

INVEST TO SAVE BUDGET PRO FORMA FOR ROUND X

ASSESSMENT SHEET

BID NO X

Summary details

<i>Project title</i>	Redundancy Payments case-handling system interfaces						
<i>Parties to project (lead partner in bold)</i>	DTI Redundancy Payments Service (RPS) , Insolvency Service, insolvency practitioners (initially with Grant Thornton plc), and Unitas (the DTI IT services provider)						
<i>Objectives of project</i>	<p>To enable insolvency practitioners to send redundancy claims and other information through the Government Gateway.</p> <p>To enable eligible company employees to submit their Redundancy Payment claims through the Government Gateway.</p> <p>To enable information from applications to be shared with the Directorate's contacts in other Government Departments over the Government Secure Intranet.</p> <p>These services would eradicate or reduce the need to submit supporting documentation on paper.</p>						
<i>Description of project</i>	The project will develop interfaces with existing IT systems to meet the above objectives.						
<i>Round 4 theme (secretariat use only)</i>	<i>Policy category (secretariat use only)</i>						
<i>ISB funding sought</i>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; text-align: left;">£,000</td> <td style="width: 20%; text-align: center;">02/03</td> <td style="width: 20%; text-align: center;">03/04</td> </tr> <tr> <td style="text-align: left;">Total</td> <td style="text-align: center;">547.5</td> <td style="text-align: center;">290</td> </tr> </table>	£,000	02/03	03/04	Total	547.5	290
£,000	02/03	03/04					
Total	547.5	290					

Executive Summary

The RPS employs over 120 people, about half the staff of DTI's Employment Relations Directorate. It has four offices (RPOs) on three sites at Edinburgh, Birmingham and Watford. The RPS receives a fluctuating number of claim forms from workers – likely to be around 150,000 this year – and some 10,000 forms from employers' representatives setting out confirmatory details of workers made redundant. The total amount paid out to redundant workers is over £180 million a year. Although reliant on paper forms and manual inputting, the RPS is a very efficient and effective operation.

The RPS' business objectives are:

- To process claims made under the relevant legislation accurately and cost effectively whilst delivering excellent levels of customer care.
- Contribute to DTI's programme on better Government through further automated delivery and receipt of services.
- To minimise the burden on the Taxpayer as far as possible.

At present, the public, the official receivers, and some 4000 insolvency practitioners (accountants / specialists who handle the liquidation of insolvent companies and provide details about redundant workers) can access and print claims and some other RPS forms via the Internet. The completed forms need to be posted to an RPS office where staff enter the information into its case handling system (CHIRPS – case handling in RPS), carry out a number of checks in-house, and check with other Government Departments before instructing DTI's paying agents to make payments.

This bid concerns the mechanisms for sending information to RPS and transferring the information between other Government Departments. It will:

- enable applicants for redundancy and other payments to apply on-line without the need for posting a signed claim form on paper;
- enable supporting material (particularly confirming details about redundant workers from insolvency practitioners) to be delivered over the Internet;
- enable information relating to redundancy payments to be shared electronically by other departments as appropriate.

The on-line application form, which will supply information into the CHIRPS database, would be more intelligent and interactive than the current form, and this would yield benefits to applicants (easier and quicker to fill in accurately) and to RPS (better quality information in applications / reduced errors and processing time). Fully electronic communications with OGDs would similarly improve efficiency. The key benefit is that this would lead to quicker decision-making and payments to applicants at a critical point in their lives.

This approach would leverage existing Government investments, specifically: DTI systems / networks, the Government Gateway and the GSI network. This application would be one of the first to use the Government Gateway to allow citizens to transact business with a Government department in a secure manner. The approach builds on generic deliverables and lessons learnt in the DTI Export Control Organisation's ELVIS project which has similar aims and approach with a different business context. This project also received Invest to Save funding.

Without ISB funding, RPS will not be able to deliver the benefits outlined here that would come from electronic input within the same timescale.

1. Introduction

When an employee is made redundant his employer is required, by law, to pay a redundancy payment provided that the worker has a minimum period of service. Employers also have to make sure their employees are fully paid up to the time they become redundant, receive any outstanding holiday pay and receive proper notice of their redundancy. Where an employer is insolvent and in some other cases where the employer cannot or will not pay, DTI's Redundancy Payment Service (RPS) makes redundancy and other payments to the employees.

