, in conjunction with the Private Sector (BT) and the Motor Insurance Industry (Allianz Cornhill Northern Ireland), developed and joined together in a closed network community where the members could retrieve dedicated data on-line from each other for pre-determined business transactions.

The technical infrastructure was developed by BT with specialist input by DVLNI and technical support from the data software maintenance contractor. A project board was established and the project was developed and managed under Prince 2 methodology. The project would enable DVLNI to make the necessary vehicle and insurance validation checks on-line from dedicated databases, by keying the customers' vehicle registration mark and insurance certificate number, for the purposes of providing telephone re-licensing for the public. The Agency along with the participating insurance company consulted and met with the Data Protection Registrar regarding the on-line access to the insurance database. A 'call centre 'was established in-house to implement the scheme.

The customer, subject to being insured with participating insurers and not requiring a vehicle test certificate, would be able to renew their vehicle licence by phoning the call centre and quoting their vehicle and insurance details, and paying by debit card. This would remove the need to produce an insurance certificate for validation and would eliminate the handling of cash or cheques.

The Agency worked in partnership with BT and the Allianz Cornhill insurance group to run a time bound pilot to prove a number of specified concepts. The pilot,initially, was to run until 31st March 2000, however, as this would include vehicle licences with a date of liability of 1 April which could be renewed from 18th March the evaluation period was been extended to 14 April 2000.

Project Aim:

The main aim of the project is to prove the viability of establishing a single point of reference for data pertaining to vehicles and insurance by linking and retrieving data 'on line' from all relevant databases and to make electronic payment using electronic access arrangements including the telephone.

The key objectives that have been set for the project are:-

(i) **proof of the concept** – that the data can be brought together and delivered to a community of users in a secure environment

(ii) **proof of the technology** – that the networking channels available can deliver access to the data, held on various platforms and utilising software, to all users in an efficient and user friendly manner.

(iii) **proof of the financial model** – that the benefits of the project are realisable and can be quantified and that acceptable and affordable charging mechanisms can be developed and agreed by participating parties and the supplier.

(iv) **proof of satisfaction of business needs and customer demand** – that a trial site can be provided offering (at least) vehicle re-licensing and applications for duplicate vehicle registration documents by telephone. The pilot will enable demand for these services to be measured and procedures trialled to enable such services to be offered in the most user friendly, economical and effective manner.

(v) **assessment of feasibility and viability** – to assess if the prototype has and demonstrated the potential to produce a practical and affordable solution to identified business needs and customer demand sufficiently to warrant the production of a full scale business plan for a full system.

The Electronic Re-Licensing and Data Sharing (ELDS) pilot project was carried out to test the technical feasibility and economic viability of delivering government services to the public electronically. The pilot project was delivered using the BT Community of Interest Network Services (COINS) which is a closed user group network service for organisations which form a Community of Interest. COINS facilitates the on-line retrieval of data from DVLNI, DVLA and the participating private insurance group within the community for predefined business transactions by DVLNI, TLEB and Inland Revenue

Objectives and Scope

The objective of this document is to consider the success, or otherwise, of the Electronic Licensing and Data Sharing pilot. This will be determined by measuring performance against a given set of criteria.

For the purposes of this exercise the criteria are listed and grouped under various categories:

1 Customer Perception

- Response rate from the customer
- Reasons for success/failure of calls
- How customer knew about service
- How customer last re-licensed
- Pilot Users
- Potential Customers (those who decided not to use telephone re-licensing)

2 DVLNI Internal Processes

- Cost of a manual re-licence transaction
- Cost of an electronic re-licence transaction
- Difference in error rate between manual and electronic processing
- DVLNI user perception – feedback

3 Supplier Delivery & System Management

- Delivery of COINS system against Service Definition timescale
- System performance
- Back up service
- Flexibility and adaptability of supplier teams in taking on new requirements
- Delivery of new functionality against agreed timescales
- Percentage downtime of the service
- Number of bugs reported
- Turnaround time to fix bugs.

