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Final Business Case

for

Collections Workflow Management Tool

Author: s 9(2)(a) OIA

Version: 0.5

Sign Off Sheet

Document Name	Version	File Location
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		____/____/____
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Compilation and Distribution Summary

Version	Date	Author	Distributed to	Comments/Feedback
0.1	5/10/09		• Kathyrn Norris • s 9(2)(a) OIA •	For initial review and additional information Comments incorporated
0.2	9/10/09		• Kathyrn Norris • Hilary Reynolds • Nick Gale	
0.3	19/10/09		• Hilary Reynolds • Nick Gale	Update of financial costs and improved story
0.4	25/11/09		• Hilary Reynolds • Kathyrn Norris	Add current and new process diagrams to clarify what we are expecting to achieve
0.5	3/12/09		•	Updated with feedback from the Project Advisors

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Executive Summary

Purpose

Debt Collection is currently on the Leadership Team's Strategic Risk Register. The purpose of this business case is to obtain approval for the funding to develop and deliver a workflow management and profiling tool to better support the collection of debt from former clients of the Ministry (non-current debt). This tool is one of a number of initiatives contained within a wider business improvement programme identified for the National Collections Unit that will assist us in mitigating our risk around the management of collection activities.

The business improvement programme was outlined in the Collections Case for Change approved in June 2009 (the Collections Case), and the workflow management and profiling tool will be an integral component of the performance improvement signalled as part of the new Collections structure. It will make a significant contribution to the goals that that are set out in the Collections Case i.e.:

- Increasing Collection Performance while working effectively and delivering a value for money service
- Developing our collections capability to the point where we are recognised as "Best in Class" both across government agencies and commercially

The Collections Case identified that without effective tools to support the collections activities the National Collections Unit is at **risk** of not meeting SOI performance targets from the next financial year onwards. The organisational change approved under the Collections Case cannot mitigate that risk alone - the implementation of the workflow management and profiling tool is necessary to support the planned reduction in FTE levels by 2011/12 outlined in the Collections Case.

Current Situation

TRACE is the system that is used to manage the collection of debt from non-current clients. TRACE is an adequate tool for holding, receipting and reporting on debt. However, it is not effective from a workload management perspective and limits the ability for the National Collections Unit to manage the whole non-current debt portfolio as efficiently as it could.

The limitations of the existing systems mean that we take a one size fits all approach for our clients when recovering their overpayments. However, we know that there are a number of factors that will affect a person's ability and level of willingness to pay and thus our ability to collect money owed to the Crown.

Approximately 80% of clients that enter TRACE for debt recovery are repeat debtors (i.e. they have been on and off benefit at least once in the past and have had a debt). We already hold good information on our client's debt repayment behaviours from previous contact. However because it is so time consuming to manually recover this information we do not use it to take a client centric tailored approach to debt recovery. If we do this we will increase our efficiency and be able to deploy our resources more effectively.

Expected Deliverables

The workflow management and profiling tool will deliver the following capabilities:

- ***Debtor Profiling*** *to enable a more targeted and manageable approach to workloads* – this means when possible we will use information previously stored in TRACE to develop a profile for debtors. This profile will tell us whether the debtor:
  - is likely to pay as a result of automated interventions; or
  - needs a "soft prompt" to make payment by phone or text (in the future): or
  - needs a full on human intervention to ensure they make repayments; or
  - that the debt needs to be held or an administrative task is required (e.g. debtor deceased, in prison etc)

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Our staff will only receive debts for recovery when a human interaction is required – currently they get them all.

- ***Portfolio management*** *that will help collectors manage their day to day activities and track the progress of a given case at any time* – the DMO will only receive a debt that needs a human intervention. When they get it they will know exactly what course of action is required now. For example, if a client has always failed to make payments until we have placed a deduction notice with their employer then the DMO will receive this debtor immediately they arrive in TRACE – they will attempt to contact the client to negotiate repayment (letter or phone). If there is no response a deduction notice will be issued immediately the employer. This will result in repayments starting within 4 weeks for these cases instead of 3 – 4 months.
- ***Collector Profiling*** *to enable a more tailored approach to workforce management according to skills, experience and proficiency.* There are three distinct areas of work in our collections business – responding to inbound calling, making outbound calls and processing – all of which require specific skills to complete successfully. By profiling our collectors in the system we will be able to ensure that staff receive the type of work that they are best at.
- ***Management Reporting*** *– without manual interventions we will have the ability to monitor KPI performance against KPI targets at both management and staff levels.* Currently staff have manual excel based workbooks that are created at National Office and updated once a week. With little effort Service Managers at the local level are going to be able to see what the daily progress of a DMO's case load is and how they are performing.

Benefits

Financial Benefits

SUMMARY FINANCIAL RECOMMENDATION TEMPLATE

Project Title			Collection Units- Change Proposal				
Project Start (Financial Year):			2009/10	e.g. enter 2008/09 if project start is between 01 July 2008 & 30 June 2009			
Net Present Value % (MSD Cost of Capital is 7.5% but Treasury suggest (July 2008) default rate of 8% and 6% for office buildings and 9.5% for IT projects)			9.5%		**Payback** Year Three		
CASHFLOWS $'000's - LIKELY CASE		revenue / (expense)					
Fund	*Soft?*	*Narrative [describe major component and assumptions]*	*2009/10*	*2010/11*	*2011/12*	*2012/13*	*2013/14*	*Outyears*
opex		8 FTEs reduction as per Collection Business Case (50k)	s 9(2)(b)(ii) OIA					
opex		DMO savings from technology enhancements (10 DMOs @50k)						
opex		Reduction in Info Analyst role (1 FTE from 2011/12 $65k)						
opex								
opex								
opex								
opex								
opex								
capex		IT enhancements						
opex								
Opex	soft							
NPV $1.413		TOTAL LIKELY SAVINGS/(COSTS)	(1,356)	200	680	965	965	965
	soft	add back SOFT savings	0	0	0	0	0	0
		HARD savings/(costs) to be FUNDED	(1,356)	200	680	965	965	965
FUNDING $000's			2009/10	2010/11	2011/12	2012/13	2013/14	Outyears
		Funded from existing DCE allocations						
capex		Capital from shared costs (Finance to agree to this)						
		Integrity Services to retain the savings for VFM						
$0		<— Total AMOUNT REQUIRED (i.e. Unfunded) —> split by year	0	0	0	0	0	0

The project generates a positive Net Present Value of $1.413M over five year period. This is mainly achieved by the reduction in Debt Management Officers and Information Analyst roles from 2010/11 onwards. These savings will be retained within Integrity Services in order to meet the VFM targets in the out years and have already been factored in to the Collection Change Proposal.

The current structure of 114 FTEs agreed on the Collections Unit is a reduction of 8 FTEs from their original baseline of 122 FTEs during the change process. This reduction in staffing was agreed on the basis that the workflow management and profiling tool will bring the required efficiencies and flexibility to manage collection operation with reduced DMO

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numbers. We have factored this savings to start partially from 2010/11 year and realise fully from 2011/12 onwards.

The efficiencies expected from the establishment of a single National Collections Unit, the business improvement programme and the effects of delivering the workflow management tool supports a further reduction of 10 collector FTEs by 2011/12. This will eventually bring the total DMO number to 104 FTEs from 2012/13 onwards.

The profiling tool will automate some of the information analysis work currently carried out by the four Information Analysts. Accordingly there will be less reliance on Information Analysts and we expect to reduce the number by one (possibly two FTEs) starting from 2011/12.

Cost

The workflow management tool will require up to $1.36m capital to be developed and implemented. A high level summary of the IT estimate of costs is set out below:

Description	**Estimated Cost**
Software Delivery – Includes Project Management, Planning, Build/Test, Implementation and Training • Implementation of debtor profiling and desktop tool • Hardware and Infrastructure costs • Infrastructure Services • Performance Testing (if required) • PIR and Close Out Activities	s 9(2)(b)(ii) OIA
Contingency (@10%)	
Total Cost (Ballpark/Rounded)	$1,356,151

The project required to develop and deliver this tool is considered 'significant' based on MSD's project governance criteria. It is not classified as a major project. The project is recorded as an "approved project" under the ITGC project overview.

Recommendations

It is recommended that the signatories of this business case:

Note that s 9(2)(a) OIA e is the Business Owner of the Project.

Note that the Collections Case identified that the implementation of a new workflow management tool is a pre-requisite to achieving the benefits of the case. (NPV of $1.413M).

Note that the ongoing support costs for this tool will be provided by IT, estimated at $30,000 per annum.

Agree the funding required to go ahead with this project at a Capital cost of $1.36M from the Ministry's Capital Plan.

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DOCUMENT CONTEXT AND PURPOSE

1.1 Purpose

The purpose of this business case is to obtain approval for the funding required to develop and deliver a new tool, required to manage debt collections within MSD. This tool is one of a number of technological initiatives contained within a wider business improvement programme identified for the National Collections Unit.

1.2 Context

The business improvement programme for the National Collections Unit was outlined in the *Collections Case for Change* business case approved in June 2009 (the Collections Case). The Collections Case included the costs and benefits of the National Collections Unit business improvement programme.

In particular, the development and implementation of this workflow management and profiling tool was identified as a pre-requisite to achieving the benefits expected under the Collections Case. Accordingly, the majority of the financial benefits for this business case are those outlined in the Collections Case. In addition, we have identified the time savings as a result of this tool that can be redeployed towards maintaining collection levels as per SOI targets.

Over the last two years, Collections have done well at achieving their agreed Statement of Intent (SOI) targets. The target requirements are:

- Achieve collections of between $77m and $82m per year
- Have 82% of debts under arrangement within 4 months.

This has been achieved by constantly adjusting collection activities such as:

- Ongoing review and adjustment of business processes to improve efficiency wherever possible within existing system constraints; and
- Prioritising resources to focus on work that directly contributes to achieving required performance targets.

However, this approach has had some impact on the ability of the National Collections Unit to maintain focus on other collection activities such as:

- Collecting aging debts - cases that are older than 5 months.
- Following up broken arrangements and reactivating debts when clients are located

The Collections Case that has been approved identified the overall programme of work required to maintain current collections rate. The workflow management tool is part of this programme of work. This tool implements two of the initiatives contained within the Collections Case:

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1. Profiling debtors; and
2. Development of a workload management tool to aid in the process of debt collection.

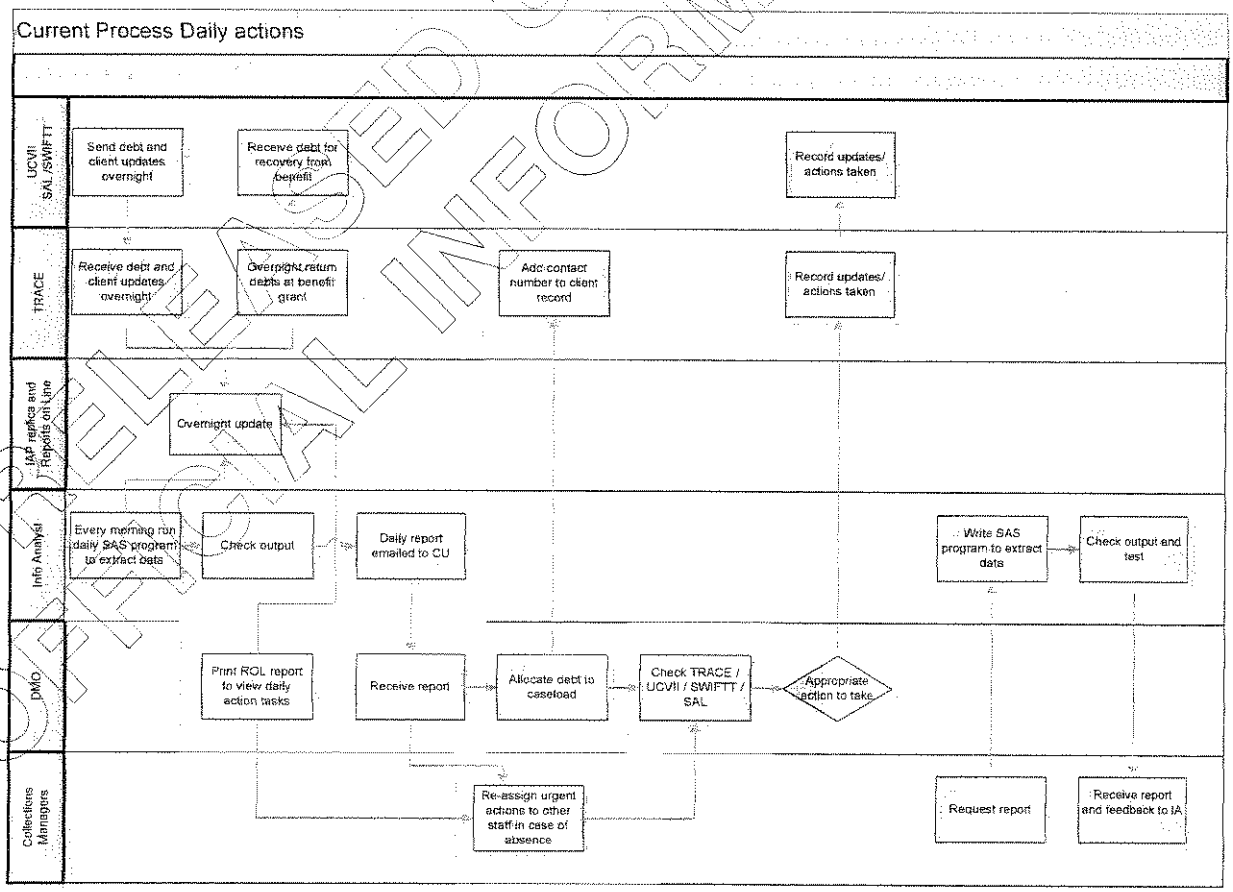
1.3 Current Situation

TRACE is the system that is used to manage the collection of debt from non-current clients. TRACE is an adequate tool for holding, receipting and reporting on debt. However, it is not effective from a workload management perspective and limits the ability for the National Collections Unit to manage the whole non-current debt portfolio as efficiently as it could.

The limitations of the existing systems mean that we take a one size fits all approach for our clients when recovering their overpayments. However, we know that there are a number of factors that will affect a person's ability and level of willingness to pay and thus our ability to collect money owed to the Crown.

Approximately 80% of clients that enter TRACE for debt recover are repeat debtors (i.e. they have been on and off benefit at least once in the past and have had a debt). So we already hold good information on our client's debt repayment behaviours from previous contact. However because it is so time consuming to manually recover this information we do not use it to take a client centric tailored approach to debt recovery. If we do this we will increase our efficiency and be able to deploy our resources more effectively.

Below is a diagram which demonstrates the manual effort that is required to organise the workload of DMO's. The shaded area is the manual effort we will avoid by completing this project.



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1.4 Expected Deliverables

The workflow management and profiling tool will deliver the following capabilities:

- ***Debtor Profiling*** *to enable a more targeted and manageable approach to workloads* – this means that for every debt we will assess whether the debtor:
  - is likely to pay as a result of automated interventions; or
  - a "soft prompt" is required perhaps by phone or text (in the future): or
  - a full on human intervention is required to get payment; or
  - that it needs to be held or an administrative task is required (e.g. debtor deceased)

  Our staff will only receive debts for recovery when a human interaction is required – currently they get them all.
- ***Portfolio management*** *that will help collectors manage their day to day activities and track the progress of a given case at any time* – the DMO will only receive a debt that needs a human intervention. When they get it they will know exactly what course of action is required now. For example, if a client has always failed to make payments until we have placed a deduction notice with their employer then the DMO will receive this debtor immediately they arrive in TRACE – they will attempt to contact the client to negotiate repayment (letter or phone). If there is no response a deduction notice will be issued immediately the employer. This will result in repayments starting within 4 weeks for these cases instead of 3 – 4 months.
- ***Collector Profiling*** *to enable a more tailored approach to workforce management according to skills, experience and proficiency.* There are three distinct areas of work in our collections business – responding to inbound calling, making outbound calls and processing – all of which require specific skills to complete successfully. By profiling our collectors in the system we will be able to ensure that staff receive the type of work that they are best at.
- ***Management Reporting*** *– without manual interventions we will have the ability to monitor KPI performance against KPI targets at both management and staff levels.* Currently staff have manual excel based workbooks that are created at National office and updated once a week. With little effort Service Managers at the local level are going to be able to see what the daily progress of a DMO's case load is and how they are performing.

The following workflow diagram on the following page demonstrates the reduction in manual effort required when compared with the diagram in 1.3. The line titled "autobatch" will replace this manual effort.