There are three main types of redundancy claim:

Claims (insolvent companies)

Most insolvent companies' cases involve a small number of claimants (1 – 20), however a small number of cases involve large numbers of claimants (between 100 and 1000 employees). RPS works with the official receivers and with 4000+ insolvency practitioners who range from large companies to registered individuals. It is expected that the larger companies will welcome the introduction of electronic submission, but some of the smaller companies may continue to submit paper based claims for the foreseeable future.

The process is normally initiated by an insolvency practitioner completing and submitting a signed RP14 claim form (along with an RP14A and any RP15 and RP6 forms that are required) that is then posted to one of the RPOs.

The RP14 form contains details of the company affected, its associated companies, employees and any insolvency actions taken.

The RP14A form contains details of the company's employees including their names, national insurance details, dates of employment, pay, holiday entitlement, etc.

The RP15 form contains details of the pension scheme contributions that are being claimed.

The RP6 form contains extra information about sub-contractors employed by the company.

On receipt of these completed forms, a case file is set up and the data they contain is manually entered on to the CHIRPS database and a case number allocated by CHIRPS.

Each employee listed on the RP14A will complete, sign and return an RP1 claim form. These forms contain details from the employee's perspective of their personal details, employment details and the payments they are claiming. RP1 forms are either returned directly to the RPS by the claimant or via the insolvency practitioner. In either case, the forms are returned by post or by fax.

On receipt, the RP1 forms are associated with the relevant case file, the data is transferred to the CHIRPS database and the paper copy filed in the case file. RP5 Claim Acknowledgement forms are generated on a daily basis and sent out to claimants.

Where necessary an RP2 is automatically initiated and sent to OGDs to obtain information relating to any state benefits already made to the employee. This process is run every day and requests for input are sent out daily.

On return from the OGDs, the data from the RP2 is entered onto CHIRPS and the form added to the case file.

During the process, an employer can also request that the RPS make payments to the pension fund to cover unmade contributions using an RP15. These forms are also processed as part of the claim.

When all of the required inputs for an individual's claim have been accumulated, the claims are processed and a request for payment is generated and transmitted to the DTI's payment agents. The payment agents then make the payment and generate and send out the accompanying RP9 and RP10 forms.

Every two weeks the insolvency practitioner is notified of the payments made (forms RP11 / 12) and, in time, the RPS receives a refund of a percentage of the money it has paid out from the insolvent estate.

These claims constitute 90% of all RPS claims processing.

Claims (solvent companies with financial difficulties)

The process is normally initiated by the receipt of a request for assistance from an employer or a request for payment from an employee who has been made redundant but has received no payment from their employer. No standard equivalent of the RP14 form is associated with these cases.

The situation is then investigated and the RPS collects bank statements, accounts and letters from the company's bank all of which are received via fax or post. Only statutory redundancy pay can be claimed in these circumstances – all other payments require that the company is formally insolvent.

If the request is found to be valid, the DTI requests a meeting with the employer and a case file is opened on CHIRPS and allocated a reference number. An RP1 form is sent to the initiating employee and to all other employees that are found to have a valid claim. The RP1 forms are returned by post.

On receipt, the forms are associated with the relevant case file, the data they contain is transferred to the CHIRPS database and the paper copy filed in the case file.

When all of the required inputs for a claim have been accumulated, the claims are processed and a request for payment is generated and transmitted to the payment agents. The agents then make the payment and generate and send out the accompanying RP9 and RP10 forms.

The RPS then seeks to reclaim the payments it has made from the employer when the employer's financial position is sufficiently improved.

These claims constitute 9% of all RPS claims processing.

Claims (tribunal initiated)

If an employee is awarded a redundancy payment by an Employment Tribunal and the employer subsequently fails to pay, the RPS is required to make the payment and claim it back from the employer.

When notified of non-payment by an employee, the RPS instructs the employer to respond within 14 days. RPS aims to make any valid payment to the claimant within three to four weeks.

These claims constitute 1% of all RPS claims processing.