4 Data Sharing

- Growth of the Community – success rate
- Feedback from the community members
  - Data Providers
  - Data Users
- Benefits arising from growth of Community
- Reduced number of phone calls

5 Project Aims

- proof of the concept
- proof of the technology
- proof of the financial model
- proof of satisfaction of business needs and customer demand
- assessment of feasibility and viability

1.0 *Customer Perception*

1.1 Response rate from the customer:

The number of calls received from customers to telephone re-licensing are as follows: -

1st Month - Date of liability 1 September 1999	**401**
2nd Month - Date of liability 1 October 1999	**348**
3rd Month - Date of liability 1 November 1999	**390**
4th Month - Date of liability 1 December 1999	**282**
5th Month - Date of liability 1 January 2000	**452**
6th Month – Date of liability 1 February 2000	**540**
7th Month – Date of liability 1 March 2000	**491**
8th Month – Date of Liability 1 April 2000	**451**

This represents a take up rate of 12% of potential customers, however the number of vehicle licences issued, as a result of these calls, represents 7%.

From the outset there was a reasonable response from the public and as can be seen from the figures the number of calls to the new service remained fairly constant over the first few months. The service, initially introduced from 09.00 – 21.00 was reduced to normal business hours after Month 3 due to a lack of demand for the evening session. There was a drop in customer use during the December period, however, this was to be expected, as traditionally, fewer vehicles are bought and therefore re-licensed at this time of year. The uptake greatly increased again from January 2000 and continued at an acceptable level over the last few months of the pilot.

see ***Appendix A***

A definite trend developed during the pilot with specific peaks and troughs. The two peaks correspond to the delivery date of V11s and the period around the date of liability. Outside these times the response rate by callers is fairly low. These are depicted on a graph.

see ***Appendix B***

1.2 Reasons for success/failure of calls:

The number / percentage of calls that resulted into discs issued are as follows: -

1st Month - **218 / 54%**

2nd Month - **213 / 61%**

3rd Month - **218 / 56%**

4th Month - **175 / 62%**

5th Month - **247 / 55%**

6th Month - **315 / 58%**

7th Month - **324 / 66%**

8th Month - **314** / **70%**

see ***Appendix A***

Unsuccessful phone calls fall into 6 main categories: - (% ages measured against total number of calls received)

1.2.1 *Non Telephone Re-Licensing – usually general queries*

The numbers in this category remained high for the first few months (10%, 14%, 13%) as some callers attempted to use the new service as a short cut for any and all types of queries or services. The numbers gradually reduced after the 'flyers' were reprinted and reissued quoting the vehicle enquiry number and advising that the service doesn't cater for general queries. During the last 5 months the figures have reduced to 4% - 5%. Overall average - 7%

1.2.2 *MOT required*

Not significant – less than 1% on average. This is to be expected, as the only customers targeted for telephone re-licensing and receiving a 'flyer' are those not requiring MOT.

1.2.3 *Invalid insurer*

On average 14% of all callers were not insured with the relevant insurance group.

There were several reasons for this high number:-

- Allianz took over Cornhill from 1st January 1999 and adopted the name Alliance Cornhill Northern Ireland, however, any policy previously issued by Cornhill up to 31 December 1998 was still valid for the subsequent year (up to December 1999) but not being on the Allianz Cornhill insurance database could not be used for telephone re-licensing purposes.

- Cornhill have continued to issue some policies, in 2000, through England, to clients in Northern Ireland.

- The similarity in the name ' Allianz Cornhill Northern Ireland' causes confusion to callers who are insured with 'Cornhill' or 'Sun Alliance'. It has been noticed that in recent television advertisements Allianz now appears to have amended their name to 'Allianz Northern Ireland' which may resolve the confusion.

- Certain bank officials in Ireland (North & South) can qualify for a special car insurance scheme operated by Allianz, however, while it meets the legislation for Northern Ireland, it is issued and operated through Dublin and, unfortunately, is not on the Alliance Cornhill Northern Ireland database.

- Customers do not always read leaflets fully while others merely try their luck.

1.2.4 *No / invalid debit card or card declined*

Average is low at 3-4%. Again mostly due to callers not fully reading the flyer, although there have been cases where callers didn't know the difference between a debit card and a credit card. A new Visa 'Electron' debit card was released in 1999 and contained a microchip which couldn't be processed by the electronic terminals. This appears to have been resolved since January 2000. This category now also includes instances where the card has been rejected.