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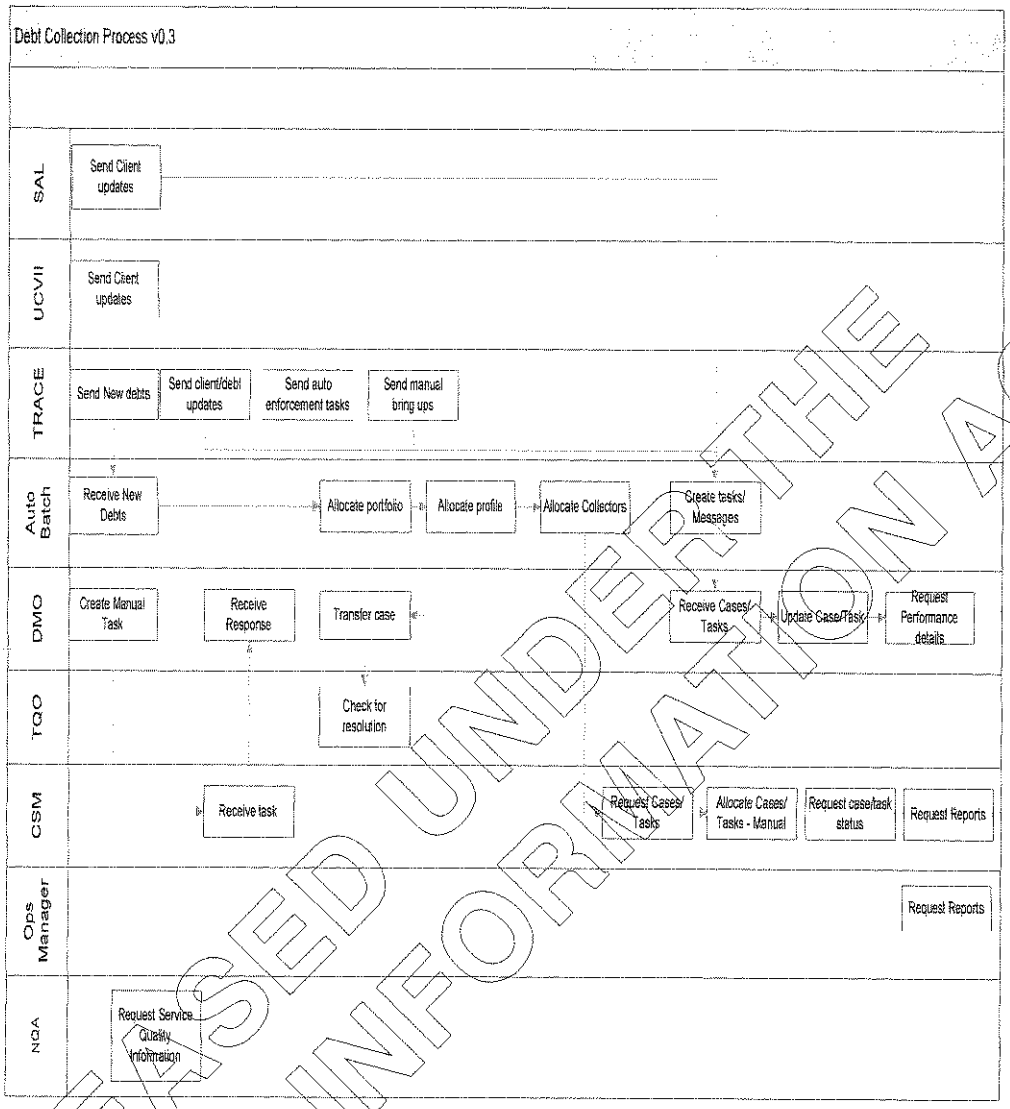

1.5 Consultation

The following groups have been consulted in the development of this business case:

Business Unit	Consulted (Names)
National Collections Unit	s 9(2)(a) OIA
IT Applications	
Infrastructure and Services – Database, Infrastructure and Middleware	
Infrastructure and Services - Testing Services	
IT Performance and Risk	
Finance	
Integrity Services	

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2 Business Need/Opportunity

2.1 Category of Need/Opportunity

Criteria	Y/N	Need/Opportunity Statement
Gives effect to a significant legislative or ministerial requirement or is part of a significant public initiative	N	
Directly supports an MSD strategic objective	Y	This project supports the need to focus on targeted areas of collections and collections activity rather than manual data management. This will allow the Collections Unit to better contribute to MSD strategic bottom lines particularly at a time where **value for money** activities are important.
Reduces significant identified risk	Y	The project will contribute to reducing the risk of failing to meet SOI targets as a result of diminishing baselines by providing better tools to do the job.
Provides financial benefits	Y	This tool support leads to more focus on collecting debts rather than data management. Time saved from reducing the administrative effort required to manage caseloads will allow more focus to be put on collections – which will increase the collection rates achievable. This, along with other process improvements in this case, will facilitate the management of the collection function with less collector and information analyst resources which in turn contributes to the hard savings.
Provides non-financial benefits	Y	The functionality built into the new tool will: • Enhance the availability and accessibility of the most relevant information • Minimize time spent in dealing with a case • Reduce collector case loads

2.2 Description of Need/Opportunity

The requirement for the Collections Workflow Management Tool is described in detail in Section 1.2 of this document. This tool needs to be in place so that the National Collections Unit can implement the work process improvement changes required to:

- Deliver cost savings for the future
- Avoid performance failure

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- Target our collection efforts according to the ability and likelihood of clients making payment

2.2.1 Significant Legislative or Ministerial Requirement/Public Initiative

Not applicable

2.2.2 Directly Supports an MSD Strategic Objective

The Ministry's Strategic Plan for 2008-20011 underscores the Ministry's emphasis on ensuring all clients receive their correct entitlement. A key part of this is preventing and minimising debt and fraud. This project supports this MSD strategic objective in that it will enable the planned reduction of delivery costs, while maintaining the quality, timeliness, and level of debt recovery particularly at a time where **value for money** initiatives are important.

2.2.3 Reduces Significant Identified Risk

Whilst Collections business process improvements have been continually implemented over the past 24 months in order to meet performance targets, the Collections Case identified that without effective tools to support the collections activities the National Collections Unit is at **risk** of not meeting SOI performance targets from the next financial year onwards. The organisational change approved under the Collections Case cannot mitigate that risk alone - the implementation of the workflow management tool is necessary to support the planned reduction in FTE levels by 2011/12 outlined in the Collections Case.

The workflow management tool will also reduce the risk of not recovering debts as it will provide a proactive approach to categorising and identifying those debtors requiring attention (immediate or otherwise).

2.2.4 Provides Financial Benefits

Financial Benefits

SUMMARY FINANCIAL RECOMMENDATION TEMPLATE

Project Title			Collection Units- Change Proposal					
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		Funded from exisiting DCE allocations						
capex		Capital from shared costs (Finance to agree to this)						
		Integrity Services to retain the savings for VFM						
$0		<-- Total AMOUNT REQUIRED (i.e. Unfunded) --> split by year	0	0	0	0	0	0

The project generates a positive Net Present Value of $1.413M over five year period. This is mainly achieved by the reduction in Debt Management Officers and Information Analyst roles from 2010/11 onwards. These savings will be retained within Integrity Services in order to meet the VFM targets in the out years and has already been factored in to the Collection Change Proposal.

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The current structure of 114 FTEs agreed by the Collection Unit is a reduction of 8 FTEs from their original baseline of 122 FTEs during the change process. This reduction in staffing was agreed on the basis that the workflow management and profiling tool will bring the required efficiencies and flexibility to manage collection operation with reduced DMO numbers. We have factored this savings to start partially from 2010/11 year and realise fully from 2011/12 onwards.

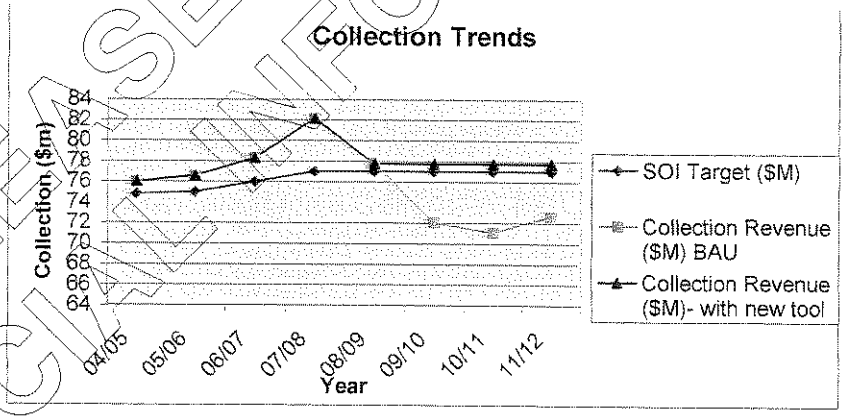
The efficiencies expected from the establishment of a single National Collections Unit, the business improvement programme and the effects of delivering the workflow management tool supports a further reduction of 10 collector FTEs by 2011/12. This will eventually bring the total DMO number to 104 FTEs from 2012/13 onwards.

The profiling tool will automate some of the information analysis work currently carried out by the four Information Analysts. Accordingly there will be less reliance on Information Analysts and we expect to reduce the number by one (possibly two FTEs) starting from 2011/12.

The "Collection Trends" table below illustrates the forecast collections with and without the workflow tool.

Collection trends

Year	SOI Target ($M)	Collection Revenue ($M) BAU	Collection Revenue ($M)- with new tool	Debtor numbers
04/05	74.8	76	76	135,358
05/06	75	76.59	76.59	148,777
06/07	76	78.28	78.28	143,823
07/08	77	82.16	82.16	140,450
08/09	77	77.77	77.77	133,251
09/10	77	72.07	77.77	132,535
10/11	77	71.08	77.77	139,162
11/12	77	72.66	77.77	146,120



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Time savings by Debt Management Officers from the new tool

Activity	Total Time Savings FTE
Loadswiftt (without profiling): **- searching internal systems**	5
Workbooks **- time spent checking each day**	17
Daily Reports (auto actions) **- searching internal systems prior to taking action**	8
Total time savings (FTEs)	30

Please see the detailed workings in **APPENDIX B.**

The workflow management tool is expected to save time that is equivalent to 30 FTEs due to the elimination of manual tasks and processes that are currently carried out by collector DMOs. Out of the 30 FTE savings, we will realise 18 collector FTEs as hard savings which is used to calculate the NPV. The balance 12 FTEs will be in the form of soft savings which can be redeployed to core collection activities. This will assist us to maintain the SOI targets and will position Collections well when benefit numbers reduce and the debt flows out of the benefit system and back into TRACE for recovery.

2.2.5 Provides Non-Financial Benefits

The aim of this project is to implement a better tool than is currently used to manage the portfolios of clients with outstanding debts. A better tool will:

- Provide timely and accurate workload and management information
- Minimise the time spent in dealing with a case
- Allow more effective management of collection activities through improved reporting of workloads and identification of risk areas

3 Scope

This business case addresses two of the initiatives mentioned in the Collections Case:

1. Profiling Debtors and
2. Workflow Management Tool

The scope of this project is summarised below. More detail about what is included in this project is set out Appendix One (attached).

3.1 Core Functionality

- Existing debt workload migration from TRACE
- Debtor profiling – clients to be profiled according to their attributes and past payment behaviour
- Client caseloads allocated according to collector expertise and debt type – DMO profiling

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- Set up standard debt collection tasks for debt type and allocate tasks to individual cases according to debt type to ensure that the tasks undertaken by collectors are what is required for that specific case – no more and no less
- Caseload, case and task management and reporting
- Staff performance monitoring and reporting
- Management reporting
- Notification of changes to client attributes in UCVII/SWIFTT, SAL and TRACE
- Associated training and operational documentation
- Service compliance and quality assurance
- Ensuring sufficient flexibility to allow future process changes to be reflected in the tool

3.2 Additional Scope

These will depend on system compatibility with AIMOS and mandate within current Information Matching Agreements.

- Notification in relation to debtors who have travelled in the last week departed or arrived (matching with NZ Customs)
- Notifications in relation to debtors who have being admitted or released from Prison (matching with Corrections Department)
- Notifications in relation to debtors who have had activity with ACC (matching with Accident Compensation Corporation)

3.3 Out of Scope

- Existing debt workload (there will be no extract, transfer and load of existing caseloads on implementation – for a short period there will be two processes running in parallel)
- Maintenance debts in WAM (this is a legacy debt workload)
- Telephony solutions
- Digitisation
- Internet changes

4 Assumptions

The development and implementation of the Collections workflow management tool depends on the following:

- Availability of funding for this project
- Policy changes that may be required to implement debtor profiling being made
- Availability of business and technical human resources
- Availability of IAP infrastructure, resources and window to execute daily batches
- Availability of resources from the business and technology units of MSD (i.e. National Collections, IT Applications, Testing Services).

5 Objectives

This workflow management tool will:

- Provide an effective work tool for collections staff and management
- Allow proactive monitoring around collections activity

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- Contribute to a wider programme of change within the National Collections Unit
- Provide the capability to increase collector performance and reduce the overall cost of collections

6 Options

6.1 Options Identified

Option	Description	Pro's	Con's
Option 1 Ruby on Rails	Develop the Collections Workflow Tool using Ruby on Rails	Completely Flexible Configuration is faster than other options	It is generally used for web applications but this project has a large batch component
Option 2 JAVA	Develop the Collections Workflow Tool using JAVA	JAVA is suited to batch processing The technology is well understood with a large base of developers at MSD	Prototypes cannot be developed quickly Configuration is slow
Option 3 Mix of 1 and 2	Develop the Collections Workflow Tool using a mix of Ruby on Rails and JAVA	Completely Flexible Configuration is faster than other options JAVA is suited to batch processing	Would require both Ruby and JAVA developers. There may be some duplication in code
Option 4 Curam	Develop the Collections Workflow Tool using Curam with Bespoke interfaces	Curam has a built in workflow system that could be updated as required Curam fits with the MSD strategic direction	Flexibility is limited
Option 5 Use another workflow tool	Develop the Collections Workflow Tool using a generic workflow package that is not Curam	A generic workflow system would have built in workflow that could be updated as required	Flexibility is limited by the framework

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Option	Description	Pro's	Con's
Option 6 Do Nothing	Continue using a spreadsheet		The Business will be unable to meet their debt Collection targets

6.2 Evaluation Criteria

A Major Technical Options paper was produced by the Solution Architecture team. Considerations included flexibility of solution, cost of solution, MSD strategic direction, time to develop.

6.3 Evaluation Results

Option	Evaluation Summary
Option 1 Ruby on Rails	This option is extremely flexible which is very important so that it can be adapted easily to changing business processes. Development can be done very quickly with relatively low costs.
Option 2 JAVA	JAVA development can be slow.
Option 3 Mix of JAVA and Ruby on Rails	This would mean duplication in code and two teams of developers. It would not be the most efficient.
Option 4 Curam	Flexibility would be limited. Development and maintenance would require Curam trained developers. Other Curam projects at MSD may prevent the tool being delivered quickly.
Option 5 Use another workflow tool	This would go against the MSD strategic direction. If an existing workflow product was to be used, it should be Curam.
Option 6 Do Nothing	It is widely accepted that the Business is unable to be sufficiently productive as is. In order to process their work efficiently and meet their targets Collections need a tool.

6.4 Recommended Option

The recommended option is Option 1 to develop the tool using Ruby on Rails.

7 Approach, Timeframes and Dependencies

7.1 Project Approach

The following outlines the approach for the project:

- The Business Steering Group (BSG) will review project documents and provide the direction for the project.
- The project will report regularly to the BSG.

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- IT and the Collections project team will work together to coordinate and plan all the activities to complete this project.
- Integrity Services has overall responsibility and the IT Applications Manager will ensure that their requirements are reflected in the solution delivered.
- The software solution will be developed in-house within MSD; the project team to be established.
- Post implementation support will be agreed, but is expected to be included in the ongoing support and maintenance already provided by IT for the National Collections Unit.
- Training and communication plans for all staff will be developed and implemented.
- Any amendments to existing business practices will be completed.
- Use of the IAP platform will be required to extract data from other related systems such as TRACE, UCVII, SAL etc.
- Will use the IT Project – Project Management Methodology and the Delivery Leadership Methods to fulfil the IT process requirement.
- Will use MSD's IT Governance standards to fulfil Significant Project Reporting Requirements and Central Agency requirements of "Significant IT Projects"
- Use Agile/SCRUM development methodology that promotes rapid and sustainable development, co-location and satisfying the business owner through early and continuous delivery of valuable software.
- Appropriate consultation with the Office of the Privacy Commissioner (OPC) will be undertaken as necessary.

7.2 Phases

The table below lists the key milestones for the project.

Phase	Description	Due Date
Concept	Completion of Concept paper and business case and approval by ITGC	November 2009
Planning and Analysis	Completion of Project Plan, Risks and Issues Registers, Communications plans for approval by BSG	November 2009
Detailed Analysis, Design and Build	Design, Build, Test and User Acceptance Testing (UAT) of the new tool.	May/June 2010
Implementation	Implement tool, business process changes, communications, implementation planning, hand over and training. A go-live request will be presented to the BSG. Complete Service Level Agreements, Training and Operational Instructions	June/July 2010

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Closure	Project Closure Report	July 2010
Post Implementation	Complete Post Implementation Review on Project Delivery	August 2010
Post Implementation	Complete Post Implementation Review on Business Outcomes	September 2010

7.3 Dependencies

This project includes a significant amount of IAP work this means there is a dependency on the Data Match Enhance IR Match project. Given existing resource constraints the projects cannot be developed in parallel. Agreement will need to be reached between the Business Units on which project will be delivered first. If the IR project is worked on first this will delay the delivery of this project.

Note: There is no dependency between this project and the completion of LEAN business process improvements. The impact of those process reviews is the potential for future this new tool however an important feature of this tool is allowing flexibility for change. The size and extent of this flexibility will need to be determined in the next phases.

8 Impacts

8.1 Financial Impact

8.1.1 Software Development and Implementation

Description	Estimated Cost
Software Delivery – Includes Project Management, Planning, Build/Test, Implementation and Training • Implementation of debtor profiling and desktop tool • Hardware and Infrastructure costs • Infrastructure Services • Performance Testing (if required) • PIR and Close Out Activities	s 9(2)(b)(ii) OIA
Contingency (@10%)	
Total Cost (Ballpark/Rounded)	$1,356,151

8.1.2 Ongoing IT Costs

Once the Collections workflow management tool is implemented the ongoing costs will be for the maintenance and support of this tool. This is expected to be done by the relevant IT teams and has been agreed with Infrastructure and Services.