2. Project Objectives

2.1 Project Context

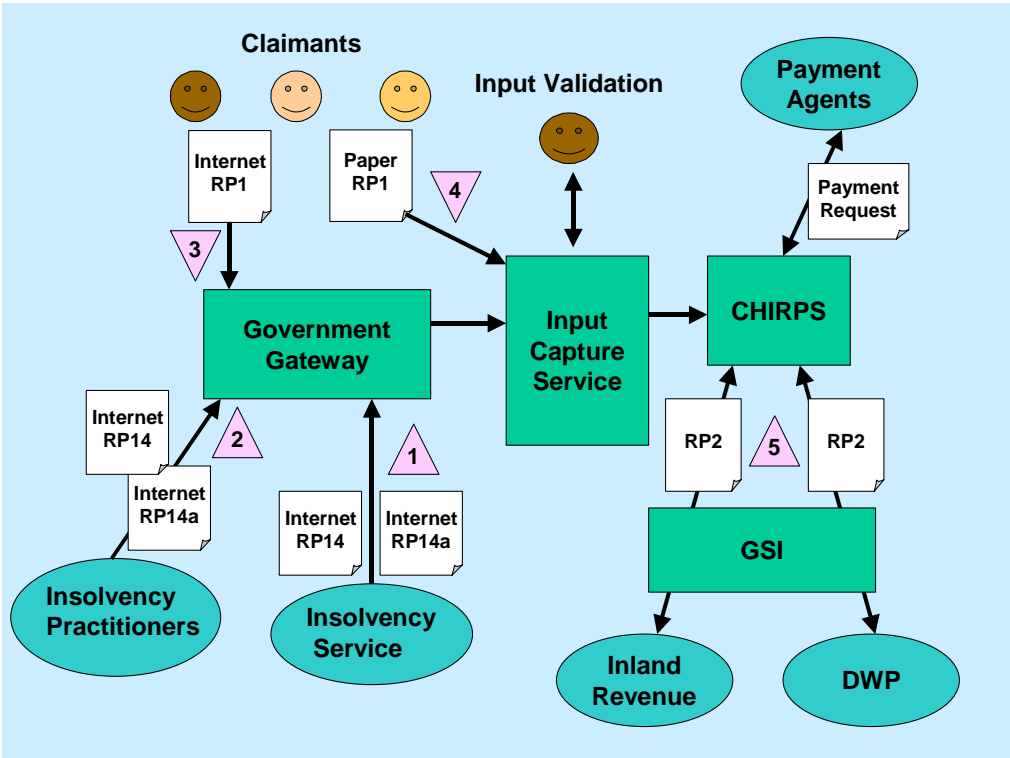
The main objectives of this project are to reduce the amount of information that has to be completed on paper and sent to the RPS through the post or by fax and to reduce the paper-based transfers within the process.

In addition, if it were possible to implement the electronic transfer of information between those involved INSIDE the process (i.e. RPS, other DTI directorates, the insolvency practitioners, the Insolvency Service, Inland Revenue, DWP, etc.), these facilities would improve the efficiency and effectiveness of those involved, improve the process and, potentially, reduce the time taken to process a claim.

The RPS is committed to meeting the Government’s policy that all citizens should be able, if they so wish, to interact with it electronically, either through home PCs or publicly available facilities. If it were possible also to accept claimants’ input electronically, this will also improve the efficiency of the RPS’ process. However, the RPS would not wish to force any person who has been made redundant to fill in their claim electronically if they did not choose to do so, and would expect to continue to support paper-based employee claims for at least the next 2 – 4 years.

At present, all forms that are submitted to the RPS must be signed. To automate the associated processes fully, this requirement would need to be changed or the Government would need to be willing to accept electronic submission from an agreed agent (e.g. the Government Gateway). Until these changes are made inputs will continue on paper. However, the RPS is confident that in the timeframe of the proposed project, these operational changes will be approved.

2.2 Input Automation



Proposed Input Automation

There are 5 main strands to the proposed project, each of which will deliver significant benefits. These strands can be implemented independently. However, the tests required to interface through the Government Gateway are rigorous and it would be more cost effective to develop strands 1-3 as a single unit.

1. Automating the input from the Insolvency Service

The Insolvency Service is a DTI Agency and part of the same operating group as the RPS. The official receivers working for the Insolvency Service can submit RP14 and RP14A equivalent data electronically once the Government Gateway is fully operational. The Insolvency Service will be encouraged to submit their completed forms through this service. This will be the most cost effective option for implementing this interface.