1.2.5 *Valid insurer but data not updated*

This has fluctuated between 4 % - 6%. Despite the promise, by BT and Allianz Cornhill Northern Ireland, at the outset of the pilot, that the insurance data would be updated nightly, this never materialised and at best has only been updated twice weekly. For the first few months after the new millennium, BT only received Allianz Cornhill insurance database updates on a non-regular basis which frequently was as much as 2 weeks out of date. This apparently had been due to a reluctance on Allianz Cornhill's part to send downloads via e-mails because of security issues and until late March 2000 they did not have the infrastructure in place to download directly to BT. This problem has eased slightly and should now be resolved in the very near future, which, in effect should mean nightly updates. The problem has not been helped by different changes of personnel in the Allianz IT Section.

The main problem within telephone re-licensing arises when a caller has just renewed / taken out insurance and attempts to re-licence either the same day or

within several days. Inevitably and especially depending on the broker, it can take several days for the record to make its way onto the database and if the updates are not forthcoming regularly this can create problems.

One other scenario causing difficulties is when the insurance policy expires before the date of liability, say 2 or 3 days before the end of a month. The customer may renew the insurance policy even several days prior to the expiry date however the insurance database will not update that record until after the expiry date – this means that such customers cannot re-licence until after the next download following the beginning of the renewal policy.

The Agency has initiated a contingency plan to try and overcome some of these difficulties. This means, either, advising the caller that we are awaiting an insurance database update and suggesting they ring back later (if we know with any certainty when we will expect the next update) or, as is the usual case, asking the caller to leave a number and we will return the call. In the meantime the operator rings a contact within Allianz Cornhill to verbally confirm that there is/will be a policy in force at the date of liability. This is not a formal arrangement and depends entirely on the goodwill of the contact within Allianz Cornhill.

1.2.6 *Others*

This category contains a variety of reasons ranging from:

- break in licensing period
- licence not yet due
- quoting incorrect vrm / insurance number – or not having details ready
- invalid insurance at date of liability, etc.,

See pie chart, with percentages measured against number of unprocessed calls:-

Appendix C

1.3 How customer learned of service

As the service is restricted in the pilot there was no open publicity, apart from the initial launch in the media. As only those customers whose vehicles did not require a MOT could re-licence by phone advertising flyers were only issued to this category along with V11 reminder notices. See pie chart for survey figures. As the pilot progressed it was noted that some customers, who, at the outset, had re-licenced for 6 months and being extremely happy with the service, have renewed their vehicle licence again over the phone.

Appendix D

1.4 How did customer last re-licence

Customers who re-licensed by phone were surveyed for previous re-licensed trends. Percentage figures are recorded on pie chart.

Appendix E

1.5 Pilot Users

All callers, throughout the entire pilot, who have successfully used telephone re-licensing (including some who couldn't and were prepared to give comments) were asked, at the time of their re-licensing by phone:-

- for their views on the new service,
- if they would consider using it again in the future; and
- how they had last re-licensed their vehicle

Without exception, all were very enthusiastic about the service, with comments such as: -

'great', 'brilliant', 'fantastic', 'first class', 'excellent', 'very handy'

and over 95 % claimed they would definitely use it again. Those who stated they would not use it, in the main, claimed they would require a MOT certificate next time around or probably may not be insured with one of the listed insurers.

Some suggestions offered by users as improvements to the service, were: -

accept credit cards as payment; *(a possible future consideration)*
introduce more insurance companies to the scheme; *(being considered)*
all insurance companies should be included *(dependent on ABI database)*
allow all cars into the scheme; *(dependent on DVTA MOT database)*
'on- line' re-licensing; *(a future consideration)*
increase publicity. (*This would depend on the scope of the scheme. Currently only those identified as potential customers, i.e. not requiring an MOT certificate are targeted along with the V11s. General publicity could result in a massive increase in 'general queries' and lead to nugatory work)*

1.6 Potential Customers (those who decided not to use telephone re-licensing)

A survey was carried out, during the pilot, with about 250 customers, who appeared to have been able to use telephone re-licensing (i.e not requiring a vehicle test certificate and insured with the relevant insurers) but chose to use Postal or LVLO re-licensing. There was a 33% return of completed questionnaires.

Some interesting points are:

61% claimed not to know of the service (despite 'flyers' having been sent with their V11 reminders)– suggesting a higher profile publicity campaign may be needed;
36% do not have a debit card;
88% are happy with 9-5 operating hours;
10% did not want to disclose debit card details over the phone;
69% would consider using the service next time.