8.2 Stakeholder Impact

Potential Shareholder impacts are summarised in the table below:

Stakeholder Group	Impact
MSD Clients	**Medium:** For some clients there will not be any difference. For others we will be taking a much more active approach to debt recovery.
Collections Staff	**High:** DMO's will have access to latest information about the

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Stakeholder Group	Impact
	debts/clients profile, details, broken arrangements etc. This should allow them to focus on the job rather than searching for the information in other related systems, eventually this should result in optimised work load and less stress level leading to better collection rates. As this will be a new tool to be introduced to those already involved in collections activities a well designed training and communications plan will need to be developed in order to ensure the uptake of the new tool is successful.
IT (General)	**Medium:** This will be a new tool to be developed and run within MSD. It will have an impact on most IT groups. Changes will impact on, but are not necessarily limited to, the following: IAP; Infrastructure and Services, IT Applications, IT Help who need to be informed of the new tool's existence.
Other Business Units	**Low:** Trivial impact on other business units, will be treated as 'business as usual' activity.

8.3 Programme of Work Impact

This project has no significant impact on the business as usual activities of the National Collections Unit, although the business and the IT resources have to deal with competing project priorities. The Business Owner has agreed that a dedicated business representative will be made available and co-located along with the project team. The IT resources to support this project are to be confirmed.

8.3.1 Disaster Recovery

The debt collection tool is not a mission critical application and has no requirement to have a disaster recovery option.

8.3.2 IT Environmental Impact

New developer workstations have been purchased to support Ruby on Rails development and testing.

There are no other impacts on existing development and network environments.

8.4 Accountability Impact

The project has no accountability impacts.

9 Risks and Security

9.1.1 Risks

The following are the identified potential risks:

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Risk	Rating	Description
Availability of project resources	High	Development of the workflow management tool is subject to availability of resources from the National Collections Unit, IAP, IT Applications and other MSD internal IT service providers. Contract resources will be hired to mitigate this risk.
May not deliver savings that are anticipated	High	The project savings are based on creating the ability to operate the collection function with fewer collector resources. Delays in implementation will require the business to employ additional resources to achieve the SOI targets and therefore the required savings will not materialise.
Complexity	Medium	The project will include the use of the following data source from IAP platform to extract client information: - SAL data for contact details. - SWIFTT data for deceased status. - TRACE data for recent client/debt updates. - UCVII interfacing to the new workflow management tool The details of the processes will be addressed during the requirements / design phases.
Infrastructure setup	Low	There is some infrastructure setup required in order to create the project team which will be based at the National Programmes Centre in Lower Hutt. Delays to this process could cause delays to the project. The setup of the project team environments must be a high priority on the project plan and actioned as soon as the project budget is approved.

A detailed Risk Register will be compiled and maintained during this project.

9.1.2 Security

This project has identified the following potential security issues -

Security Issue	Description
Access to secured records (Confidential information)	Access controls should be in place to access the secured records. The collectors designated to handle the secured records should be able to access the records. The security profile attached to TRACE records must be inherited

10 Project Governance

10.1 Project Significance

Projects are considered significant if they meet the first criterion in the following table and then meet one or more of the other criteria:

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Criteria	Meets Y/N	Comment
An overall defined programme budget, including Ministry CAPEX and OPEX costs, which exceeds $100,000, being the Chief Executive's level of financial delegation to General Managers	Y	The Project is estimated to be approximately $1.36m.
Gives effect to a significant legislative or ministerial requirement	N	
Has been assessed as being of high risk (either for political, customer, delivery or complexity factors)	Y	Without effective tools to support the collections activities the National Collections Unit is at **risk** of not meeting SOI performance targets from the next financial year onwards. The organisational change approved under the Collections Case cannot mitigate that risk alone - the implementation of the workflow management tool is necessary to support the planned reduction in FTE levels by 2011/12 outlined in the Collections Case. The workflow management tool will also reduce the risk of not recovering debts as it will provide a proactive approach to categorising and identifying those debtors requiring attention (immediate or otherwise).
Is part of a significant public initiative; e.g. e-government / e-delivery	N	
Is an essential to achieve a strategic goal of the Ministry or is an IT Strategy deliverable	Y	The project supports a Ministry strategic objective in that will support the reduction of delivery costs identified in the Collections Case
Addresses or mitigates an identified MSD Strategic Risk	Y	Debt Collection is covered in the "Client Fraud / Loss to the Crown" Strategic Risk. This project will contribute to mitigating this risk by ensuring that debt recovery methods are effective and efficient.
Delivers significant cost savings to the organisation	Y	This project is a pre-requisite to enable the National Collections Unit to achieve the cost savings identified in the Collections Case (maintaining the current collections rates and supporting a reduced Collection structure by 2011/12 onwards).

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Criteria	Meets Y/N	Comment
Is identified by LT or the Chief Executive as one, which for strategic reasons, should be included in the list	N	
Implementation will require resources from or have impacts across a number of business units	N	
Involves a number of core systems or impacts on core service delivery through infrastructure changes, including services such as network, telephony, file and print serving etc.	N	

This assessment indicates that this project is a **Significant** Project and the project is **Category B**, 'Need To Do'. This project is not considered a "Major IT Project" according to the Central Agencies' definition.

10.2 Project Controls

This project consists of a large number of discrete deliverables that will be implemented separately, managed by the normal change request process. The timeline for some of the tasks will be governed by the need to fit in with other activities in the IT programme of Work.

Control	Approval	Date
Business Case	ITAC	December 2009
Final Business Case	ITGC	December 2009
Vision Document – HL Software Requirements	Business Owner	December 2009
Communications Plan	BSG	February 2009
End of Phase – Design Build and Test	BSG	June 2010
End of Phase – Regression Testing	BSG	July 2010
Go Live Request	BSG	July 2010
Go Live	BSG	August 2010
Project Closure Report/Summary	BSG	September 2010
Post Implementation Review – In relation to Project Delivery	IT Applications Manager	September 2010
Post Implementation review – In relation to Business Outcomes	BSG	November 2010

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10.3 Project Roles

The following table lists the key project roles:

Project Sponsor	s 9(2)(a) OIA
Business Owner	
Programme Manager	
IT Applications Manager	
Delivery Leader	

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11 Recommendations

It is recommended that the signatories of this business case:

Note that s 9(2)(a) OIA is the Business Owner of the Project.

Note that the Collections Case identified that the implementation of a new workflow management tool is a pre-requisite to achieving the benefits of that case (maintaining the current collections rates and supporting a reduced Collection structure by 2011/12 onwards).

Note that the ongoing support costs for this tool will be provided by IT, estimated at $30,000 per annum.

Agree the funding required to go ahead with this project at a Capital cost of $1.36M from the Ministry's Capital Plan.

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APPENDIX A

Scope

In Scope	Out of Scope
New debts recorded in TRACE. The new debts that are created in TRACE or transferred across from SWIFTT and SAL only are to be considered. These debts are transferred from SWIFTT and SAL through LOADSWIFTT and LOADSAL on a daily basis.	Existing debts and maintenance debts in WAM
Debtor profiling. The debtor to be profiled based on their attributes and the past payment behaviour in order to: 1. Assign the right DMO to deal with the debt and 2. Take appropriate action (task) to recover the debt.	
Collector profiling to be established based on the proficiency level in handling common debt collection activities. The collectors and the teams have to be categorized based on their proficiency and access level in handling debt collection activities. The collector profiles are: 1. Collector DMO 2. Secured DMO 3. Specialist DMO 4. Student DMO	
Task profile to be established in order to group the collection tasks. The task profiles are: 1. Independent 2. Assisted 3. Risk 4. Default	
Setup standard debt collection tasks A number of standard debt collection activities (Tasks) are performed by the Collectors. These activities may differ based on the task profile of the debtor. Some of the tasks are: 1. Set & forget 2. Phone call – General 3. Phone call – Prompt	

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4. S11 Request	
Associate task profile with standard collection tasks. 1. Independent a. Set & Forget 2. Assisted a. Phone Call - General 3. Risk a. Locate & Deduction Notice 4. Default a. Set & Forget b. Phone Call – if required	
Automatic debt allocation to the collector and tasks to act upon. Whenever a debt is created, it should be assigned: 1. A DMO based on debtor attribute and allocation rule. The allocation rule should consider allocating debts with different task profiles and also based on collector work hours. 2. Collection tasks based on debtor attribute and repayment history of the debtor.	
Manage tasks The task owners should be able to record comments and progress/resolve/reassign/close the tasks assigned to them.	Telephony Solutions and Digitisation
Manual reallocation of work load The service manager should be able to reassign the allocated tasks to other Collectors/groups. This would allow them to reprioritise and re-level the work load among the DMOs.	
1 day delayed reporting on changes to client attributes in UCVII/SWIFTT and SAL The collectors should be notified of the changes to key client attributes in UCVII, SAL and SWIFTT, such as address, phone numbers, etc.	
1 day delayed reporting on changes to debt and client attributes in TRACE The collectors should be notified of the changes to key client attributes and debts from TRACE.	
Daily notification of non-system tasks from TRACE automatic enforcement process TRACE automatic enforcement process has a number of tasks executed sequentially at set time in accordance with the Ministerial directive.	

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Some of the tasks are system managed and the rest are manual to be managed by the collector. These collector managed tasks have to be notified to the collector on a daily basis as and when it is set/assigned in TRACE. Some of tasks includes Phone Debtor, Issue deduction notice, broken arrangement, broken new arrangement, bank deduction notice etc.	
Daily notification of manual bring up tasks from TRACE for current and past (if not cleared) tasks. The collectors set up bring up dates in TRACE to follow up the client as part of the debt collection work. These bring up dates to be notified to the collector on a daily basis. The bring dates may have past; present and future bring up dates. It should only report the present (today) and the past, if the past dates haven't been cleared by the collector.	
Staff performance against target Collectors should be able to find their work progress to date along with what they need to meet the KPI for each month, number paying, non-paying and returned to benefit.	
Secured access to confidential records. Data security should be put in place with proper access control to system users. Only collectors with necessary access controls to be allowed to view or action 'Secured Records'	Internet changes
Management Reporting	
Reporting on staff performance Reporting on team results (in relation to the KPI) on a daily basis Reporting on individual level (in relation to the KPI) for members of the team on a daily basis.	Service Compliance / Quality Assurance
Reporting on task status of each case. Reporting on 1. No action for certain number of days 2. Bring up dates not being actioned. 3. No action taken within certain number of days of new debt being added. 4. Have the DMOs made a phone call to their debtors within 10 days of this step showing up on TRACE.	
Reporting National/Unit/Special cases Reporting on unit/national/special results (In relation to the KPI).	
Flexibility allowing for future change	

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As this is a new tool and as business process engineering is occurring in parallel a combination of flexibility in the build process (Agile) and flexibility in the tool is to be provided. The size and extent of flexibility to be provided by the software will need to be determined in the next phases.	
Design and Requirement Documentation Documentation reflecting all tool design and requirements.	
Training and Operational Material Implementation shall include any required training (including documentation) and operational process material.	

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APPENDIX B

Total expected time savings by Debt Management Officers by using this tool.

Activity	Total	Working	Remarks
Loadswiftt (without profiling):			
- searching internal systems			
Number of clients per annum	95844	2282 clients per week x 42 productive weeks per annum	6 months loadswift =59320/26 =2282 pw
Time savings per client	3 minutes		
Total time savings (hours) per annum	4792	3 x95844/60	
Productive hours per FTE per annum	1050	5 hrs a day x5days a week x42 productive weeks	Standard MSD productivity
Number of FTE savings per annum	**5**		
Workbooks			
- time spent checking each day			
Time spent on checking workbook	45 minutes		On average DMOs are spending 45 mins per day checking their workbooks. This tool will eliminate the need to do this.
Number of DMOS checking workbooks per day	114		
Total number of working days per annum	210	5x42	
Total time spent per annum- hours	17955	(45 minutes X 114 DMOS X 210 days per annum)/60	
Productive hours per FTE per annum	1050	5 hrs a day x5days a week x42 productive weeks	
Number of FTE savings per annum	**17**		
Daily Reports (auto actions)			
- searching internal systems prior to taking action			
Time savings per client	3 minutes		
Number of clients per annum	178020		Average number of clients per day 847 x 210 days
Total time savings per annum - Hours	8901	3*313456/60	
Productive hours per FTE per annum	1050	5 hrs a day x5days a week x42 productive weeks	
Number of FTE savings per annum	**8**		
Total time savings - FTE equivalent from above	**30**		

MINISTRY OF SOCIAL DEVELOPMENT

Te Manatū Whakahiato Ora

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Business Case

CMS Hardship Assistance

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1 Introduction

1.1 Purpose

Work and Income are transforming the end to end process for clients who apply for, and are granted, hardship assistance. IT changes are essential in enabling this new process and will deliver;

- *eligibility and entitlement rules engine*
- streamlined workflows
- management of hardship payments.

The purpose of this business case is to justify the expenditure which will see the IT development streamline the business processes, reduce duplication of effort and establish system driven eligibility and entitlement rules for Hardship Assistance (HA)[1], reducing processing time by a minimum of 5 minutes per transactions. These changes are expected to create savings of $1.600 million per year, have a Net Present Value (NPV) of $1.810 million and a return over four years by investing $6.065 million to design, build and deploy the recommended IT solution.

The CMS Hardship Assistance project will be governed by a Business Steering Group and monitored against the Business Case and implementation plan to ensure success.

This project has been defined as Major with a risk rating of Medium. For further details regarding the project profile refer to the Work Profile Analysis.

1.2 Background – the Case for Change

Management of hardship assistance is a significant, and growing, part of Work and Incomes business. In 2009 over 1 million payments totalling $253 million were granted. It is forecasted that these volumes will continue to increase over the following three years and by 2014 1.3 million payments will be granted.

This increase in volumes of hardship assistance occurs at a time when case manager resources are focussed on proactively working with clients to achieve work and other desirable outcomes. In order to have staff working with clients on outcomes capacity (time) has to be created. This can be done by simplifying and automating processes and extending the use of existing mechanisms, such as the payment card.

In doing this in relation to hardship assistance processes there is the opportunity to significantly improve the experiences for our clients and reduce compliance costs for suppliers when paying for goods and services purchased through Hardship Assistance payments.

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[1] Hardship Assistance and covers one off financial assistance paid by Work and Income, StudyLink and Seniors to clients and includes: Advance payment of benefit (ADV), Special Needs Grants (SNG), Recoverable Assistance Programme (RAPS), Transition to Work Grant (TTW) and Steps to Freedom (STEPS),TIA and Funeral Grants.

Improving the client experience

For clients the current process is;

- repetitive (they have to tell their story to the Contact Centre staff and then a case manager)
- time consuming, at an often stressful time when they are experiencing an unexpected and serious financial need
- difficult and stressful. It can be hard to provide everything we want and there is stress in the process as clients don't know if they will get assistance or not as they can experience inconsistency of decision making.
- embarrassing as the use of Hologram forms[2] means that clients are readily identified as receiving assistance from Work and Income when paying for goods and services
- the way debts and recoverable assistance is maintained in our systems are hard to explain an understand

In future the client experience will be;

- Streamlined: with the new end to end system capturing information from the client once for use by staff, and the right process being followed due to the workflow management system
- Consistent in terms of outcome due to the use of a decision support rules engine
- More dignified at the purchase/payment end with the use of the payment card. *The following comments were made by clients who have received food grant assistance using the payment card.*
    - *The card is better than the paper voucher. It is faster and we can use it again"*
    - *"Everything's all good. I got the paper one last year, but the new payment card is handy and quite discreet""*
    - *"It's very good. It cuts out embarrassment, I was happy with the service"*
    - *Fantastic, a lot easier. Don't feel as bad taking it into the shops*
- When a payment is not fully used only the actual amount used will be established for recovery, making it easier to understand how debts are created.

Improving the third party supplier experience

For third parties the current process is

- a significant departure from the usual methods of payment EFTPOS, credit card and in a smaller scale cheque

[2] Work and Income's current method of notifying a supplier that a payment has been made.

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- time consuming,
    - creating additional reconciliation work as Work and Income's Hologram Form need to be matched with bank deposits,
    - in some cases suppliers have a register to record all Work and Income transitions and clients sign this also
    - where clients do not proceed with purchases, return funds
    - follow up where payments are not made promptly

In future the third party experience will be;

- closer to the usual methods of payment, through the use of EFTPOS payments
- significantly reduce reconciliation effort, as Hologram forms will only be used in a small number of circumstances such as when there is a power outage or systems are unavailable
- will not need to return funds as the payment is made a the point of sale.

Improving the administrative process – the gains for Work and Income

For staff the current process is

- complex, there are over 67 different types of payment spread between Special Needs Grants, Advances and Recoverable Assistance Payments alone, some of the SNG's are recoverable others are non recoverable. Most of the 67 types can be paid under each category.
- due to the number of suppliers, payees and agents in the SWIFTT database it is difficult to find suppliers making it a time consuming process
- in order to record a decision there are several screens and 15 fields which need to be recorded, each with their own codes
- two different core systems are used to record or display relevant information
- decisions are manual and can be inconsistent between staff and offices

In future the staff experience will be;

- improved by streamline processes, suppliers will be easier to find through an improved search engine. Workflow processes mean that staff just need to fill in the required details,
- providing a single system experience, removing unnecessary steps
- reducing duplication and making it easier to explain to a client how recoverable HA debts have been established
- reducing the time it takes to complete these transactions so that they can focus on helping their clients get back to work or become more independent.

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1.3 Case Study – An example of how it will work in the future, based on an true story

Last year Ron had problems with his car which he needs to keep on the road for medical reasons, he was granted an advance for $650.00, but he didn't go through with the repairs, thinking that the Hologram Form was like a cheque.

Ron is still having problems and now it won't go at all. It's now going to cost $975.00 to repair the car. He is in hardship, and the car is still needed for medical reasons.