2. Automating the Input from the Insolvency Practitioners

Once the Government Gateway is fully operational, all IT-enabled insolvency practitioners will be encouraged to submit their completed forms through this service. Submission through this facility would have the added advantage for both the RPS and the practitioners that it would guarantee secure immediate delivery of the completed forms once they have been accepted. This will be the most cost-effective option for implementing this interface.

3. Automating the Exchange with Claimants

Once the Government Gateway is fully operational, all IT enabled claimants will be encouraged to submit their completed RP1 forms through this service. This will be the most cost effective option for implementing this interface.

Submission through this facility would also have the added advantage for both the RPS and the claimants that it would guarantee secure delivery of the completed forms once they have been accepted. It would also be possible for the Department's payments agents to provide confirmation of payment electronically.

4. Capturing Paper-Based Input

To ensure that all case-related information, including that still submitted on paper, is held electronically, it will be necessary to install robust scanning equipment in the three RPOs. This equipment would allow documents and forms that are returned on paper to be scanned as images and held in the DTI's document storage facility. These images could then be linked to the relevant CHIRPS case files and accessed from the standard desktop services used by RPS staff.

5. Automating the interface with the Other Government Departments

Additional gains would be made by further automating the information transfer between the RPS and other government departments, including the Inland Revenue (contributions side)¹, Department of Work and Pensions (DWP)², and the Tribunal Service³.

It is believed that the information transfer could be completed using HTML forms. These forms would be transferred across GSI between Government departments and through the Government Gateway for Agencies.

¹ This interface has a number of legal constraints on information sharing that need to be resolved in the timeframe of this project.

² This interface is currently paper based.

³ This interface is currently paper based.

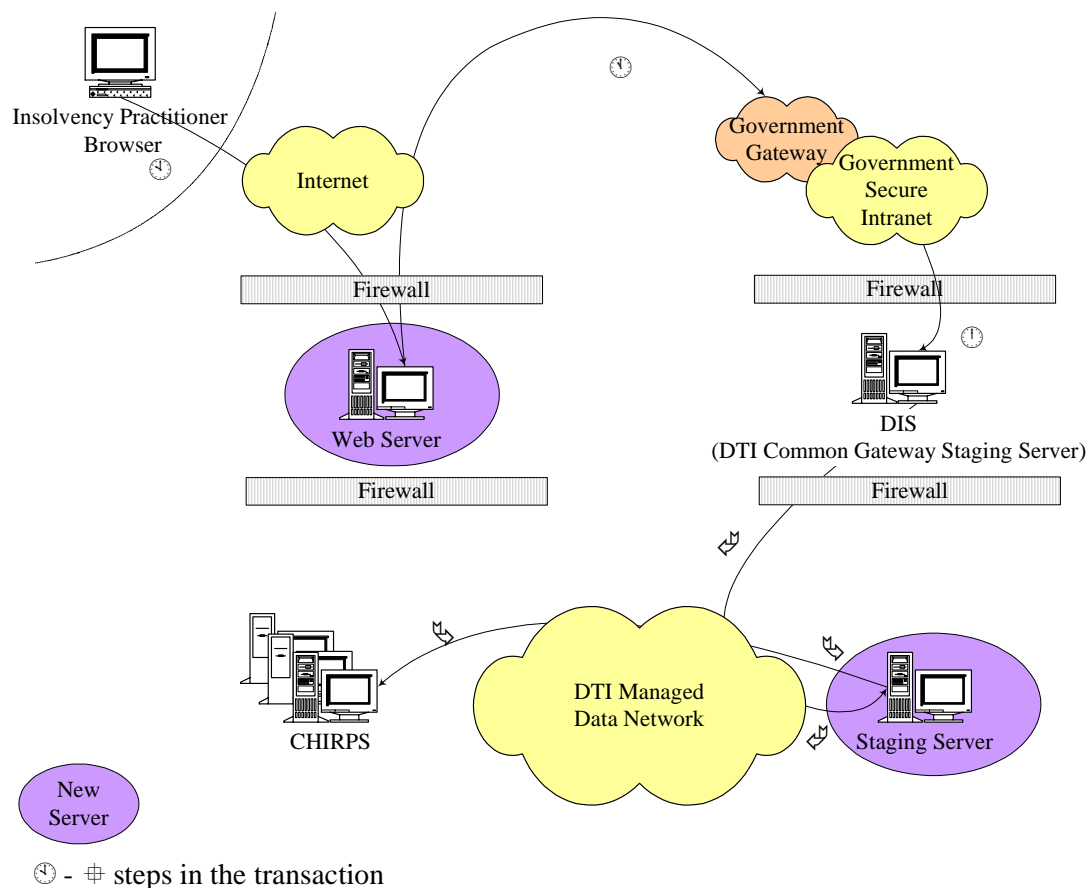
As part of this project, the RPS is seeking funding under this bid to undertake a study with the organisations specified above to determine the options for creating and implementing electronic interfaces, based on the technology developed in this project.