Full details of the survey are shown at ***Appendix F***

2.0 *DVLNI Internal Processes*

2.1 Cost of a manual re-licence transaction

In 1999, the average cost of a postal licensing transaction was estimated at £3**.** 45.

2.2 Cost of an electronic re-licence transaction

If the full cost of the pilot project was taken into account the cost per licence issued would be £190 .71 [based on Capital Costs of £34,000 plus DRC of £352,000 divided by total numbers of licences (2024) issued]. This is not a true figure as development hardware and software cost would normally be spread over a number of years and it should be accepted that this is a restricted service pilot There is sufficient evidence, however, to suggest that given an increased insurance database and in time a full MOT database that this is a service which will appeal to and be used by a large customer base.

The average time of a telephone re-licensing transaction (3 mins. 39 secs.) equates to 95% of the estimated time of a postal licensing transaction (3 mins. 50 secs.) and based on the figures above would therefore cost £3**.** 27 In terms of Annual Running costs (including depreciation and cost of capital in respect of the estimated capital cost of a permanent system) the cost per telephone re-licensing transaction is estimated at £13**.** 18, giving an overall cost of £16**.** 45.

Telephone re-licensing volumes would therefore require to increase to 222,302 p.a. to bring the unit cost down to the level of Postal Licensing.

Appendix L

2.3 Difference in error rate between manual and electronic processing

During the pilot of telephone re-licensing:

Number of duplicate discs issued due to original disc having been lost in the post	(12)	**0.6%**
Number of discs returned due to errors	(0)	**0%**
Number of discs returned undelivered	(0)	**0%**

This augers well for the future in that with the ‘one to one ’contact between caller and re-licensing operator the chance of error is invariably almost eliminated and all changes of address are effected prior to issue of disc. The Agency, of course, has no control over discs going astray in the post – there appears to have always been a problem with the delivery of mail.

2.4 DVLNI user perception – feedback

No formal survey was carried out in house, however, the general consensus of opinion of all users was extremely favourable. It was felt that this is a very worthwhile customer service and extremely user friendly. The main complaint from

users was that the service was too restrictive and so insufficient use of the service was made by the public consequently the staff on the evening session didn't get the opportunity to develop their customer and telephone skills and expertise! There was some initial criticism pertaining to the irregular insurance data downloads and the problems in explaining this to customers. This settled down into twice weekly updates from the insurance database, however in the latter stages of the pilot the regularity of these downloads drifted again resulting in delays of up to 3 weeks on more than one occasion. This was due to difficulties, in Allianz Cornhill's Dublin based IT Section, developing a more secure method of transferring data files to BT.

3.0 *Supplier Delivery & System Management*

3.1 Delivery of COINS system against Service Definition

The main deliverables are:

3.1.1 *DVLNI Enquiry Access*

This did not materialise on schedule due to delays on part of BT developing the related software. This should have been delivered on 1 April 1999 and would have provided a useful link for LVLOs prior to their coming 'on line'. By its time of introduction, on 29 July 1999, it had lost most of its benefits and subsequently has not been fully utilised. Since this phase was a development phase only, with very limited functionality, the slippage was of little significance.

3.1.2 *Telephone re-licensing*

The initial target 'launch' date was 17 July 1999 (to coincide with date of liability of 1 August). Due to BT having problems with the insurance data the system was not delivered to DVLNI for quality assurance testing until 9 July – literally hours prior to decision to release flyers advertising the 'go live' date. The subsequent limited QA testing identified several shortfalls in the data and the introduction of the new service was therefore deferred by one month to 18 August. This was possible without creating any public embarrassment as telephone re-licensing is advertised with the V11 reminders and restricted to those customers only who would appear to have the potential to use same, (e.g. vehicles not requiring a MOT certificate).

3.1.3 *TLEB Enquiry*

Although this was delivered in time, TLEB did not access the facility until the late November 1999. This was due, mainly, to key personnel, within TLEB, initially being absent on long term sick leave and subsequently needing to resolve their 'in house' audit and security controls. The concept of data sharing has now been proven with TLEB confirming their satisfaction (within their limited use) with the system.

See Appendix J

3.1.4 *DVLA Enquiry*

BT had to defer the development of the necessary interface as DVLA had been in the process of changing their database system. Further delays have also resulted due to BT experiencing difficulties in getting responses from DVLA / EDS. The facility did not become available during the pilot.