1. Ron calls the Contact Centre, is asked some questions by the Customer Service Representative (CSR) Peter about the help he needs and why he needs it. This is recorded in CMS for use later in the process.
2. CMS workflow management ensures the right next step with Peter booking Ron an appointment with a Case Manager.
3. Based on the information Peter has recorded the CMS rules engine indicates what Ron may be entitled to and what he needs to take with him to the interview to support his application, including ID to match the ID we already have scanned and held in the system.
4. When Ron is interviewed by Petra, a Case Manager at his local office, the details of his needs and circumstances are already in the system. Petra confirms these details, reviews the additional information Ron has brought with him and enters it into the system.
5. The CMS rules engine is activated assessing the recorded information against eligibility and entitlement policy presenting Petra with a recommendation to decline the Advance for car repairs because Ron had this assistance 9 months ago.
6. After discussion with Ron about his situation Petra makes the decision to pay the advance as she has discovered that Ron didn't actually go ahead with the repairs last time. She selects the supplier and records the payment details along with why she has used her discretion to recommend the payment.
7. A form is printed which Ron signs to confirm all of the details that have been discussed. This single form is an application, assessment summary, decision record, obligations reminder and review rights record – all rolled into one client centric document.
8. Ron is given a payment card and they go through the instructions on how to use it which is also contained in the application form. The application is scanned and Ron leaves with the copy.

So what has changed?

Ron has one document he can take away giving him all of the details about what he has applied for, he has confirmed his circumstances, and has instructions on how to use the payment card.

Using a payment card allows him to pay for the car repairs once they have been completed and means that he is not singled out as a client of Work and Income as the payment card is less obvious that a A4 size piece of paper.

When Ron last received assistance for car repairs, the garage was paid up front and he has been paying back $25.00 per week from his benefit. Ron thought that if he didn't take the form in, the garage wouldn't get paid and he wouldn't be paying it back. Only 9 months down the track, now that Ron has asked for this assistance again, we have picked up that he hadn't used the last one, the Garage had been paid, and they have not returned the money, Ron didn't realise he was paying it back.

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Today Petra would have gone through 6 screens in UCV II to get all of the information about Ron's circumstances. It is likely that she wouldn't have picked up that Ron had had a payment before as she would have needed to scroll through a couple of pages worth of HA payments to find it.

CMS pulls all of this together in one step, and presents Petra with a view of these details which are taken into account by the rules engine. The time it takes to complete the interview has been reduced by 5 minutes; and to improve consistency if decision making she has been given a recommendation through the use of the rules engine.

Petra also no longer needs to look the rules about HA policy and procedure in MAP further reducing the number of steps she needs to take to process the application; these have been taken into account by the rules engine.

Under the current system there is another step, because Ron didn't use the last Advance, Petra needs to notify Crown Revenue so that they can follow up with the Garage to get the money back, something that is going to be quite difficult after 9 months.

Under the new process, if Ron doesn't get the repairs done and use his payment card to pay for them, the garage won't get paid; a debt won't be created so he won't be paying it back and MSD won't need to follow it up, if we find out about it.

The pre printed application form that we use today is 90% 'office only use' and duplicates the information recorded in the system or already known to us.

A further case study if provided in Appendix B, which explains the difference between the current process and the new one, where the client does not go through with the transaction.

2 Reasons

Detailed stakeholder needs and features/stories are defined within the Vision.

Client Management Solution – Hardship Assistance assists Work and Income to deliver on:

- its strategic focus: Value for money in which we are committed to financial sustainability, streamlining our systems by removing duplication and rework to use our resources better
- Future Focus Hardship Assistance policy changes which will provide clients the option to receive their first two grants within 12 months over the phone if they have a Payment Card and the grant they have applied for can be provided using the Payment Card
- Government's expectations of strengthened obligations and improved consistency of decision making.
- An improved client experience

3 Recommended Option

The recommended option(s) focus on the minor technical decisions as documented in the CMS hardship Assistance and CMS and SWIFTT Minor Technical Options papers.

This project will focus on the use of the Cúram platform in particular eligibility and entitlement rules, and streamlined workflows for the management of HA payments.

The preferred minor technical options which have been included in the project estimates are detailed below:

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- use of Cúram Product Manager versus ProductProvider
    - Option 2 - Cúram Provider Management however due to budgetary constraints the business has chosen the tactical option (Option 1)
- Out of the Box Screens (OOTB) v Customised screens
    - Option 2 - OOTB screens
- one Product Delivery Case (PDC) per Application with multiple evidences, or Multiple PDCs with one evidence.
    - Option 1 - one PCD
- SWIFTT Integration
    - Option 2 - Batch interface

Details underlying this option and other options considered are defined within the Technical Options Considered and CMS Hardship Assistance – CPM versus ProductProvider.

4 Benefits Expected

The proposed approach will assist Work and Income to live within it's baseline for the next four years by streamlining the processes for the administration of Hardship Assistance (HA), transforming the business processes whilst supporting the introduction of Future Focus. The benefits of shifting Hardship Assistance administration to CMS for One-off Hardship Assistance are:

Supporting Government Priorities

- strengthening obligations by the client receiving a copy of these as part of a combined, application, decision, obligations and review rights document
- enabling of applications over the phone (Future Focus)
- enhanced systems to provide more guided decision making and enhanced reporting capabilities (through the use of eligibility and entitlement rules)

Increase Productivity

- reduction in staff time to administering this assistance
- removal of UCVII notes and overnight letters and pre-printed application form
- provision of a more transparent and traceable debt management system for recoverable assistance

The benefits of the new process and extended use of the payment card include some non-monetary benefits such as:

- clients being more comfortable paying for goods or services as it is less obvious that they are receiving financial assistance from Work and Income than if they use a hologram letter.
- allowing for point of sale transfer of funds that will reduce debt establishments.

The new process for delivering HA will remove duplication of paper records and allow more of the process documentation to be completed, stored and retrieved electronically.

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Moving to the use of Cúram will, in the future, allow completion of an application online, and as part of the Future Focus delivery, complete these types of transactions over the phone. As a result, the cost of transaction (in terms of time) will be reduced.

The new process will free-up case manager time to enable more intensive work with clients who need it.

The amount debited from the MSD crown funds bank account and assigned to a client's debt balance will be the actual cost of goods and services. The debit will occur with the expiry[4] of the payment. Currently, Hologram forms are issued for a fixed amount – so if the transaction is more than the amount stated a new Hologram (and appointment) are required. Conversely, where the amount is less than that already direct credited to a supplier's bank account the supplier is required to return funds.

The extended use of the payment card method will remove this level of compliance effort. It also means that the client's debt balance will be more accurate.

Current processes of manual reconciliation do not allow for non-recoverable assistance balances to be updated when payments are returned. In the first instance the payment card will allow the non-recoverable balance to be set accurately on the expiry of the payment. Therefore there will be no need to update the balance.

Payment to suppliers who do not have EFTPOS facilities will continue to have their payments processed through SWIFTT.

The capital expenditure is estimated at $5.846 million which will be met from Work and Income's capital plan. The spread of capital spend will depend on when this work item is scheduled. The expected case management time savings have been factored in the financial strategy for Work and Income to keep within baseline over four years.

The project net present value (NPV) is estimated at $1.810 million using MSD's 9.5% cost of capital. There is an expected payback within four years.

Note: This estimate is based on a worst case scenario return of 5 minutes per transaction, however this could return as high as 8 minutes per transaction at an NPV of $5.050 million and a return within 3 years.

5 Risks

An initial list of risks for this project is provided below.

- Resource: insufficient skills to complete the project.
  - Obtaining Cúram and WLI resources prior to Future Focus go-live is a significant risk.
  - Ensuring business project staff are made available for the use cases and service contracts to be defined up front.
- Financial: insufficient funds to complete project.
  - Mitigated through having a good understanding of the scope and enough contingency to cater for inaccurate costing assumptions and confidence levels.

[4] Payments must be used within in a specific period of time, for example 4 days from the date of grant, at the end of this period if the payment has not been used it will expire.

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- Underestimation of time to develop the full solution within the timeframes stated in the business case.
    - The risk is also linked to not having the necessary resources to start the project on the dates stated in the Business Case.

Risks are defined and managed in detail within the Work Profile Analysis.

6 Cost

Software	s 9(2)(b)(ii) OIA
Implementation	
HR (Charged)	
Vendor	
Budget Cost	$6,064,854
Project Effort	220 days

A detailed cost breakdown for the recommended option can be found in the Resource Plans (Capex and Opex).

Timescales

Given current constraints around IT's ability to kick start the project, scheduling decisions need to be made around the resources required for analysis, design and development once the broader prioritisation exercise has been completed.

The table below lists the key milestones[6] for the project:

Milestone	Description	Duration scheduling agreement
Iteration Business Planning (IBP)	Determine the high level vision, scope and requirement priorities of the project, define roles and responsibilities, estimate the effort for future phases of the project, conduct domain modelling and perform risk analysis.	2 weeks
Use Cases	System use cases developed and signed off to document the interaction between the user and the system to achieve a goal or result of value. These will be baselined and updated in each iteration.	8 weeks
Service Contracts	Will document the integration between systems.	8 weeks

[6] Subject to resource availability and scheduling.

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Milestone	Description	Duration scheduling agreement
System Architecture document(s)	Will be a living document baseline updated throughout the duration of the project.	Ongoing
Iteration 1	Supplier Management	7 weeks
Iteration 2 Deployment 1 & 2	Near Real Time Transactions	7 weeks
Iteration 3	Steel thread - HA Need to multiple Suppliers	7 weeks
Iteration 4	Evidence and rules sets	7 weeks
Iteration 5 Final Implementation	Authorisation – Multiple payment instructions Iterations 3-5 deployed into production	7 weeks
Project Closure	Post Implementation Review Complete	2 months after final release.

Detailed task breakdowns will be finalised in the High Level Project Plan. The total duration of the project is expected to be 12 months.

7 Investment Appraisal

Internal budget transfer

A budget transfer within Work and Income, from Work and Income Service Centre Baseline to Central Processing unit is required to:

- manage the supplier database
- centralise the processing of Hardship Assistance direct credit SWIFTT payments.

Batch processing activity for both tasks in a central environment provides for economies of scale. It will ensure the integrity of the Supplier Management system (an area of high risk for ongoing operational management). Centralising the payment to suppliers via direct credit will make sure this activity is completed in a timely manner. Work and Income, Central Processing Unit is the natural choice for centralisation, this will be met by an internal Work and Income funds transfer to meet the ongoing staffing requirements commencing at $.0182 million per annum in the F11/12 financial year.

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FIN1036 - SUMMARY FINANCIAL RECOMMENDATION TEMPLATE

Project Title	CMS Hardship Assistance	
Project Start (Financial Year):	2010/2011	e.g. enter 2006/09 if project start is between 01 July 2008 & 30 June 200
Net Present Value % (MSD Cost of Capital is 7.5% but Treasury suggest [July 2008] default rate of 8% and 6% for office buildings and 9.5% for IT projects)	9.5%	**Payback** Year Four

CASHFLOWS $'000's - LIKELY CASE revenue / (expense)

Fund	Soft?	Narrative (describe major component and assumptions)	2010/2011	2011/12	2012/13	2013/14	2014/15	Outyears
Capex		s 9(2)(b)(ii) OIA						
Capex								
Capex								
Capex								
Capex								
Capex								
Capex								
Capex								
Capex								
Capex								
Capex								
Capex								
Opex								
Opex								
Opex								
Opex								
Opex								
Opex								
Opex								
Opex								
Opex								
Opex								
Opex	soft							
Opex								
NPV	$1,810	TOTAL LIKELY SAVINGS/(COSTS)	(5,271)	1,134	1,965	2,063	2,114	2,150
	soft	add back SOFT savings	0	(141)	(143)	(146)	(151)	(154)
		HARD savings/(costs) to be FUNDED	(5,271)	993	1,821	1,916	1,963	1,996

FUNDING $000's

Funded from exisiting DCE allocations		2010/2011	2011/12	2012/13	2013/14	2014/15	Outyears
capex							
$430	<— Total AMOUNT REQUIRED (i.e. Unfunded) —> split by year	0	84	84	87	87	87

8 Assumptions & Dependencies

The following assumptions are applicable for this business case:

- Future Focus operational decisions have been made
- Project commencement and the scheduling of implementation are subject to Cúram, WLI and HP SWIFTT resource availability and the priority given to this project

The delivery of this business case is also dependent on phase 1 o f the project being delivered 3 months in advance of the final implementation.

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9 Project Roles

The following table lists the key project roles:

Business Owner	Patricia Reade - DCE Work and Income
Business Owner's representative	s 9(2)(a) OIA
Business Steering Group	
IT Project Manager	TBC
Programme Implementation Manager	

Recommendations

It is recommended that the ITGC:

- **note** MSD has made significant investment in the Cúram product and this is now the preferred platform to build and enhance the client management functionality
- **note** Operating expenditure of $0.219 million to implement this project will be funding from within Work and Income's baseline funding
- **approve** the delegation of the approvals for the CAPEX allocation, Go Live Request and Project Closeout Report to the Business Steering Group
- **approve** the governance arrangements for this project
- **approve** commencement of the CMS Hardship Assistance project
- **approve** capital expenditure of $5.846 million (excluding GST) to implement this project from W&I capital allocation.

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9.1 Definitions and Acronyms

Acronym	Definition
CMS	Client Management Solution
HA	Hardship Assistance and covers one off financial assistance paid by Work and Income to clients and includes: Advance payment of benefit (ADV), Special Needs Grants (SNG), Recoverable Assistance Programme (RAPS), Transition to Work Grant (TTW) and Steps to Freedom (STEPS), TIA and Funeral Grants.
SWIFTT	Social Welfare information for Tomorrow Today
Use Case	The key intent of a use case is that it represents a simple narrative of how a user interacts with the system to achieve their tasks.
Service Contract	A service contract documents an interaction between 2 or more systems. One of the systems will provide some data and functionality that the other systems will consume. Just like any other contract, a service contract has details that specifies what the providing system is going to provide and what it expects from the other systems consuming the data or functionality.

9.2 Related Documents

Ref #	Document Title	Version	Reference
1.	**Work Profile Analysis**	**1.0**	**A4803210**
2.	**Vision**	**1.0**	**A4830164**
3.	**Technical Options Considered (Minor)**	**1.0**	**SWIFTT – A4880475** **CMS – A4859812**
4.	**CMS HA – CPM V PP**	**2.0**	**A4883486**
5.	**Cost and Effort Estimate**	**1.0**	**A4909935**
6.	**High Level Project Plan**	**0.2**	**A4810284**
7.	**Concept Paper**	**1.0**	**A4782601**

9.3 Distribution List

Name	Role	Function
s 9(2)(a) OIA		
David Habershon	Chief Information Officer	Reviewer/Approver
Wendy Beban	General Manager StudyLink	Reviewer
Justine Auton	General Manager Integrity Services	Reviewer
Merv Dacre	General Manager Senior Services	Reviewer

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Name	Role	Function
s 9(2)(a) OIA		
Patricia Reade	DCE Work and Income	Approver
Nick Gale	Chief Financial Officer	Approver

9.4 Approvals

Name	Role
Patricia Reade	**Deputy Chief Executive – Work and Income**
Signature and Date:	..../...../..... ***Obtain physical signature from approver and file***
Nick Gale	**Chief Financial Officer**
Signature and Date:	..../...../..... ***Obtain physical signature from approver and file***
David Habershon	**Chief Information Officer**
Signature and Date:	..../...../..... ***Obtain physical signature from approver and file***
s 9(2)(a) OIA	
Signature and Date:	..../...../..... ***Obtain physical signature from approver and file***

9.5 Document Details

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Template Version	1.0

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Appendix A: Case Study 2 –An example of how it will work in the future

Fayaz is a migrant who has been in the country for 10 weeks, her support worker makes an appointment directly with the local office to see what help Fayaz can get after completing a six-week orientation programme at the *Mangere Refugee Centre*. She needs help with bond and rent in advance, furniture and white ware, bedding and clothing for herself and her children.

1. Fayaz's meets with Case Manager (CSR) Rashid and talks about the help she needs and why she needs it. This is recorded in CMS for use later in the process.

2. The CMS rules engine is activated assessing the recorded information against eligibility and entitlement policy presenting Rashid with a recommendations to grant re-establishment grants as follows;

    - Recoverable payment - $800.00 for bond and rent in advance
    - Non Recoverable payment - $400.00 for beds
    - Non Recoverable payment - $600.00 for a washing machine and fridge
    - Non Recoverable payment - $200.00 for bedding and clothing

3. Based on Fayaz's circumstances Rashid makes the decision to pay the recommended assistance. She selects the suppliers, The Warehouse and Housing New Zealand and records the payment details.

4. A form is printed which Fayaz signs to confirm all of the details which have been discussed. This single form is an application, assessment summary, decision record; obligations reminder and review rights record – all rolled into one client centric document.

5. Fayaz is given one payment card and they go through the instructions on how to use it which is also contained in the application form. The application is scanned and Fayaz leaves with the copy.

Fayaz experience has improved as she has been given one document which her case worker can read explaining how everything works, she has spent less time in the office, has had a consistent decision made, under the current process she may have been grated a recoverable advance of $400.00 for beds, meaning that she has an additional debt she has to pay off.

Using a payment card for her purchases makes her less identifiable in the community and allows her to pay for the actual amount of her purchases and instead of having six hologram forms she has one card.

Under the current process Rashid would have had to go through UCV II to gather all of the information about Fayaz's circumstances, three screens in total. CMS pulls all of this together for her, the time it takes to complete the interview has been reduced by 10 minutes.

Rashid has been given some recommendations about what to grant and no longer needs to look the rules up in MAP[7] further reducing the number of steps she needs to take to

[7] Manuals and Procedures online

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process the application. Rashid also does not have to hand write six hologram forms and fill in the register which contributes to the reduction in time it takes to complete everything.

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Appendix B: Capex Form

FIN1024 - CAPITAL EXPENDITURE REQUEST

SECTION A - DESCRIPTION OF ITEM, JUSTIFICATION AND PROPOSAL

Requested by	Patricia Reade	Signature		Date	

Brief description of capex required:

To enable the development of CMS Hardship Assistance within CMS to allow for streamlined processes to ensure a reduction in the amount of time that it takes to process Hardship Assistance Applications.