The implementation of these interfaces will be the subject of a separate project.

2.3 Technical Architecture

The proposed architecture requires two new servers. These servers will contain the web site facilities and hold the completed forms for processing. All other infrastructure items already exist and will be utilised to provide a secure channel for confidential data exchange between the user and the DTI. The Government Gateway authenticates the user thereby proving their identity, and also guarantees the delivery of the form. The firewalls are devices to ensure that only known and trusted information can reach the DTI computer systems.

The following illustrates the use of the proposed architecture by an insolvency practitioner.



To avoid the use of paper, an insolvency practitioner will access a new RPS web server through a normal Internet browser (1). This server will contain information on the claims process and all of the necessary forms. The forms will be completed by the practitioner. The forms will contain validation facilities that will detect, where practicable, invalid or incorrect data and ensure that it is trapped and a clear error message provided.

When completed, the electronic form is submitted via the Government Gateway (2) - transparently to the user. It is then transmitted via the Government Secure Intranet (3) through a DTI-wide staging server to another new sever (4) which stores the submitted forms. The forms are then transmitted to the relevant CHIRPS server in Watford, Edinburgh or Birmingham (5) and added to the relevant CHIRPS database.

It is worth noting that, once the infrastructure is in place, automating other forms using the same mechanism will be relatively inexpensive activities.

3. Funding Requirements

	02-03	03-04
ISB Funding	£547,500	£290,000
Of which: Current	£37,500	£150,000
Capital	£510,000	£140,000
Bidders' own funding	£182,500	£80,000
DTI – ER – RPS	£182,500	£80,000
DTI – Insolvency Service	-	-
Grant Thornton plc (insolvency practitioner)	-	-
Of which:		
Current	£12,500	£50,000
Capital	£170,000	£30,000
TOTALS:	£730,000	£370,000

4. Innovation

This project will facilitate the restructuring of a paper-based multi-task operational process into an effective and efficient electronic process that:

- Ensures the RPS and their community would be early adopters / supporters of the Government Gateway.
- Improves inter-organisation working (in line with the e-Government and joined-up requirements);
- Improves the delivery of service to customers;
- Improves efficiency and effectiveness of the organisations involved;
- Reduces the long-term costs associated with the process e.g. costs associated with the physical storage / office space and staffing of the organisations involved.

5. Benefits to Users

Many of the benefits that these changes bring will be intangible or personal benefits to RPS staff, partners and customers. These include improved service, ease of use, improved processes, improved working practices, etc. Although some potential

longer term financial benefits, such as space reductions, staff reductions, etc. are also achievable.

The main stakeholders who will benefit from the proposed improvements are:

- **Claimants** – Submissions will be possible 24 hours a day. Questions can be more easily and quickly answered. Claims can be more effectively processed in a reduced timescale.
- **Business “Customers”** – Submissions possible 24 hours a day. The time taken to provide information and evidence related to claims would be reduced. The cost of providing input would be reduced. Outputs would be delivered more quickly.
- **Insolvency Practitioners and Official Receivers** – Submissions possible 24 hours a day. Time taken to provide case inputs and updates would be reduced. Time taken to receive associated outputs would be reduced. Information would be more readily available. Office storage requirements and the costs of and time associated with information transmission would be reduced.
- **OGDs** – Information would be more readily available and would be exchanged and managed more securely at a reduced cost. There would be less paper to process and store, which would reduce office storage accommodation requirements and save staff time associated with information retrieval.
- **RPS staff** – At this time, the operational procedures of the RPS are heavily paper-based. Having a partial electronic and partial paper-based system also requires RPS staff to transcribe and collate information that needs to be passed to external agencies. Manual processing can occasionally lead to errors, but is also labour intensive. Paper based data is entered into the CHIRPS application, but everything that is received on paper is filed and stored. Where necessary, it is also physically copied and faxed to other agencies. Automation of inputs and outputs would significantly increase the amount of time available to RPS staff to handle claims and enquiries and improve service to customers.
- **The RPS Operation** – Automation of the process will allow the RPS to meet the Government’s requirements for information on line. The automation of inter-department information transfer and the electronic capture of all information would increase the efficiency and effectiveness of the RPS and their operating partners, specifically in the areas of information management and information transfer. In addition to making the case information more readily available, improved input efficiency would also help reduce the time taken to process redundancy claims and in handling specific enquiries.

The working processes of the RPS are necessarily office-based – those dealing with claims processing and enquiry management must be co-located with the files that they are processing. This means that the RPS has little opportunity to implement flexible working practices or reduce its office space requirements.

If all of the case base information were available on-line, RPS staff would also be able to perform their necessary tasks remotely, which could facilitate the implementation of more family-friendly working practices, including remote and more flexible working.

The reduction in paper storage facilities, coupled with new working practices would allow the RPS to reduce their office accommodation requirements in the longer term.

6. Estimated Savings

Initial modelling suggests that the proposed changes would result in a direct staff saving of 12 staff units (at range 4 level). These are directly related to the reduction in staff time required to input documents.

A reduction in accommodation costs will be achievable:

- as a result of the electronic storage of data;
- as a result of the introduction of effective home based working.

The revised working methods will also facilitate efficiency gains in many areas of the RPS operation. However, at this early stage, it is impossible to quantify these gains.

7. 'Additionality' Test

The existing RPS budget covers the day-to-day costs associated with running the current operation and meeting the current service level agreements.

At this time, no funds are available to the RPS to implement the proposed changes in their business practices.

Without the funding applied for here, the RPS would be unable to meet the Government's electronic delivery targets in 2004 or implement family-friendly-working practices of the type facilitated by this proposal.

8. Accountability and Audit

As part of DTI HQ, the Accounting Officer for the RPS is the Department's Accounting Officer. Finance and Resource Management Directorate support the Accounting Officer, and the RPS's financial control systems are subject to review and audit by them, by the Department's Internal Audit team, and by the NAO.

9. Project Cycle Management

a) Economic Appraisal

Introduction

The introduction of the new CHIRPS interface will enable any members of the public who claim from the RPS (usually former employees), official receivers and insolvency practitioners to contact the RPS via the Government Gateway and send in their claim forms this way. It will also improve the co-ordination of work within the RPS as forms can be compared directly. This will reduce the possibility of errors occurring.

Costs

The costs of introducing the new interface have been estimated by the DTI's IT provider, Unitas, to be between £ 975,000 and £ 1.1 million depending on the option chosen.

Costs are spread over 2 years as indicated in table 1.

Table 1: Costs of introducing the new interface to RPS: 2 options

	Year 1	Year 2
Option 1	650,000	320,000

Option 2	730,000	370,000
----------	---------	---------

Option 1 is the core option or introducing the new interface to the RPS. Option 2 contains two additional elements:

Table 2: Costs: other elements (optional)

Other Government Department study	80,000	Year 1
Scanning hardware	50,000	Year 2

The analysis will present net present values for both options.

There are additional costs of maintaining the new system. These are £ 95,000 above the current maintenance costs of £ 400,000.

Further costs arise due to training needs. These are estimated to be £ 13,750 in the first year⁴. There will be further training costs in the following years for new members of staff. We do not expect that these will be higher than current training costs and therefore add no additional costs to the introduction of the new interface.

Option 1

The net present value (**NPV**) of the costs over the first 5 years is **£ 3.1 million**. See annex for details.

Option 2

The net present value (**NPV**) of the costs over the first 5 years is **£ 3.2 million**. See annex for details.