3.1.5 *MIAFTR*

This was re-scheduled, by agreement, and came 'on-line' in January 2000, although appears never to have accessed by TLEB.

3.1.6 *DVTA Enquiry*

This has had to be deferred indefinitely. The development of the Driver & Vehicle Testing Agency's MOT database was linked to the installation of the new PFI computerised vehicle-testing system. The PFI contract is, as yet, unsigned and therefore there will be no data available within the current project.

3.2 System Performance

Some initial teething problems were experienced with the vehicle and insurance data downloads. The DVLNI overnight data download to the SQL server caused some problems and an automated query had to be run each morning to ensure the system would be fully operational when telephone operators come on-line each morning. Generally, however, the system has performed very well with very few instances of failure.

DVLNI has a contingency plan which is implemented in the event of system failure. If 'Coins' fails to retrieve the requested vehicle information from the SQL server, the operator will access DG directly to confirm the validity of the re-licensing application. In the event of the insurance data not being accessible the operator will, advise the caller of the temporary fault, take a number to phone back and in the interim period confirm the insurance cover with the participating insurer, by phone. The operator will phone back the caller and complete the transaction as normal. In the event of a total system failure callers will be offered the option of leaving their telephone number for contacting when the system is restored or advised of the other methods of re-licensing.

3.3 Back up service

BT provides a back up service – 09.00 to 17.00 Monday to Friday. A Newsdesk and Feedback facility is provided for users benefit. A full audit trail exists in respect of all system users which can be monitored by the System Administrator. Some typical reports generated for users and various transactions are attached at:-

Appendix G

3.4 Flexibility and adaptability of supplier teams in taking on new requirements

Throughout the pilot, following progress meetings, the Agency asked for several new tasks to be undertaken. These were readily accepted by BT and acceptable target dates set for delivery.

3.5 Delivery of new functionality against agreed timetables

These were delivered in accordance with the agreed time schedule.

3.6 Percentage of downtime of the service

Unfortunately there is no system report procedure to accurately reflect percentage downtime. In the initial stages the Agency nightly data download over-ran and also affected the index – consequently the first telephone re-licensing query each morning was timed out before the index was put in order. This resulted in the system being unavailable until a timed query was eventually installed in the download. Although there have been several instances when the insurance data or vehicle data has not been available the number of time when the entire system has been down is relatively low.

3.7 System problems reported & turnaround time to fix

Generally these have been dealt with, in keeping with the Service Definition.

4.0 Data Sharing

4.1 Growth of the Community – success rate

A major requirement of the project, in addition to telephone re-licensing, is the development of the community to allow as much data sharing as possible by extending the system to include other data providers and data users.

BT's role in this, was to encourage other Agencies and Departments to sign up to the COINS system, and those initially identified included:

DVLA
TLEB
DVTA
DLAB
Motability
DHSS – Fraud Section
Inland Revenue
NI Court Service

RUC
Custom Service
Roads Service

Within telephone re-licensing DVLNI and Allianz Cornhill were the only data providers, during the piloit, with DVLNI being the only data user. From the Agency's perspective, this concept has proved extremely successful. It had been hoped that DVTA, even to a limited extent, could have joined the community, however, the development of their MOT database has had to be deferred. The ABI central database will not be available until Summer 2001 at the earliest.

Within the data sharing aspect of the project, TLEB accessed DVLNI's dedicated database successfully from late November 1999, with Inland Revenue coming on line in January 2000. The MIAFTR query became available in January 2000 but the DVLA query never materialised during the pilot.

None of the other listed, potential, users, have agreed to join the 'community' at this stage. They currently receive data, in some form or another, from DVLNI and therefore are reluctant to meet the costs of accessing the system.

4.2 Feedback from the Community members

4.2.1 *Data Providers*

As already stated the Agency and Allianz Cornhill are the only two data providers at present. The Agency's data is automatically updated nightly and is available for access for:

a) Telephone re-licensing ;
b) DVLNI enquiry;
c) TLEB; *and*
d) Inland Revenue.

Allianz Cornhill provides data, for access by DVLNI, via BT for telephone re-licensing purposes and although not really benefiting themselves, they agree that the concept is successful and extremely worthwhile.