Justification for capital expenditure: Highlight Exp type: | REPLACEMENT | COST REDUCTION | ADDITIONAL | UPGRADE |

This will allow Work and Income to deliver on:
* Our strategic focus on Value for money, in which we are committed to financial sustainability, streamlining our systems by removing duplication and rework to use our resources better
* Future Focus Hardship Assistance policy changes will provide clients the option to receive their first two grants within 12 months over the phone if they have a Payment Card and the grant they have applied for can be provided using the Payment Card

Cashflow $'s - income/(expense) - see attached	Likely outcome	Worst case
Capex cost (Laptops, Printers,Datashow, MV etc)	-5,846,000	
Other set-up costs	-219,000	
Ongoing Operational Costs (over 5 years)	-1,699,928	
Direct savings/additional revenue (over 5 years)	12,240,000	
Total net cashflows	6,475,072	$0

Cost Benefit Analysis - Required for projects over $50,000

If this project has to be done irrespective of evaluation results give the reason (eg: legal req.)

Is request in annual planned bids :	YES	~~NO~~
Name of DCE Area Funding CAPEX Bid	W1	

Is there an operating impact :YES

Attachments

Spreadsheet of Cashflows & Fin1036 - Summary Financial Recommendation Template — Supporting Documents: YES / ~~NO~~

Others (please list):

SECTION B - APPROVALS re CAPEX

	Office/property equipment		Signature	Date
4	Finance Operations Manager	Office Equipment or Motor Vehicles		
4	Property Manager	Refer to Property Team		

IT Equipment

4	CIO requires following signoff prior to their signature	Chief Information Office		
		Manager, IT Applications		
		Manager, T&S		

DCE sign off required to indicate their CAPEX allocation is affected

2	Deputy Chief Executive	Capex costs (likely outcome) :	-$5,846,000
5	Chief Financial Officer	3 Chief Executive	

(approvals incl GST up to $7m Chief Executive Officer, $14m Min for Soc Dev. & Employment, over $14m cabinet)

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MINISTRY OF
SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

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Final Business Case
for
Work and Income Online Services

Version: 1.0

Sign Off Sheet

Document Name	Version	File Location
FBC WI Website Online Services Updated.doc	1.0	Objective ID: A3923019

The following signatures indicate approval and acceptance of the document:

Name	Role	Signature/Date
Patricia Reade	Deputy CE, Work and Income Project Sponsor	____/____/____
Christine Stevenson	Deputy CE, People Capability and Resources	____/____/____
s 9(2)(a) OIA		____/____/____
Mike Smith	General Manager Strategy and Service Development Steering Group Member	____/____/____
		____/____/____

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Compilation and Distribution Summary

Version	Date	Author	Distributed to	Comments/Feedback
0.1		s 9(2)(a) OIA		{Team Review}
0.2	17 Nov 08			
0.3	21 Nov 08			Pre-sign off Review
1.0	28 Nov 08			For sign off

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Executive Summary

The Ministry of Social Development (MSD) has developed an e-transformation strategy which is about harnessing our systems and the online channel to drive:

- outcomes focused collaboration
- more effective delivery of client outcomes and
- increased agency efficiency.

Over the next four years we will roll out a comprehensive range of online services to students, working age and senior clients. We are evolving our internet channel to become the primary channel for transaction activity whereas our face to face channel will concentrate on personalised in-depth services.

The internet will also be a key channel for delivering outcomes via our partners. Our strategy directly supports e-government and the state sector goals of accessible, coordinated and networked state services through our use of internet technologies to provide people with more convenient access to government information and services.

This business case seeks approval for expenditure of $6.776m for the Work and Income Online services project. The outcomes of this project are to enhance our client experience; create operational efficiency; and allow for more seamless accommodation of fluctuating benefit numbers. The project is conservatively estimated to create net annual cash savings of $2.5m from year four onwards.

The client experience will be enhanced by providing choice of the web channel to those clients who have appropriate access. Clients who prefer this channel will experience greater convenience and speed in many interactions with Work and Income.

The service expectations of many computer-literate clients are influenced by their experience with other organisations. Surveys indicate strong support for providing online services.

The availability of online services will reduce the impact to Work and Income staff of forecast fluctuations in benefit numbers arising from changes in the economic climate.

We also recognise that many of our more vulnerable clients do not have access to computers or the internet. This project will free case managers from some routine tasks so they can devote more time to the more complex cases that require intensive assistance.

For all clients, the key philosophies of case management will be maintained. No benefit will be granted until a face-to-face meeting has occurred.

The Online services that will be offered are:

- "my account" function that allows clients to update their personal details and check payment and debt details.
- booking of appointments online.
- pre-assessment calculators that allow clients to assess their own potential eligibility.
- capability to apply online for a number of benefit types.
- "employers online" function that allows employers to list a vacancy online.
- "contact online" function that allows clients to sent questions or information to Work and Income.

Savings will arise from moving some work from Case Managers and Customers Services Operators to clients serving themselves over the web. This will result in the need for 81 fewer Full Time Equivalents (FTEs) in these areas by 2012. These savings are part of Work and Income's agreed Value for Money (VFM) plan.

The project will result in increased IT costs of $1.35m (through increased IT support and maintenance costs). These costs will be funded out of project savings and have been

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factored into the projects financial analysis. The Business Steering Group will also provide direction and maintain oversight of benefits realisation.

The Ministry's experiences have shown that opening up a new service channel will not necessary result in a corresponding reduction in demand for other channels (channel substitution). It is for this reason that the Ministry has conservatively estimated project savings.

To ensure appropriate take up of online services this project has an overarching focus on simplicity, convenience and efficient and effective use of the online channel. To help enable this we are using the Agile Development methodology to ensure rapid iterative development, supported by a range of usability testing, system measurement and an internal and external communications strategy.

Work and Income will also continue to actively plan and monitor service levels and demand across all delivery channels to ensure effective and efficient service.

Our Work and Income online services project is also part of a wider Work and Income business transformation strategy. We expect gains from this project to be continuously built upon as part of this overarching strategy. For example we may develop an appointment email and texting confirmation solution as part of our online services or voice services project.

This project will have a comprehensive governance arrangement with additional approval points throughout the project lifecycle. This is due to the complexity of the deliverables and the fact that the project is broken down into sub-projects. The Business Steering Group will be required to approve the timelines and deliverables of each sub-project. The MSD Agile Development methodology being used for this project as this will enhance speed of delivery, and quality of end deliverables. It will also require involvement of the Business Steering Group at a more granular level of decision making and direction setting.

This project will also be supported by a stage gate funding approval process. Under the over-arching public service and MSD governance models, management of the stage gates will be delegated to the BSG. The recommended funding stage gates for this project are four funding gates of $1.3m and a fifth gate for the spending of contingency funding of $1.56m. The first gate for $1.3m will be achieved upon signoff of this business case so that the project team can be formed without delay. This first gate covers funding for development of our project management plan. Timing of the remaining funding gates will be set as part of the project management plan and approved by the BSG.

It is recommended that the Deputy Chief Executive's of Work and Income and People Capability and Resources:

- **Note** that this project is a direct result of the approved Work and Income Online strategy and is also supported by the MSD Online Services Strategy and Work and Income's Information Strategy
- **Note** that this project supports the State Services Commission's e-government strategy
- **Note** that this project will introduce significant improvements to client service
- **Note** that this project will accommodate greater variability in Work an Income caseloads, without compromising the ability to devote adequate time to complex cases
- **Note** that this project will create net annual cash savings of at least $2.5m from year four
- **Note** that the project will result in increased IT costs of $1.35m that will be funded out of project savings; and that the Business Steering Group will provide direction and maintain oversight of benefits realisation
- **Note** that this project has been provisioned in the 10 year IT capital plan
- **Note** that this project is classed as 'significant'

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- **Note** that this project is expected to cost $6.776m, to be funded from the IT capital budget, Work and Income allocation
- **Approve** the governance arrangements for this project
- **Approve** funding of $1.3m for the first phase of the project, including establishing the project team, environment and development of a Project Management Plan
- **Authorise** the Business Steering Group, following their approval of the Project Management Plan, to approve the timing and release of additional staged funding up to a further $5.476m from the IT capital budget.

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1 Project Goal

The goal of the Work and Income Online Services project is to develop a new service channel for clients, that provides a client centric experience, moves transactions online, freeing up resources that allow more intensive work to be done with clients who need them and to meet our Value for Money (VFM) obligations.

2 Document Purpose

The purpose of this Final Business Case is to obtain approval:

- to commence the project
- to receive funding for the project
- for the requested Governance arrangements
- to implement the recommended services.

3 Project Drivers

There are four strategic drivers for this project. These are:

- **Better outcomes for clients** – Placing clients at the centre - transforming the way we engage and interact with our clients, stakeholders and partners. Moving transactions online frees up resources to work more intensely with clients who need them.
- **Value for Money** – Maintaining a sustainable and cost effective service delivery model. Moving transactions online reduces our resource requirements at the frontline. This project will deliver $3.8m pa of gross savings ($2.5m pa net savings) and is part of Work and Income's agreed VFM plan. It also increases our ability to manage the impact of economic shocks, within existing baselines.
- **e-Government Strategy** - Contributing to the transformation of government through innovative use of technology and to meet the expectations of Kiwis.
- **Strategic Alignment** – This project is a direct result of the Work and Income Online Services Strategy. It is also supported by the Ministry of Social Development (MSD) Online Services Strategy and Work and Income's Information Strategy.
    - The Work and Income Online Services Strategy outlined a roadmap to achieve the goals of the strategy:
        - Engage – Redevelop internet site for e-Government compliance.
        - Enable – Start of Online Services.
        - Enhance – Portal Collaboration and maturity of Online Services.
    - The "Engage" phase of the strategy was completed with the workandincome.govt.nz going live in August 2008.
    - This project commences the "Enable" phase of the strategy.

(see Appendix A for details of Work and Income's Service Vision and Online Services Strategy).

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4 Clients at the centre

The development of online services provides clients with the same information sets as our staff. This allows discussion to focus on planning and outcomes, rather than entitlement or eligibility. Clients can find out what their eligibility for services and income support might be, electronically submit an application for these and make an appointment that suits them. Clients with accounts will be able to view their own personal information.

Channel choice will increase, with options of online, phone or face to face. Clients may choose some or all of these. Complexity will always need a face to face conversation.

Clients surveyed tell us that 75% of them are using the internet at least once a week and 58% would use online services if they were made available. Our existing website receives over 1 million hits per year, ninety percent from residents of New Zealand.

5 Service Offer

Clients will be able to make applications online or use the traditional paper based method, which will be digitised. The working age suite of applications have a significant number of common questions and criteria. Clients will be able to:

- complete an eligibility test for services and income support they might be entitled to.
- complete and submit an application on line
- make an appointment to either attend pre benefit activities or see a Case Manager.

Case Managers will continue to establish client bona fides such as identity, income and assets face to face as they do now. It is intended that the application will be held for a set period of time, awaiting confirmation by a Case Manager. Case Managers will continue to use SWIFTT as the primary benefit payment system. It is not intended that client user accounts would be necessary for these set of activities. Integration into back end systems will as a result be limited.

6 SSiS and Work and Income Online Services

Many components that StudyLink has produced with "myStudyLink" and in the future will deliver with Decision Assist are reusable.

Second tier assistance such as Accommodation Supplement and Child Care are being dealt with by StudyLink's approved Decision Assist project.

There are dependencies that this project has with Decision Assist. StudyLink have agreed to design Decision Assist deliverables to ensure re-use in Work and Income wherever that is possible.

The Work and Income online services team will also consult regularly with the SSiS team to ensure that applicable parts of the solution can be re-used in delivering online services for seniors.

The online services team will ensure that the work programmes are in alignment to maximise both learning and reusable IT components, reducing the costs in this project.

7 Project Deliverables

The project will deliver the following online services (the high level delivery dates are shown in appendix E):

- Authentication – a facility to authenticate the identity of a user of the website for access to Work and Income online services. MSD has an existing investment in a mature authentication infrastructure. It consists of a secure infrastructure with DMZs (Demilitarized Zones) and uses CA SiteMinder for authentication and web-page authorisation. MSD's authentication infrastructure is highly scaleable to support Work

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and Income online services. Authentication services will be delivered in consultation with State Services Commission (SSC) and the Department of Internal Affairs (DIA), so that future adoption of All of Government (GLS and IVS) facilities are factored into the project. We have established a joint governance group with SSC and DIA to support this.

- MyAccount – a facility for Work and Income clients to view and update personal details, and to view payment and debt details.
- Online Applications – a facility to apply online for many of the following benefits and second tier assistance:
    - Unemployment benefit (includes Accommodation Supplement, Disability Allowance, and Temporary Additional Support).
    - Domestic purposes benefit.
    - New Zealand Superannuation.
    - Childcare Assistance (Working for Families).
    - Sickness benefit.
    - Invalid's benefit.
- Appointments Online – a facility for users to:
    - Book general maintenance appointments online.
    - View all their appointments – past, present and future.
    - Change appointments booked by them.
    - Delete appointments booked by them.
    - Print confirmation of appointments.
- Pre Assessments Calculator – a facility for users to view a list of possible benefits they may be eligible for based on their individual circumstances
- Employers Online – a facility for employers to:
    - Register themselves as a employer partner with Work and Income.
    - List a vacancy online.
    - Respond to contracts.
    - Submit reports online.
- Job Seekers Online – a facility for job seekers to set up a plan online.
- Contact Online – a facility for users to send queries or information to Work and Income. The project will leverage off MSD's design and provide the ability to "Report a Suspected Fraud".

We have conducted a range of analysis from Work and Income benefit application data (over the last 18 months), surveys of Work and Income's Workload Model and 'Lean[1]' analysis of a large Work and Income service centre (Linwood). This has shown significant transaction activity in making client appointments and ensuring application forms are fully and correctly completed. Putting these services online will save approximately 20 minutes per application; 10 minutes of case manager time and 10 minutes of contact centre time. Given the current economic conditions putting these transactions online is a priority. This level of online service does not require significant integration into our back end legacy systems, thus supporting faster project delivery.

[1] **Lean Six Sigma (** http://en.wikipedia.org/wiki/Six_Sigma) is a business management strategy that seeks to identify and remove the causes of defects and errors in business processes.

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Actively working to increase the number of vacancies listed with Work and Income is also an important focus. Accordingly, employer services online is a priority deliverable to produce efficiencies and encourage more vacancy listings.

The Ministry's experiences have shown that opening up a new service channel will not necessary result in a corresponding reduction in demand for other channels (channel substitution). It is for this reason that the Ministry has conservatively estimated project savings.

To ensure appropriate take up of online services this project has an overarching focus on simplicity, convenience and efficient and effective use of the online channel. To help enable this we are using the Agile Development methodology to ensure rapid iterative development, supported by a range of usability testing, system measurement and an internal and external communications strategy.

Work and Income will also continue to actively plan and monitor service levels and demand across all delivery channels to ensure effective and efficient service.

Our Work and Income online services project is also part of a wider Work and Income business transformation strategy. We expect gains from this project to be continuously built upon as part of this overarching strategy. For example we may develop an appointment email and texting confirmation solution as part of our online services or voice services project.

8 Programme of Work

Work and Income has an overarching strategy to support business transformation focused on efficiency and effectiveness. This strategy directly supports Work and Income's VFM commitments and response to a slowdown in economic growth. A range of complementary projects and initiatives are being developed to support this, including Work and Income online services, MSD payment cards, enhanced voice services and a business process re-engineering exercise.

Overarching governance is essential to ensure that these projects are appropriately prioritised and remain complementary. The Work and Income Executive and the Work and Income / IT Steering Group will maintain oversight of these initiatives.

IT is carefully planning its work programme to ensure appropriate resources will be available to support Work and Income priority initiatives, namely online services, voice services and MSD payment cards projects. This will be reviewed at regular stages to ensure projects are appropriately resourced.

9 Cost and Timeframe

9.1 Cost

The expected cost for this project is $6,775,540 (inclusive of standard 30% contingency) and included in the approved 10 year capital budget.

(See Appendix B.5 for a detailed financial analysis)

9.2 Savings

The gross savings are $3.8 million pa (net $2.5M pa). This savings calculation is based on the assumption that 40% of appointment bookings and benefit applications for Work and Income clients of all ages are lodged online by 2012. Based on our client surveys (see Appendix A) we believe this is a conservative estimate. We also expect even greater

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penetration of internet access/usage into the client base, by 2012, than shown in the July 2007 survey data. (See Appendix B.5 for a detailed financial analysis)

Benefits realisation is an important aspect of this project. Savings are required to meet the Ministry's Value for Money commitments. The delivery of this project will also result in an increase in IT costs (support and maintenance) that will be funded from project savings. Accordingly, the Business Steering Group will provide direction and maintain oversight of benefits realisation.

9.3 Indicative Timeframe

The indicative timeframe to implement all services within this project is December 2008 to June 2010.

(See Appendix E.1 for details of the proposed approach)

(See Appendix E.2 for a detailed timeframe)

In the preparation of this Business Case, assumptions, constraints, and dependencies have been identified. (See Appendix F for Assumptions, Constraints, and Dependencies)

10 Technical Delivery

The MSD Agile[2] Development methodology will be used for this project. This will enhance speed of delivery and quality of the end deliverables. Agile involves breaking a large piece of work into small sections and developing and testing each section in a short timeframe. The timeframes are called iterations - therefore iterative development. The Business Steering Group will be required to approve the time-lines and deliverables of each sub-project/iteration. Thus this Steering Group will have granular level of decision making and direction setting.

11 Business Implementation

Business implementation, training and communications will be co-ordinated by a business programme manager with business delivery leaders responsible for individual streams.