Benefits

To calculate the NPV of the benefits we have to consider the time savings made due to the improved system. The work of an RPS officer (range 4) who deals with RP1, RP14 and RP2 forms consists to some extent of checking whether the information on different forms is consistent. Further savings can be achieved from working from home and electronic storage of data. Please see section 6 for details. It is estimated that total savings would be equivalent to about 12 staff units at range 4 level.

We can express these savings in time spent on an individual claim and therefore relate it to the existing workload of the RPS. These savings in time can be used by members of staff to improve customer service. This includes more effective information being given in response to customer enquiries, reduced waiting time for customers who have questions, etc.

The estimated 12 staff units are equivalent to about 1.1 million minutes per year.⁵ At an estimated level of 121,000 claims per year in year 2002/03 the saving is equivalent to 9 minutes per claim.⁶ A range 4 earns approximately £ 14,000 per year. For this costs assessment we have to consider the total labour costs, i.e. about 30%

⁴ The RPS has about 110 members of staff. Each has to be training for about ½ day. Training costs are estimated to be about £250 per day. The total training costs are therefore £250 * 110*0.5 = £13,750.

⁵ A member of staff works about 42 weeks per year (taking account of annual leave and bank holidays) and 36 hours per week. These are equivalent to 1.088.640 minutes per year.

⁶ 1,088,640/121,000 = 8.99

more than the gross wage. Total savings per 1000 claims are therefore about £ 2,900 per year.

To calculate the NPV and compare it with the costs we have to include the discounted maintenance costs for the old system of £ 400,000. The **NPV is £ 3.1 million** for the first 5 years. See annex for details.

Benefits to other parties

There are further benefits to other parties that we have not quantified at this stage. These include efficiency gains to official receivers and insolvency practitioners who will be able to handle claims via the Internet, as well as benefits to some former employees who have access to the Internet. We assume that all official receivers and about 50% of insolvency practitioners will use the new interface within the first year, increasing later. Their savings will result from more efficient handling of claims. Forms can be e-mailed to the RPS and will not be printed out any more etc (many are currently filled in by hand). We do not assume that a significant number of claimants will use the new interface initially (we have estimated 20% or 20-25,000 claimants), but even this relatively small number will benefit from the improved accessibility to Government.

Net effect

The net effect of costs and benefits is therefore a **net benefit of £ 0.2 million** over a period of 5 years under option 1 and of **£ 0.1 million** under option 2.

Sensitivity Analysis

The benefits have been estimated and are subject to a margin of error. To ensure that no overestimation of benefits arises we have conducted a sensitivity analysis. It is assumed that the benefits from time saving will be two thirds of those estimated in the analysis above. This is equivalent to a saving of only 6 minutes per claim.⁷

In these circumstances the savings per 1000 claims are about £ 2,000. The NPV of savings is about £ 2.9 million over the first five years.⁸ This means a small net cost of the introduction of the new system.

b) Project Monitoring and Evaluation

This project will be assigned to a skilled project manager who will be responsible for creating a project environment in which project management can be effective and ensuring that the deliverable items are designed, planned and created in accordance with a structured and pre-defined process methodology. The project manager is also responsible for ensuring the two elements that are essential to the success of any project:

- The correct flow of information between the project sponsor, the project team, suppliers and any third parties involved;
- Efficient decision-making carried out at a level that has the necessary authority.

The project management methodology selected, PRINCE2, includes project management processes that can be used to manage any recognised development methodology (such as the classic 'Vee' lifecycle, 'waterfall' implementation lifecycle,

⁷ Some of the savings such as storage space saved will not vary with the number of claims. I.e. a reduction to only 6 minutes saving may reflect more than a reduction by 33%.

⁸ See annex A for details.

etc. or Rapid Application Development methods such as DSDM) and implements the requirements of ISO9001/EN9001 that relate to management of projects.

The project will commence with the definition of the requirements of the items to be produced and concluded when, and only when, it has been established that the delivered items meet with the agreed requirements and are accepted by the DTI.