4.2.2 *Data Users*

Apart from the Agency, whose views are already recorded earlier in this document, the only other data users are :

TLEB: have only just come on-line in a limited way since late November 1999 and have not, as yet, rolled out the facility to all relevant operational units. TLEB does

not, as yet, have a full computerised business environment so it may be some time before the full benefits of the system materialise. Their initial reaction, however, is very favourable although no details have been provided; *and*

Inland Revenue: have only accessed the system since mid February 2000. Their feedback confirms a much speedier and more informative service than the traditional and previous method of written request. They find it an extremely accessible and fully managed service which not only improves their current business processes but compliments their own technology.

Appendix K

4.3 Benefits arising from growth of Community

This cannot be fully assessed, as the Community has not really increased during the life of the pilot. The main benefit, accruing to the participating organisations, is the user friendly, fast and convenient facility of accessing data which is a human resource saving not only to them but especially to the Agency.

4.4 Reduced number of calls

As previously stated TLEB / Inland Revenue are the only data users at present and have only just started, since the beginning of December 1999 / January 2000, using their electronic link, in a limited fashion. While this will now eliminate the need for telephone / written queries from both organisations and should in the long term reduce the calls considerably, any reduction during this evaluation period has been minimal.

5.0 Project Aim

5.1 proof of the concept

*- that the data can be brought together and delivered to a community of users in a secure environment***.**

The COINS Phase II prototype service is deployed on the DOE (NI) LAN within the NICS Network with external links provided for access to the external sources of data and dial up access to allow BT (service provider) to perform remote platform management. Access, by the service provider, to the NICS network is controlled by firewalls and under authority by the Departmental Information Systems Unit, Clarence Court, Belfast.

The service is delivered to a dedicated number of end users over the NICS network via Web browsers (Microsoft Internet Explorer) on PCs supplied and deployed by NICS to nominated offices. NICS has responsibility for the system user account management and monitoring the system audit trail while BT perform

the technical management of the platform to ensure system delivery in accordance with the DVLNI and TLEB Service Level Agreements.

To access the system Users must be on the appropriate NT Domain and use an NT Domain userid and password. This userid is used, by BT, to create and maintain a record of what queries are being used by individual users. The DVLNI Administrator while controlling who accesses the system can produce access reports by user and/or VRM.

From an electronic licensing aspect the system has been operating successfully from mid August 1999 with over 1900 vehicle licences having been renewed by electronic means by 31 March 2000.

Both TLEB and Inland Revenue have been successfully retrieving data from the relevant sources since December 1999 and January 2000 respectively. This data is provided and made available under the terms and conditions of 'Terms of Supply Agreements' with DVLNI.

A schematic of the system is shown at: ***Appendix H***

5.2 proof of the technology

- that the networking channels available can deliver access to the data, held on various platforms and utilising software, to all users in an efficient and user friendly manner.

DVLNI's vehicles database (DG) is downloaded nightly to an Agency SQL server residing in the Vehicle Licensing Central Office, (VLCO) Co. Hall, Coleraine. The insurance data is downloaded from the participating insurance companies' database (Dublin), to the service provider and is stored in their SQL server, residing on the DOE LAN, in Clarence Court, Belfast.

The telephone re-licensing operators, using network PCs access the service provider's web based site where they key in the vehicle registration mark (VRM) and insurance policy/certificate number details onto a front end page. (It is hoped that in the event of a permanent telephone re-licensing service that access to any insurance database will be by VRM also thus making the system even more efficient). The necessary vehicles and insurance validation queries are made, electronically, by the service provider from the DVLNI SQL server and their own SQL server and the results are displayed on the operators PCs within seconds.

As TLEB and Inland Revenue makes on line enquiries from only vehicle databases their access is by keying in a VRM only. Their query results are more detailed than those required within telephone re-licensing and therefore take slightly longer, however, it still only takes a few seconds.

Screen shots of the various Query Results are depicted at ***Appendix I***

5.3 proof of the financial model

– that the benefits of the project are realisable and can be quantified and that acceptable and affordable charging mechanisms can be developed and agreed by participating parties and the supplier.

The benefits of the pilot: *viz.*

- the establishment of a single point of reference for data pertaining to vehicles and insurance by linking and retrieving data 'on line' from all relevant databases and to make electronic payment using electronic access arrangements including the telephone:

- the establishment of a closed net community in which the participating organisations can retrieve data 'on line' from each other for pre-determined business purposes:

have been realised.