11.1 Change Management

A key aspect of the project is moving transaction activity to the online channel to free up case managers to focus on personalised in-depth services. Supporting staff with this shift will require a change management component across the project. A business change manager will be supported by regionally based staff to deliver key messages and information throughout the project delivery lifecycle.

11.2 Communications

We will leverage off StudyLink's considerable experience in promoting and encouraging client use of the online channel. We will tailor key messages and the delivery of this information to meet the specific needs of Work and Income clients. Key messages will focus on the simplicity, convenience and efficiency and effectiveness of using the online channel. External communications will be supported by internal communications to staff as required.

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12 Key Risks and Security Concerns

12.1 Key Risks

High level risk analysis and mitigation strategies have been identified for the project. Primary considerations focus on authentication levels. A rigorous risk workshop will be held for each service to determine detailed and service specific risks and mitigation strategies. These will be reported to the Steering Group as they are identified.

(See Appendix G.1 for all currently identified Risks)

12.2 Security Concerns

Incorrect authentication levels are a potential security concern. Having strong but unobtrusive security is critical to the success of the project. We need to protect against unauthorised access and denial of service attacks while ensuring we provide a simple, convenient and effective service to clients. The project will establish detailed authentication requirements. These will be developed inline with overarching government e-GIF[3] 'Authentication Standards for online services'.

(See Appendix G.2 for more details)

13 High Availability and Disaster Recovery (DR)

MSD has an existing investment in a mature e-services infrastructure. Under StudyLink's Online Decision Support project this infrastructure is being upgraded to support higher availability services (server clustering) and implementation of a Disaster Recovery (DR) environment that conforms to existing production requirements. This project will leverage off this work and scale where necessary to ensure high availability and appropriate DR for Work and Income online services.

14 Project Governance

14.1 Overview

The project has a comprehensive governance structure which includes:

- LT oversight.
- A dedicated Steering Group who will ensure that the project is fully compliant with appropriate governance guidelines.
- An Online Services Advisory group to assist and guide the project team.

As the project is using the agile software development methodology the Business Steering Group (BSG) will be required to approve the time-lines and deliverables of each sub-project/iteration. From a governance perspective a description of how this will operate is as follows:

- The project team will confirm and agree the schedule of sub-project deliverables with the BSG and this will be baselined.
- The BSG has the discretion to re-sequence deliverables according to emerging business imperatives. For example the BSG might react to a more rapid rise in benefit numbers than currently anticipated.
- The project team may also recommend to the BSG that sequencing of deliverables is changed if lessons learnt from the design and construction process indicates a more efficient approach for subsequent sub-projects and iterations.

[3] The e-Government Interoperability Framework (e-GIF) is a collection of policies and standards endorsed for New Zealand government information technology (IT) systems

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- A high level architecture for the whole project has been established. See footnote[4]. Within this architecture, a separate functional modelling exercise and detailed design will be performed for each sub-project (For example the 'Appointments online' or 'Apply online' sub-projects). This is part of the 'MSD Agile' methodology.
- The agreed scope and timeline arising from the design process of each of the eight sub-projects will be approved individually by the BSG.
- The project team will report to each BSG meeting the overall project status as well as the timing and financial status of each constituent sub-project.

Agile projects provide a great deal of stakeholder and steering committee control over spending and design decisions whilst giving project teams an environment where they can rapidly and efficiently develop 'fit for purpose solutions'. Industry analysts Gartner and Butler recommend their use in situations where solutions need to be efficiently and rapidly developed in a scenario of rapidly evolving business conditions. This is such a project. Gartner recommend a mixture of governance methods so that stakeholders remain confident in the appropriateness and value of the project outputs. These governance practices have been incorporated into the MSD Agile methodology used for this project, whereby the BSG is continually presented expenditure analysis and approval of specific scoping design and spending decisions.

A further commonly used governance component that will be used on this project due to its size is stage gate funding. Under the over-arching public service and MSD governance models, management of the stage gates will be delegated to the BSG. Stage gates need to provide sufficient control to the steering committee without creating unnecessary road-blocks for the project team. For example, there needs to be sufficient funding approval so that in the early iterations basic infrastructure (servers and software) can be purchased and the project team assembled. If the stage gates are too close delays can result. The recommended funding stage gates for this project to achieve the necessary balance will be to have four funding gates of $1.3m and a fifth gate for the spending of contingency funding of $1.56m. The first gate for $1.3m will be achieved upon signoff of this business case so that the project team can be formed without delay. This first gate covers funding for development of our project management plan. Timing of the remaining funding gates will be set as part of the project management plan and approved by the BSG.

14.2 Project Significance

This project has been assessed as a **Significant** Project is a **Category B**, *'Need To Do'*.

Criteria	Meets Y/N	Comment
An overall defined project budget, including Ministry CAPEX and OPEX costs, which exceeds $100,000, being the Chief Executive's level of financial delegation to General Managers.	Y	The cost for this project of work is approximately $6.7m.

[4] Transactional delivery will occur over the existing MSD Web Enablement Platform (WEP). To create a seamless user experience the solution set will utilise the components of the Curam framework, Interwoven toolset, and a Services Oriented Architecture (SOA) layer to access back-end applications such as UCVII, and CMS.

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Criteria	Meets Y/N	Comment
Gives effect to a significant legislative or ministerial requirement.	N	No, but supports SSC's e-Government Strategy and the State Sector Development goals of networked and accessible state services.
Has been assessed as being of high risk (either for political, customer, delivery or complexity factors).	Y	The project supports a shift in business process both on staff and clients enabled through technology. (moving transaction activity online to free up front line resources).
Is part of a significant public initiative; e.g. e-government / e-delivery.	Y	Supports the SSC e-Government goals for 2020.
Is an essential to achieve a strategic goal of the Ministry or is an IT Strategy deliverable.	Y	Directly supports MSD's e-Transformation strategy and the "Enable" phase of the Work and Income Online Services strategy.
Addresses or mitigates an identified MSD Strategic Risk.	N	No, but directly supports MSD's Value for Money initiative.
Delivers significant cost savings to the organisation.	Y	Savings estimated as $3,878m of gross benefits ongoing from year four.
Is identified by LT or the Chief Executive as one, which for strategic reasons, should be included in the list.	Y	Supports MSD's e-Transformation strategy and Value for Money initiative.
Implementation will require resources from or have impacts across a number of business units.	Y	Resources required from Work and Income, IT, Senior Services, Integrity Services.
Involves a number of core systems or impacts on core service delivery through infrastructure changes, including services such as network, telephony, file and print serving etc.	Y	Systems identified so far: CMS, Curam, SWIFTT, UCVII, WLI

The project is not a Major IT Project according to the Central Agencies' definition. However, we will provide regular project updates to Central Agencies via our GLS/IVS steering group and our MSD PCR / Central Agencies monthly relationship meeting.

14.3 Project Controls

An MSD standard Project Management Plan will be the blueprint for project execution.

The project proposes to delegate management and delivery of this project to the Steering Group, and approval of the Implementation Requests to the DCE, Work and Income and the DCE, People Capability and Resources.

14.4 Project Structure

The project structure is outlined in the diagram below:

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s 9(2)(a) OIA

15 Consultation

Resources from the Business and IT have been consulted in the preparation of this business case.
(See Appendix H for more details)

16 Recommendation

It is recommended that the Deputy Chief Executive's of Work and Income and People Capability and Resources:

- **Note** that this project is a direct result of the approved Work and Income Online strategy and is also supported by the MSD Online Services Strategy and Work and Income's Information Strategy
- **Note** that this project supports the State Services Commission's e-government strategy
- **Note** that this project will introduce significant improvements to client service
- **Note** that this project will accommodate greater variability in Work an Income caseloads, without compromising the ability to devote adequate time to complex cases
- **Note** that this project will create net annual cash savings of at least $2.5m from year four
- **Note** that the project will result in increased IT costs of $1.35m that will be funded out of project savings; and that the Business Steering Group will provide direction and maintain oversight of benefits realisation
- **Note** that this project has been provisioned in the 10 year IT capital plan

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- **Note** that this project is classed as 'significant'
- **Note** that this project is expected to cost $6.776m, to be funded from the IT capital budget, Work and Income allocation
- **Approve** the governance arrangements for this project
- **Approve** funding of $1.3m for the first phase of the project, including establishing the project team, environment and development of a Project Management Plan
- **Authorise** the Business Steering Group, following their approval of the Project Management Plan, to approve the timing and release of additional staged funding up to a further $5.476m from the IT capital budget.

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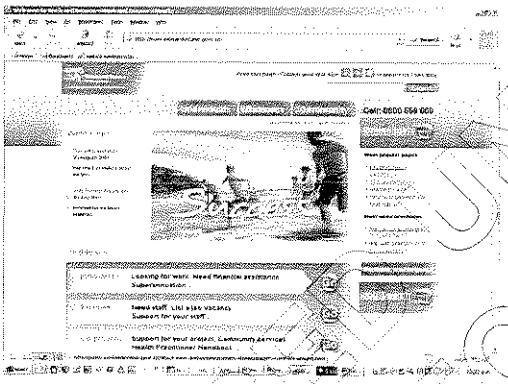
Appendix A Service Vision and Online Strategy

A.1 Work and Income's Service Vision

By the end of 2012:

- fifty percent of all our transactions will be completed on line
- community-Link will have been embedded as our preferred way of achieving results with clients face to face
- our service delivery will be integrated across multiple service channels
- there will be a single digital view of our clients and their families
- our partners will collaborate in both virtual and face to face settings as we provide integrated case management, that deals with underlying problems, strengthening individuals and their families.

A.2 Example to demonstrate the Service Vision



I'm Sonya and I am one of the 70% of Work and Income clients with access to the internet. I found all the information I needed on the website, completed the pre-assessment and job matching information myself, made my own appointment and saw Fred who scanned my papers and gave them straight back to me. He showed me how to use the kiosk and set up my account. I have three job interviews tomorrow. My benefit is going to be paid next week after the staff in the processing centre have confirmed my details. They will text me when my application has been granted and I can see how much I will be paid through my online account.

A.3 Work and Income's Online Strategy[5]

The Work and Income website has been identified as an alternate service delivery channel as per the Work and Income Online Services Strategy.

The goals of the Strategy are:

1. To use the web to provide information and services to clients, stakeholders, and partners while becoming more client –centric and user focussed.
2. To accelerate the design and delivery of the most commonly used services into the online channel where appropriate.
3. To collaborate to offer "no wrong door" access to social services for common clients.
4. To work with IT to build a secure and robust electronic infrastructure capable of expanding to support steadily more sophisticated online transactions by 2010.

[5] Work and Income's Online Strategy - Objective ID A2883846 dated 28/08/2007

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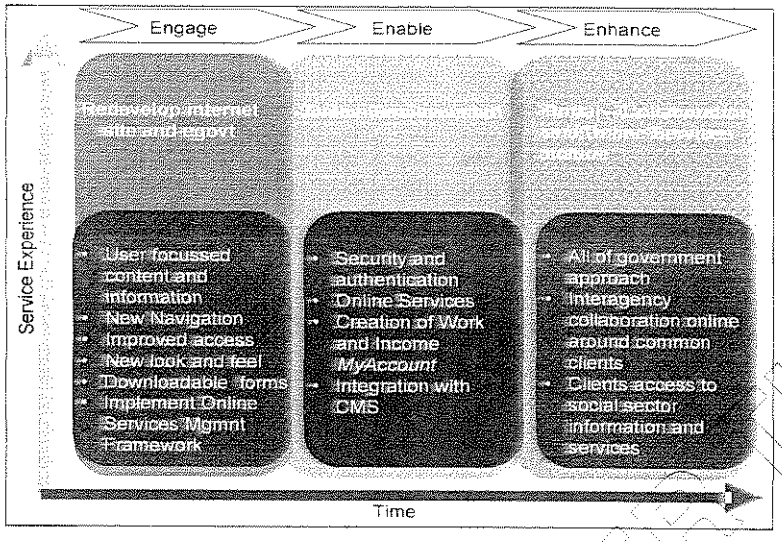
The strategic direction to achieve the above four goals is shown in the diagram below:



The "Engage" phase was completed with the workandincome.govt.nz going live on 21 November 2008.

This project commences the "Enable" phase of the Online Services Strategy.

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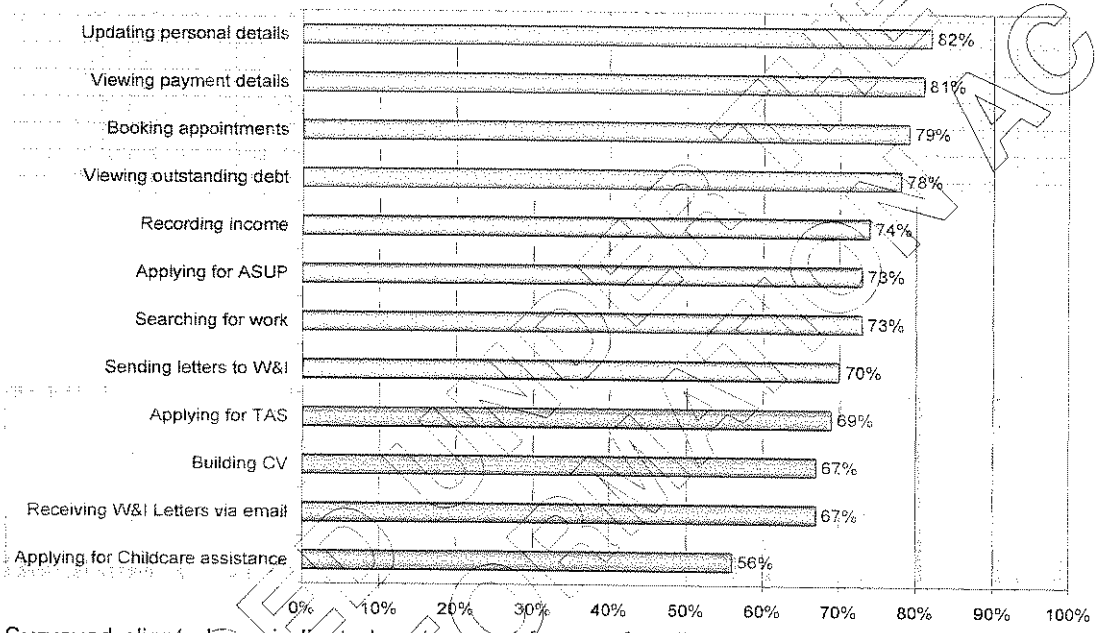
A.4 Customer Survey Results

Research[6] with Work and Income clients and prospective clients indicated the following:

- a decline in preference for visiting the case manager
- an increase in preference for electronic based channels
- 42% prospective New Zealand Super clients to apply online
- 58% current clients being very likely to use online services or electronic channels.

The graphical representation of the survey results is shown below:



Surveyed clients have indicated a strong preference for all the services planned, with no service falling under 56%. The updating of personal details, viewing payment details and booking an appointment are the highest ranked.

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[6] Client Information Needs Research conducted in May 2005 and CMS Online questions, Aug-Sept 07.

B.1 Summary of Benefits

The following needs/opportunities, and benefits have been identified for the project:

Criteria	Y/N	Need/Opportunity Statement
Gives effect to a significant legislative or ministerial requirement or is part of a significant public initiative	N	No, but supports the State Services Commission (SSC) e-government goals for 2020.
Directly supports an MSD strategic objective	Y	Supports MSD's e-Transformation Strategy. Supports the Work and Income Online Services Strategy. Supports Work and Income's approved Value for Money plan
Reduces significant identified risk	N	
Provides financial benefits	Y	Moves transaction activity to the online channel to free up Case Manager and Customer Service Representatives resources to focus on in-depth services where they are needed.
Provides non-financial benefits	Y	Increases the focus of current resources on achieving outcomes by providing an alternate channel for transaction processing. Increases client ownership of their own information. Increases client convenience. Allows "business to business" (B2B) collaboration. Reduces information asymmetry. Supports the outcomes of the Digitisation project.

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B.1 Supports Strategic Objectives

The Ministry of Social Development (MSD) has developed an e-transformation strategy which is about harnessing our systems and the online channel to drive:

- outcomes focused collaboration
- more effective delivery of client outcomes and
- increased agency efficiency.

Over the next four years we will roll out a comprehensive range of online services to students, working age and senior clients. We are evolving our internet channel to become the primary channel for transaction activity whereas our face to face channel will concentrate on personalised in-depth services.

The internet will also be a key channel for delivering outcomes via our partners. Our strategy directly supports e-government and the state sector goals of accessible, coordinated and networked state services through our use of internet technologies to provide people with more convenient access to government information and services.

The Work and Income Online services project provides key support to meeting this goal and is designed to enhance our client experience; create operational efficiency; and allow for more seamless accommodation of fluctuating benefit numbers. The project is conservatively estimated to create net annual cash savings of $2.5M from year four onwards.

B.2 Provides Non-Financial Benefits

At present a Case Manager spends 75% of the day in dealing with clients. By providing an alternate channel for transaction processing, Work and Income will be able to increase the focus of these resources on achieving outcomes. MyAccount increases client ownership of their own information.

The facility to process and electronically transmit applications online (Online Applications) will support the Digitisation strategy.

Employers Online will provide the opportunity to commence "Business to business" (B2B) collaboration. B2B collaboration will provide the basis for sharing information across government agencies in the future.

The client experience will be enhanced by providing choice of the web channel to those clients who have appropriate access. Clients who prefer this channel will experience greater convenience and speed in many interactions with Work and Income.

Online transaction facilities will support better tracking and analysis of which clients use which channels. This will support continuous improvement i.e. our ongoing focus on reducing avoidable contact.

B.3 Provides Financial Benefits

The Ministry's experiences have shown that opening up a new service channel will not necessary result in a corresponding reduction in demand for other channels (channel substitution).