Project Management Phases

Project Start up	Project Initiation	Implementation and Delivery			Project Close Down
Refine Requirements	Define Solution	Implement Solution	Trial Solution	Deliver Solution	Operate & Enhance

Project Stages

Stages 1 and 2 are concerned with qualifying the project, refining the requirements and defining a best-fit solution that maximises benefits. During these stages, the key PRINCE2 project management processes of **Project Start-up** (*building the team and setting up the project structure*) and **Project Initiation** (*solution definition and planning*) are completed. By the end of Stage 2, the optimal business Solution has been designed, defined, scoped, planned, risk-reduced, costed, subjected to a formal Business Evaluation Process, and documented. The emphasis here is on the importance of defining, at the outset of the Solution Project, the project requirements in terms that are unambiguous, realistic and agreed by all parties. This definition facilitates the achievement of the final agreement that the project has been successfully completed and a strong emphasis is placed on the definition, agreement and control of the scope of the project.

In stages 3-5 the Solution is built, tested, delivered, trialed, accepted and introduced into live use. The PRINCE2 project management processes for **Delivering a Project** (*monitoring and control*) are used here. The Solution is implemented in stages using an appropriate RAD technical development model and with the tasks broken into work packages for effective control.

Normally, the Project is considered to be at an end when the Solution has been accepted into live use. At this point the PRINCE2 project management process of **Project Closedown** (*project termination and handover*) is instigated, and the responsibility for the solution moves to the nominated Service Management team.

c) Project Control

The DTI project manager will be assisted by the Project Board and the User Acceptance Committee.

The Role of the Project Manager

The project manager is responsible for ensuring that the project is completed successfully and is accountable to DTI management for the accomplishment of the pre-defined project objectives of scope, time, cost and quality of the delivered solution.

The project manager therefore has the overall responsibility for all elements of project scoping, planning; organising and managing the project activities; directing and controlling project resources; reviewing and reporting progress and issues, risk management; configuration management and the control of changes to the project's defined Baseline.

The Role of the Accounting Officer

The DTI's Accounting Officer has ultimate responsibility for the RPS. Day to day responsibility for the RPS is held by the Director, Partnership and Work Organisation, in Employment Relations Directorate.

The Role of the Project Board

The Project Board, chaired by the responsible DTI Director, ensures the integrity of the project baseline. The Board:

- controls all changes to requirements and specifications, and ensures that they are desirable and necessary;
- is an important controlling factor in the overall project budget and timescales.

The Role of User Acceptance Committee

The User Acceptance Committee is the DTI / RPS team with responsibility for the acceptance of the project deliverable items.

ANNEX: COST BENEFIT ANALYSES

Costs: Option 1 (i.e. excluding other elements)

	Year 1	Year 2	Year 3	Year 4	Year 5
introduction costs	650,000	320000			
maintenance of new system*	400,000	500,000	500,000	500,000	500,000
training existing staff	13,750				
NPV	3,080,216				

* New maintenance costs will arise from year 2

Costs: Option 2 (i.e. including other elements)

	Year 1	Year 2	Year 3	Year 4	Year 5
introduction costs	650,000	320000			
other elements: study	80,000				
other elements: scanning hardware		50,000			
maintenance of new system	400,000	500,000	500,000	500,000	500,000
training existing staff	13,750				
NPV	3,209,016				

*Unitas estimates the additional maintenance costs to be £ 95,000. total costs would therefore be £ 495,000 per year. £ 500,000 are used to ensure no underestimation of the costs occurs.

**Discount rate of 6%

Benefits

	Year 1	Year 2	Year 3	Year 4	Year 5
Maintenance of old system	400,000	400,000	400,000	400,000	400,000
Savings per 1,000 claims	2916.6	2916.6	2916.6	2916.6	2916.6
Forecasted number of claims*	121,000	133,000	127,000	127,000	130,000
Total savings from claims		387,907.8	370,408.2	370,408.2	379,158
Total savings	752,909	787,908	770,408	770,408	779,158
NPV	3,069,582				

*This is an internal forecast.

Sensitivity analysis

Benefits

	Year 1	Year 2	Year 3	Year 4	Year 5
Maintenance of old system	400,000	400,000	400,000	400,000	400,000
Savings per 1,000 claims	1944.4	1944.4	1944.4	1944.4	1944.4
Forecasted number of claims	121,000	133,000	127,000	127,000	130,000
Total savings from claims		258,605.2	246,938.8	246,938.8	252,772
Total savings	635,272	658,605	646,939	646,939	652,772
NPV	2,637,721				