5.4 proof of satisfaction of business needs and customer demand

– that a trial site can be provided offering (at least) vehicle re-licensing and applications for duplicate vehicle registration documents by telephone. The pilot will enable demand for these services to be measured and procedures trialled to enable such services to be offered in the most user friendly, economical and effective manner.

A trial site was established and has operated successfully from August 1999 offering vehicle re-licensing in a customer friendly, economical and effective manner. The success has been guaranteed by the fact that over 2000 vehicle licences were issued during the pilot.This represents an uptake of 7% of potential customers. This figure was perhaps disappointing and fell short of the Agency's initial expectations but the pilot in its present form is restricted because of the lack of a vehicle test certificate (MOT) database, but more so because of being limited to one group of insurance companies. Nevertheless, the limited facility attracted the commendation of virtually 100% of callers, irrespective of whether or not they were able to use this method of re-licensing, who backed its introduction and praised the fast convenient and efficient service.

The number of customers who rang the call centre, (more in hope than expectation) despite not being able to use the service , (only 60% of calls resulted in the issue of a tax disc) gives a clear indication of customer demand for this type of re-licensing and suggests that when the service can avail of a full insurance and MOT database that there will be a substantial customer uptake.

The procedures in place during the pilot were trialled and tested fully and found to be successful.

5.5 assessment of feasibility and viability

- to assess if the prototype has and demonstrated the potential to produce a practical and affordable solution to identified business needs and customer demand sufficiently to warrant the production of a full scale business plan for a full system.

Although uptake under the pilot scheme has been limited and there was only a 7% uptake of potential customers it is predicted that the volume of transactions will increase steadily, for a number of reasons, viz:

- 95% of customers who used the service were very satisfied and expressed their intent to re-use same;
- Proposed links to additional insurance companies potentially increasing insurance database by up to 80%.
- ABI database will be available from Autumn 2001;
- Approximately 50% of licensed vehicle in NI are below MOT age (*4 years*);
- 540,000 V11 transactions annually;
- Vehicle Test database will be available from early 2002 (*a short term restricted facility could be available by end 2000*);
- Assumed 50% uptake by Motability customers (*Motability Finance will promote scheme*). 22,000 Motability customers in NI;
- Increased publicity once a proven permanent system is in place;
- Greater customer awareness combined with repeat business;

6.0 Summation

The Electronic Licensing and Data Sharing project has 2 main objectives: -

- electronic licensing using telephone and on-line enquiries from dedicated databases of DVLNI and a participating insurance company; *and*

- establishing a community within which chosen organisations can retrieve dedicated data on line from each other for predefined business transactions.

The telephone re-licensing experiment has been very successful in proving the technology involved. It has provided a valuable service to customers offering a fast, efficient, user friendly alternative method of re-licensing. There has been virtually 100% commendation from all customers who have successfully used the new service and encouraging praise even from those who, unfortunately, could not avail of it.

The overall uptake by customers has been somewhat disappointing and hasn't lived up to expectations. The service is restricted to customers who can meet the required criteria, however, notwithstanding, even more customers should have been able to use it.

The participating group of companies, Allianz Cornhill, AGF & First Rate Direct, claim to have a 33% share of the private car insurance market in NI. This may be a somewhat generous figure as the number of policies held on the relevant database would tend to suggest a much lower figure. Possibly these companies provide more preferential rates for older cars (requiring MOT) – a small sample of their database shows 57% / 43% of vehicles requiring / not requiring a vehicle test certificate. Several other insurance companies have been approached however the next biggest single group's database is only about 50% of the current participating insurance database. Any benefit in having these additional customers would be outweighed by the development costs in bringing the insurance company on-line. This is not likely to improve much until the ABI database becomes available in March 2001.

The sample survey of potential customers who chose not to re-licence by phone indicated that 61%, of those surveyed, didn't even know of the service and 55% claimed not to have received the flyer with their reminder renewal notice. This is surprising, however, it may suggest, more realistically, that the majority of people are so used to getting 'junk mail' that they do not read any leaflets. A high profile general publicity campaign would certainly get the message across, but, as the existing figures already show this would also carry a high percentage of non telephone re-licensing calls.

The data sharing element of the pilot project has not been as successful to date. While the links to TLEB and Inland Revenue have indubitably proven the technology and the future potential use, the lack of financial resources, however, has prevented any uptake by other agencies.