It is for this reason that a conservative approach to benefits estimation has been taken in the preparation of this business case. Savings that might be attributed to the completion of pre-assessments or transactions completed through an online account have not been included.

We believe this is prudent because in our research, both Westpac Bank's online service and the Ministry's StudyLink have found the attribution of savings to accounts hard to make with any degree of certainly. StudyLink's experience is particularly relevant in that

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the two factor authentication required has been problematic. The transactions volumes for the four months beginning 1 July 2008 from the IAP indicate that 48% of the transactions were in relation to password resets.

Online Applications and Appointment Bookings will decrease the amount of transactions to be processed at the front line, or appointments booked by telephone. This will reduce the amount of Case Managers and Customer Service Representatives (CSRs).

The financial analysis detailed below is based on figures taken the IAP[7], from a survey using Work and Income's Workload Model and confirmed by the Linwood Lean Analysis.

Detailed assumptions are attached. In summary, savings have been calculated on 1.5 million appointments[8] and 435,734 benefit applications (last twelve months) with take up rates starting at 15% and finishing at 50% by the end of 2012.

Table showing take up rates:

		2009/2010	2010/2011	2011/2012	End of 2012
		Take up percentage			
Description	**Activity volume**	**15%**	**25%**	**40%**	**50%**
Unemployment Related	95,860	4,793	23,965	38,344	47,930
Sole Parents	46,813	2,341	11,703	18,725	23,407
Sickness	71,363	892	17,841	28,545	35,682
Invalids Benefit	19,450	243	4,863	7,780	9,725
NZ Super	44,466	1,667	11,117	17,786	22,233
Working for Families	157,782	5,917	39,446	63,113	78,891
Total	**435,734**	**65,360**	**108,934**	**174,294**	**217,867**

We have been guided in the development of these rates by three factors

1. MSD's Online services strategy
2. StudyLink's experience
3. CSRE – research

The MSD online service strategy sets an aspirational target of 50% of all working age and seniors will be done online by 2012.

StudyLink's experience has been that take up does take time, with clients going through a process of, "seeing it, trying it, and trusting it". While 95% of students have access to the internet (75% in Work and Income's case), only 44% use MyStudyLink. They have however increased take up over the 7 years of operation from 2001 to 2008 with 91% of students now applying on line.[9] Of those who use MyStudyLink 26% complete an action that changes their details.

75% of our surveyed clients use the internet once per week, low adopters of the new online services would be those on NZ Super or those with ill health or disability, for

[7] **Benefit applications**
Supplied by s 9(2)(a) Official Information Act – downloaded from IAP in doogle. SWIFTT main Benefit Applications Time Series – official counts for the 12 months ended July 2008
Appointment data from IAP

		2008/2009	2009/2010	2010/2011	2011/2012
		Percentage Take up			
Description	**Activity volume**		15%	25%	40%
Contact Centre	808,684	-	30,326	202,171	323,474
Frontline	715,134	-	26,818	178,784	286,054
	1,523,818				

[8] **Appointments Data**
Supplied by the Decision Support Team – Information Analysis and Reporting National Office out of IAP for the 12 months ended August 2008, Job Tracker Reference 35470.
s 9(2)(a) Official Information Act

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example 42% of prospective NZ super clients would apply on line. This figure will continue to increase as more technology aware citizens reach the age of retirement.

It is for these reasons that a conservative approach to take up has been made.

Areas where benefits will be saved

The StudyLink experience with the My StudyLink has been a useful starting point. We believe that two factor authentication and the requirement to have a face to face interview to establish an account has limited the take up. Password resets (or user id being forgotten) are 50% of the transactions being dealt with.[10] The business case is therefore silent on benefits for such services until the detailed design can confirm the use of voice or email services to resolve this.

Therefore, the benefits have been restricted to the making and cancelling of appointments and applications for benefits.

Each appointment booked online saves approximately 10 minutes of Case Manager time [11]or 5.5 minutes of conversation with a Customer Services Representative[12].

The case manager time avoided will be in checking, clarifying and completing applications with clients, as this will be saved by a web service that asks only the relevant questions and ensures those questions are answered.

We believe that clients would prefer to have the ability to complete the application online and make an appointment in the same transaction session. This is strongly supported by the results of our Work and Income client survey on online services. 79% of clients have indicated that they would want to make an appointment on line.
Standard annualised salaries have been used for both CSR's and Case Managers with a 3% increase per year built into these costings.[13]

By the end of fiscal year 2011/2012, if 40% of our current volume of appointments were booked on line, 45 less Case Managers and 36 less Customer Services Officers would be needed.

This delivers $3,878m of gross benefits ongoing from year four. Ongoing operating costs have been estimated as 20% of the total capex including contingency.

Capital is the most appropriate funding for this project for the following reasons:

- a new asset delivery service in a new a channel is being delivered
- $3,878m savings have been identified.

Benefits: Voice Services

Care has been taken to ensure that benefits claimed in the Voice Services business case are not claimed in this business case. The rebooking of appointments has been removed from the claimed benefits. Even though this is not a material duplication, for the sake of transparency and simplicity these have been excluded.

All other areas of the voice services programme stand alone, these are voice recognition using biometrics and open menu navigator using natural language to answer questions with out contact centre agent involvement.

[10] In the four months beginning 1 July, IAP data indicates that 41,916 transactions completed, 19853 were resets in LDAP.
[11] Lean six sigma analysis – Godfrey Brosnan. Review Application questions (TT 4mins) and Reconfirm Application (TT 6mins) total elapsed time (TAT 10mins).
[12] s 9(2)(a) OIA
[13] Average CSR salary $38,791, average Case Manager salary $49,454 including average administration costs

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B.5 Financial Analysis

B.5.1. Net Present Value and Internal Rate of Return

The table below shows the most likely Net Present Value (NPV) and Internal Rate of Return (IRR) from this initiative.

LIKELY CASHFLOWS - Rev (+) / E	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Outyears
Revenue/ Savings	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)
- MSD	s 9(2)(b)(ii) OIA							
- Crown								
Capital Cost								
** Operating One Off								
** Operating On Going								
Net Cash Flow	($5,348)	($2,771)	$978	$2,523	$2,523	$2,523	$2,523	$0
Payback Period	Year 4		NPV	$89			IRReturn	8.32%

B.5.2 Worst Case, Best Case, Likely Case

FIN1036 - SUMMARY FINANCIAL RECOMMENDATION TEMPLATE

Project Title On line Services

Project Start (Fin Year): 2009 e.g. enter 2009 if project is to start between 01 July 2008 & 30 June 2009

SENSITIVITY ANALYSIS (optional) - GST Exclusive

BEST CASHFLOWS - Rev (+) / E	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Outyears
Revenue/ Savings	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)
- MSD								
- Crown								
Capital Cost								
Operating One Off								
Operating On Going								
Net Cash Flow	($3,996)	($1,617)	$1,743	$3,514	$3,514	$3,514	$3,514	$0
Payback Period	Year 4		NPV	$5,980	IRReturn	IRReturn	IRReturn	32.04%

WORST CASHFLOWS - Rev (+) / E	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Outyears
Revenue/ Savings	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)
- MSD								
- Crown								
Capital Cost								
Operating One Off								
Operating On Going								
Net Cash Flow	($6,198)	($3,580)	$440	$1,848	$1,848	$1,848	$1,848	$0
Payback Period	no payback within 5yrs		NPV	-$3,887			IRReturn	-5.35%

FINANCIAL IMPACT (Mandatory) - GST Exclusive

Project Title On line Services

LIKELY CASHFLOWS - Rev (+) / E	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Outyears
Revenue/ Savings	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)	($000's)
- MSD								
- Crown								
Capital Cost								
** Operating One Off								
** Operating On Going								
Net Cash Flow	($5,348)	($2,771)	$978	$2,523	$2,523	$2,523	$2,523	$0
Payback Period	Year 4		NPV	$89			IRReturn	8.32%

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B.5.3 Costs for the project

IT costs for the project have been estimated at $6,775,540. This is comprised of costs for the following components:

Authentication:	s 9(2)(b)(ii) OIA
MyAccount:	
Online Applications:	
Online Appointment:	
Pre-Assessments Calculator:	
Employers Online:	
Jobseekers Online	
Contact Online:	
Standard 30% contingency	
Total	$6,775,540

These cost estimates have been based on standard IT estimations methods and also correlation with the MyStudyLink and Online Decision Support deliverables. The estimates also assume the re-use of components from the earlier StudyLink projects. A high level breakdown of costs across the project is as follows:

Hardware and Software licences:	
Design and Development:	
Vendor services costs:	
Implementation:	
Standard 30% contingency:	
Total	$6,775,540

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C.1 Selection of Online Services

The selection of online services was based on the following:

- Surveys conducted with Work and Income clients.
- Business drivers.
- Support for other Information Strategies.

C.1.1 Surveys conducted

Surveys conducted with Work and Income clients identified the following four services:

- View and update personal details.
- View payment details.
- View debt details.
- Book appointments online.

(See Appendix A.4 for survey results)

C.1.2 Business drivers

The Business drivers resulted in the following services:

- Pre Assessments calculator.
- Employers Online.
- Job seekers Online.
- Contact Online – Report a suspected fraud.

C.1.3 Support for other Information Strategies

The following service supports other Information Strategies:

- Online Applications supports the Digitisation strategy.

C.2 Authentication considerations

MSD has an existing investment in a mature authentication infrastructure. It consists of a secure infrastructure with DMZs (Demilitarized Zones) and uses CA SiteMinder for authentication and web-page authorisation. MSD's authentication infrastructure is highly scaleable to support Work and Income online services. Authentication services will be delivered in consultation with State Services Commission(SSC) and the Department of Internal Affairs(DIA), so that future adoption of All of Government (GLS and IVS) facilities are factored into the project. We have established a joint governance group with SSC and DIA to support this.

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Appendix D Project Scope

The following table outlines what will and will not be covered by this Project:

In Scope	Out of Scope
Customisation of StudyLink's authentication protocol for appropriate levels of authentication for Work and Income Online Services.	Development of any new authentication protocols. Integration with and use of the Government Logon Service (GLS).
Development and implementation of MyAccount: View personal details. Update personal details. View payment details. View debt details.	
Development and implementation of the following Online Applications: Unemployment benefit. Domestic Purposes benefit. NZ Super. Childcare Assistance. Sickness benefit. Invalid's benefit.	Development and implementation of Online Applications for all other benefits. Granting of the benefit(s) online.
Development and implementation of a facility to book/maintain general maintenance appointments online using the current Appointments Booking Tool (ABT). Only appointments made online can be maintained (view, cancel, modify).	Facility to book and maintain other type of appointments. Maintenance of appointments set up by the contact centres and/or service centres.
Development and implementation of a calculator like tool for users to self assess what benefits they may be eligible for. The eligibility will be based on their life circumstances and is derived from the current CMS rules engine.	Electronic submission of pre-assessments to Work and Income.
Customisation/re-use of the CMS rules engine for Online Pre-Assessments.	Creation of a new rules engine.

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In Scope	Out of Scope
Development and implementation of online services for employers that allows them to: List a vacancy online via JOBZ4U. Register themselves as a employer partner with Work and Income. Respond to contracts. Submit reports online. Other than JOBZ4U transactions will be submitted to a holding database and processed by appropriate teams.	Direct update of any databases.
Development and implementation of online services for job seekers that allows them to: Set up a plan online. Plans are viewable in printable format.	Storage of plans Submission of plans to Work and Income.
Development and implementation of an online form to report a suspected fraud. The form is submitted to an email address.	Development of any other contact forms. These can be added subsequently as Business As Usual (BAU) requests or as separate projects.
Development of appropriate content and content templates for the services.	
Communication of the services to appropriate stakeholders (including external stakeholders and website users).	
Process for ongoing maintenance of the online services.	
Provide Disaster Recovery requirements	Set up of Disaster Recovery for the website

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E.1 Approach

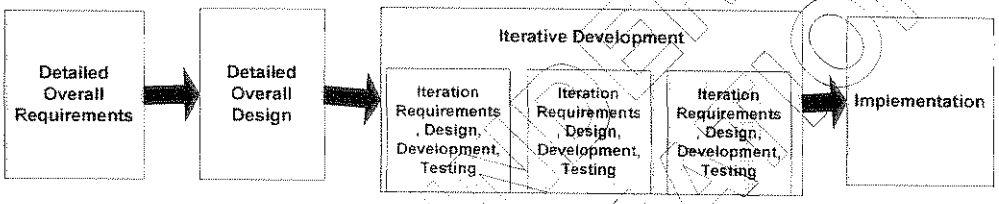
Services will be developed in parallel and will be delivered as separate streams.

Services will be grouped appropriately based on any dependencies or relationships.

The proposed work streams under this project are as follows:

- Project 1: Online Authentication, MyAccount.
- Project 2: Online Applications.
- Project 3: Appointments Online.
- Project 4: Pre-Assessment Calculator.
- Project 5: Employers Online, Jobseekers Online, Contact Online.

Each service will be delivered using an adapted ***Agile*** Project Methodology as shown below:



This approach will enable the service costs and timeframes to be confirmed at the end of the overall detailed design phase.

Iterative development will allow detection of major flaws and/or gaps in the requirements/design as early as is possible.

As each iteration will be a usable module, implementation can be phased within each service if suitable and required.

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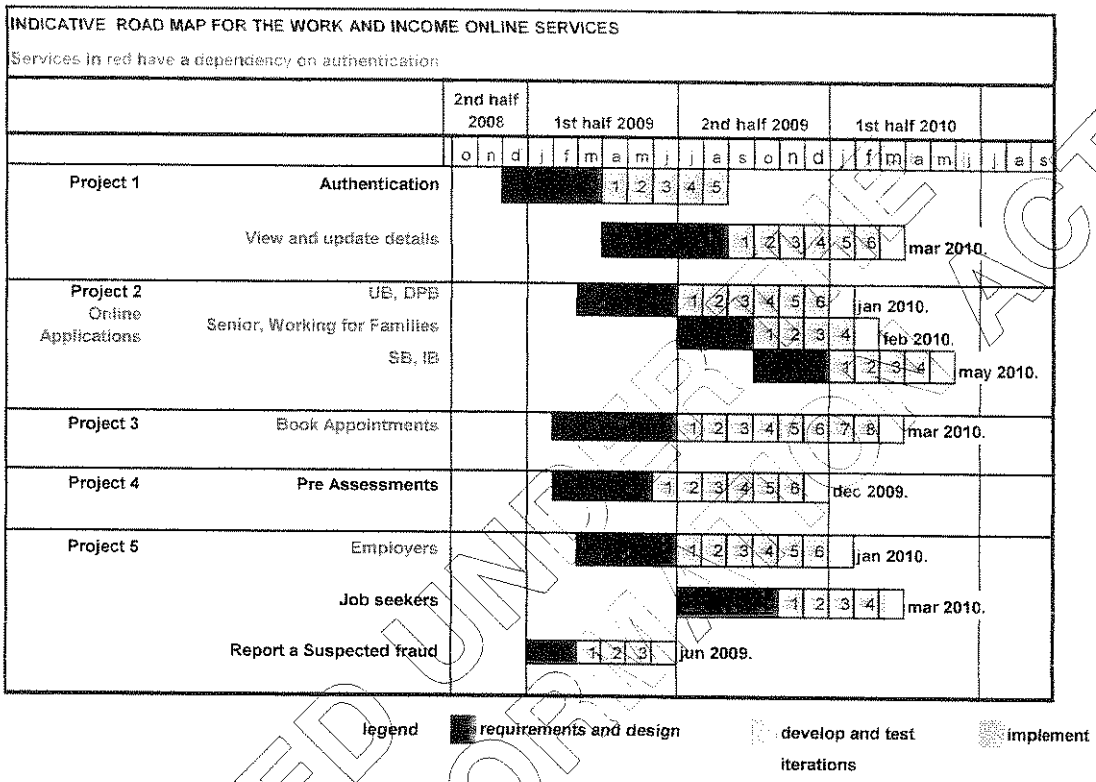
E.2 Indicative Timeframe

The following timeframes are estimates only and will be confirmed following the completion of the Project Management Plan and related Statements of Work for each service.

These timeframes are based on a December 2008 start for the programme of work.



Project	Service	Phase	Description	Due Date
Project 1	Authentication	Requirements and Design		Mar 2009
		Development and Testing	5 iterations from simple to complex authentication	Aug 2009
	MyAccount	Requirements and Design		Aug 2009
		Development, Testing and Implementation	6 iterations – view details, view payments, view debts, update details (simple to complex)	Mar 2010
Project 2	Online Applications – Unemployment Benefit, Domestic Purposes Benefit	Requirements and Design		Jun 2009
		Development, Testing and Implementation	6 iterations – common information, simple to complex validation	Jan 2010
	Online Applications – Seniors, Working for families	Requirements and Design		Sep 2009
		Development, Testing and Implementation	4 iterations – simple to complex validation	Feb 2010

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Project	Service	Phase	Description	Due Date
	Online Applications – Sickness Benefit, Invalid's Benefit	Requirements and Design		Dec 2009
		Development, Testing and Implementation	4 iterations - simple to complex validation	May 2010
Project 3	Appointments Online	Requirements and Design		Jun 2009
		Development, Testing and Implementation	8 iterations – create-2, read-1, update-2, delete-2, print-1.	Mar 2010
Project 4	PreAssesments Calculator	Requirements and Design		May 2009
		Development, Testing and Implementation	6 iterations – re-use customise CMS rules, combinations of life circumstances	Dec 2009
Project 5	Employers Online	Requirements and Design		Jun 2009
		Development, Testing and Implementation	6 iterations – list a vacancy-2, respond to contracts-2, submit a report, register an employer	Jan 2010
	Jobseekers Online	Requirements and Design		Oct 2009
		Development, Testing and Implementation	4 iterations – set up plan-2, create cv-2	Mar 2010
	Contact Online – Report a Suspected Fraud	Requirements and Design		Feb 2009
		Development, Testing and Implementation	3 iterations – generic design, online form for reporting a suspected fraud	Jun 2009
Close				Dec 2010

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F.1 Assumptions

Assumption	How will the assumption be tested?
The StudyLink Authentication protocol can be modified and used.	Project to gain an understanding of the StudyLink Authentication protocol – done as part of this Business Case. Applications Architect to confirm that it can be modified and used for Work and Income – confirmed as part of this Business Case.
For this project Pre-Assessments will function as a calculator like tool and no interaction with client information is required. Hence no authentication is required for this facility.	Confirm with Business Owner – done.
The CMS rules engine can be used in the Pre-Assessments calculator	Confirm during design phase.
Appropriate resources for the project are available at the required times.	Project Manager to provide resource requirements to resource managers in advance. Resource Managers to confirm resource availability in advance. Project Manager to monitor resource availability. Resource Managers to provide backup resources where required.
No vendor development is required for Pre-Assessments. The interface between the web front end and CMS can be developed by internal resources.	Confirm during design phase.
The project may require external vendors for usability testing and designing of the services. Hence provisions have been made for these in costs provided.	Confirm with Business Owner on a service by service basis.
The take up rates for Appointments and Online Applications services are reached	Business Owner to manage realisation of benefits
StudyLink's Decision Support tool has reusable components.	Confirm during design phase.
No Help Line is required for Online Services	Confirm during usability testing.

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F.2 Constraints

Constraint	Description
Confirmed timeframes and Costs	The project is to be delivered using the Agile Project Methodology which uses iterative development to produce a deliverable. This business case therefore provides indicative costs and timeframes which will be confirmed at the conclusion of the detailed design stage for each service.
Resource availability	Sufficient and appropriate vendor, business and IT resources are required for the project. Otherwise, the project may encounter delays and deliverables of the project may be compromised.
Hardware procurement	Delivery of ordered hardware is available within vendor lead times. Delay in delivery of hardware may cause a delay in the implementation of some services.
Change in Authentication Policy by MSD	If during the course of this project, MSD decides to use the Government Logon Service (GLS) as its authentication protocol, cost and timeframes to delivery will be impacted. Services already implemented will also need to be re-visited.

F.3 Dependencies and Related Projects

F.3.1 Dependencies

This project has the following dependencies:

- CMS rules engine.
- Website Disaster Recovery is in place before authenticated services are implemented.
- Core Benefit Project – This project will need to be informed of any progress from the Core Benefit Project and its timeframes to delivery.
- Any changes to forms that are part of the Online Applications service will impact this project.
- Any changes to processes implemented via the Business Process Re-engineering (BPR) project will impact this project.
- The StudyLink Decision Assist. Project – This project requires Decision Assist deliverables to be reused wherever possible.

F.3.2 Related Projects / Business Considerations

The Digitisation Project:

- Achievement of the deliverables from the Online Applications service will contribute to the outcomes of the Digitisation project.
- The Digitisation Project will need to consider input of data from an external source where applications are made online.

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G.1 Risks

The following key risks have been identified so far:

Description of Risk	Likelihood	Consequence	Priority	Mitigation / Contingency
1. Scope - Change in Authentication Policy by MSD. The project will use the current MSD authentication protocol. If the Ministry decides to use GLS as its authentication tool, the project will need to redesign and redevelop its online authentication service.	Possible	Moderate	Medium	Design any authentication modifications in a way that the impact of this change is minimised.
2. Quality - Uptake of services greater than anticipated puts burden on current servers. Heavy load causes servers to crash, or slows down response time. May also impact other non online transactions.	Possible	Moderate	Medium	Project to cater for "worst case scenario" and provide extra servers. Steering Group to provide direction on this risk.
3. Time, Cost, Quality - Resource availability under Agile Methodology requires all resources to be co-located and available at the appropriate times.	Likely	Moderate	Medium	Steering Group to provide direction on this risk.
4. Quality - isolated decisions under this project. All projects under this program need to have visibility of decisions otherwise consistency and standards across all services may not be achieved. Services that have a potential to be	Possible	Moderate	Medium	Appoint lead Business Analyst and lead Solutions Architect to sit across all project streams.

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Description of Risk	Likelihood	Consequence	Priority	Mitigation / Contingency
integrated in future developments may not be designed sensibly to allow seamless integration. This may prove costly in the long run.				
5. Quality - Incorrect level of authentication for a service allows users to access sensitive information easily or a level of access is requested that is too high for the information being requested.	Unlikely	Moderate	Medium	Assess online risk and internal risk for each service using SSC risk guidelines. Engage with Risk and Assurance and IT Security Architect to determine correct level of risk.
6. Time, Cost, Quality - Deployment of Infrastructure roadmap may require change in direction for the project. (eg use of WLI).	Unlikely	Moderate	Medium	Engage regularly with Enterprise Architecture team. Ensure an EA team member is part of the project and has a view of all project streams.
7. Quality - Disaster recovery is not available when authenticated services are implemented.	Possible	Moderate	Medium	In the event of a major disaster recovery situation (earthquake, tsunami etc), the Ministry's disaster recovery procedures would apply. For other disaster recovery situations, the project should ensure that services are up and running in a short period of time by catering for failover and load balancing.

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Description of Risk	Likelihood	Consequence	Priority	Mitigation / Contingency
8. Quality - The Implemented Services will be impaired by the lack of human support services for problems arising when users are on line. This could affect the service take up rate.	Likely	Severe	High	Redeploy some of the saving benefits that were to be used for service delivery initiatives to support Online Support Services.

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G.2 Security Concerns

This project has identified the following potential security issues –

Security Issue	Description
Incorrect level of authentication.	Authentication requested may be too little or too much. Assess online risk and internal risk for each service using SSC risk guidelines. Engage with Risk and Assurance and IT Security Architect to determine correct level of risk.

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The following groups have been consulted in the development of this business case:

Group	Consulted
Employer Services	s 9(2)(a) OIA
Strategy and Service Development	
Business Solutions	
CMS	
IT Applications	
Enterprise Architecture	
Finance	

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Final Business Case

for the Digitisation of

Work and Income Client Information

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Version: 3.0

Sign Off Sheet

This form records the approval and acceptance of the following document(s):

Document Name	Version	File Location
Final Business Case for the Digitisation of Work and Income Client Records	3.0	Filename: Final Business Case for the Digitisation of Work and Income Client Information.doc Objective ID: A4427606

The following signatures indicate approval and acceptance of the above document.

Name	Role	Signature/Date
Ray Smith	Deputy CE Child Youth and Family	_____ ___/___/___
Iona Holsted	DCE Corporate and Governance	_____ ___/___/___
Graeme Carruthers	DCE People, Capability and Resources	_____ ___/___/___
Patricia Reade	DCE Work and Income	_____ ___/___/___
Don Gray	DCE Social Sector Strategy	_____ ___/___/___
Richard Wood	DCE Family and Community Services	_____ ___/___/___
Hilary Reynolds	DCE Students Seniors and Integrity Services	_____ ___/___/___
Marc Warner	DCE Risk and Assurance	_____ ___/___/___
David Habershon	Chief Information Officer	_____ ___/___/___
Nick Gale	Chief Financial Officer	_____ ___/___/___
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		_____ ___/___/___

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Compilation and Distribution Summary

Version	Date	Author	Distributed to	Comments/Feedback
0.1	11/05/09	s 9(2)(a) OIA		
0.2	18/05/09			
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0.5	03/07/09			
0.6	16/09/09			
1.0	18/09/09			
2.0	25/09/09			
3.0	05/10/09			

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Key Work and Income Terminology Used in this Document

Verification: Information supplied by clients as requested/required by Work and Income to provide a service.

Evidence: information contained within verification. An example of verification is a passport; the residency details contained in the passport is evidence.

Executive Summary

There are many motivations, and tangible benefits, for creating a digitisation capability for MSD, ranging from streamlined business processes and accessibility, through to record preservation and sustainability.

Access to information. Digital artefacts are inherently easier to share for collaborative activities. Universal access to digital evidence is a key driver for Work & Income, Datamatch, International Services, Benefit Control and Debt.

Process efficiency. Alongside the inherent ease of access to digital content is the opportunity for streamlining business processes through electronic workflow and paper-less processing.

Preservation of records. MSD has an enormous and valuable legacy of paper recordkeeping. Business areas, such as the Historic Claims Unit and CYF Adoptions, have a substantial collection of paper records that relate to clients and their histories with our organisation.

Sustainability. There are likely long-term benefits to maintaining digital versus paper-based records. If MSD can substitute digital records for their paper counterparts on a mass scale, then it stands to make substantial savings in costs—dollar and carbon..

The goal of this Business Case is to deliver the foundations for a Ministry wide core digitisation capability that can be easily configured to meet the needs of individual business groups.

The goals of this element of the programme are to provide:

- the foundation elements required to provide a Ministry wide digitisation service
- a series of service delivery components so that Work and Income can replace their current fragmented client paper filing system by the delivery of a high quality, centrally located, digitised client verification information database.

Current Work and Income client record management practices are based on the use of paper based records with black/white photocopies taken of information provided by clients. The client record is fragmented with multiple files and multiple physical locations making it difficult to provide an effective cohesive service. It is also difficult to verify a client's identity at the point of service. The fragmentation of the client record makes it difficult for other internal stakeholders to find and access these records.

The quality and integrity of the verification base and consequently the ability to validate the decisions made is therefore compromised. The current information management practices of capture, use, and management of client data creates rework for staff and directly affects Work and Income's credibility with both clients and stakeholders.

Surveys of Work and Incomes Workload Model and "Lean[1]" analysis has identified significant savings in case manager client processing time can be realised by the digitisation of client provided documentation. The net savings are $2.3 million pa from year three. This savings calculation is based on the assumptions that 16 minutes per day for each case manager is saved through the removal of paper handling tasks and that 75% of the current photocopied volume supporting verification for benefit applications for Work and Income clients of all ages are digitised by 2014.

Digitisation of client provided verification will support the Ministry's ICT strategy by:

- Reducing inefficiencies caused by Work and Income Client Files being fragmented.
- Creating a reliable and secure digital record to enable a single view of a client's verification - connected across MSD service-lines and over all channels of client interaction and service delivery.

[1] Lean Six Sigma (http://en.wikipedia.org/wiki/Six_Sigma) is a business management strategy that seeks to identify and remove the causes of defects and errors in business processes.

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- Digitising verification, records and transactions to build a rich picture of MSD's relationship with clients.
- Digitising business processes by leveraging digital content and electronic workflow.
- Creating a *digital-ready* MSD that can collaborate using authoritative digital content and automated processes.
- Preserving and managing our digital records to meet our obligations under the *Archives Digitisation Standards* and *Public Records Act.*

Supporting technology and hardware is required to implement the business process of scanning and managing client verification. The digitisation project is dependant on IT Customer Services Multi Functional Device (MFD) procurement program and the availability of Curam resources.

This final business case provides information on the preliminary development of a business case to deliver a Digitisation Solution for Work and Income front line offices. The investigations to date indicate the project is conservatively estimated to create net annual cash savings of $2.3M from year three onwards. Using the information available the project has an indicative NPV of $3.2K which would provide a payback in year three. Estimated savings are derived from a reduction in materials and the time spent by case managers handling paper.

The indicative timeframe to implement all services within this project is July to September 2010.

The project proposes a comprehensive governance structure and the use of agile software development methodology. The Business Steering Group (BSG) will be required to approve the time-lines and deliverables.

This project has been assessed as a Significant Project.

It is recommended that the Information Technology Governance Committee:

- **Note** that this proposed project is a direct result of the approved Work and Income FBC for Front Line Digitisation and is also supported by Work and Income's Information Strategy
- **Note** that this project supports the State Services Commission's e-government strategy
- **Note** that this project is expected to introduce significant improvements to services provided to clients
- **Note** that this project is estimated to create net annual cash savings of at least $2.3 M from year three
- **Note** that the project is expected to increased IT costs by $224K, however this increase will be funded out of project savings; and that a DCE baseline change will be made from Work and Income to PCAR for this amount
- **Note** that the Business Steering Group is to provide direction and maintain oversight of benefits realisation
- **Note** that this project has been provisioned in the 10 year IT capital plan
- **Note** that this project is classed as 'significant'
- **Note** that this project is expected to cost $6.1M, to be funded from the IT Capital Budget, Work and Income allocation
- **Approve** the governance arrangements for this project
- **Approve** funding of $1.75M for the first phase of the project that will deliver a Ministry capability to scan a paper document, process, store and view the digitised image.
- **Authorise** the Business Steering Group, following their approval of the Project Management Plan, to approve the timing and release of additional staged funding up to a further $4.35M from the IT Capital Budget.

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1 Digitisation Needs Analysis

s 9(2)(b)(ii) OIA

There are many motivations, and tangible benefits, for creating a digitisation capability for MSD, ranging from streamlined business processes and accessibility, through to record preservation and sustainability.

Access to information. Digital artefacts are inherently easier to share for collaborative activities. Whether part of a central client record (within CMS), or simply stored in a shared content repository (such as EDRMS), digital documents can generally be shared and workflowed with greater ease than their paper counterparts—inside and outside of MSD. Universal access to digital evidence is a key driver for Work & Income, Datamatch, International Services, Benefit Control and Debt.

Process efficiency. Alongside the inherent ease of access to digital content (assuming good meta-data, classification, indexing and logical security) is the opportunity for streamlining business processes through electronic workflow and paper-less processing. Digital content is readily available without needing physical recall from off-site storage and can be effortlessly flowed to people for 'handling'. Finance and Work & Income expect to improve some of their paper-intensive business processes through digitisation.

Preservation of records. MSD has an enormous and valuable legacy of paper recordkeeping. Business areas, such as the Historic Claims Unit and CYF Adoptions, have a substantial collection of paper records that relate to clients and their histories with our organisation. This paper must be preserved as a matter of good governance, risk management and statutory obligation. Some of our paper records have deteriorated with age and are fragile from mishandling; continued handling of the paper will place the integrity of these records in jeopardy. Digitisation is a technique that can be used to 'preserve' the record by creating an electronic facsimile of the paper that will authoritatively represent the original—even in a court of law.

Sustainability. There are likely long-term benefits to maintaining digital versus paper-based records. If MSD can substitute digital records for their paper counterparts on a mass scale, then it stands to make substantial savings in costs—dollar and carbon—relating to outsourced paper record storage and associated off-site retrieval. Also, by scanning evidence straight to digital image, rather than photocopying to paper, we reduce the volume of paper and toner consumed. (And in some cases, we will use digital forms at the point of service to bypass paper altogether).

Although these motivations can lead to real benefits (savings), we must also be aware of the limitations of digitisation and understand that digitisation is seldom a straightforward one-for-one substitute for paper.

The accepted wisdom that "automating-a-bad-business-process" simply results in a "bad-business-process-automated" is particularly true when considering digitisation. Digitisation needs to be considered in conjunction with process redesign and organisational change to be fully successful. Full benefits and efficiencies are unlikely to be gained through technical digitisation alone.

Delivering joined-up, family-focused and multi-disciplinary social services to our clients requires a unique approach to client and case management. It demands a degree of transparency and completeness from our understanding of a client's circumstances—that is evidence-based—and information that is accessible to all the parties that collaborate to deliver services.

The only feasible means of maintaining such an accessible and holistic view of our clients—across service lines and time—is through a unified digital client record. To this central record we must collect and attach a variety of structured and unstructured content to provide the rich detail of a client's biographic details, needs, preferences, case history and planned outcomes

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2 Project Goal

The goal of the Digitisation Programme of work is to deliver the foundations for a Ministry wide core digitisation capability that can be easily configured to meet the needs of individual business groups.

The goals of this element of the programme are to provide:

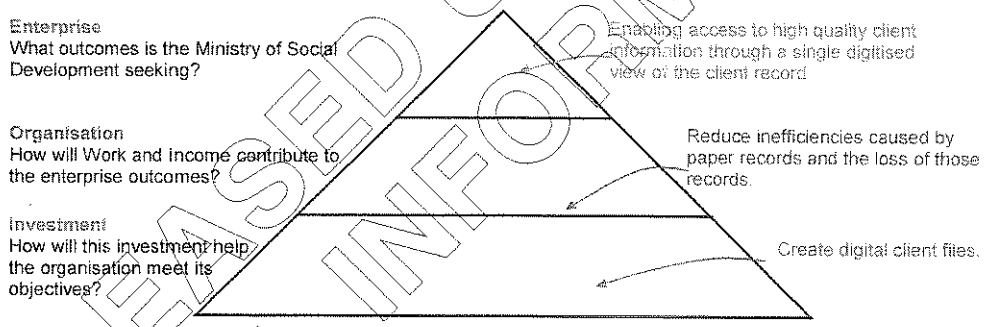
- the foundation elements required to provide a Ministry wide digitisation service
- a series of service delivery components so that Work and Income can replace their current fragmented client paper filing system by the delivery of a high quality, centrally located, digitised client verification information database.

3 Document Purpose

The purpose of this Final Business Case is to obtain approval:

- to commence the project
- to receive funding for the project
- for the requested Governance arrangements
- to implement the recommended services.

4 Work and Income Service Need



Current state

For the period 01 June 2008 to 31 May 2009 Work and Income frontline staff processed 6,197,715[2] actions that required a client to provide documented information to verify their circumstances.

Current client record management practices are based on the use of paper based records with black/white photocopies taken of information provided by clients. Discrepancies exist in terms of how the client data is captured, collated, managed and used. Some information is held permanently on a client file and other information is stored temporarily in a daily file that is not client specific.

[2] Source: IAP Data Warehouse, prepared by Decision Support Team, Information Analysis and Monitoring Unit. A4289741 Swiftt Actions A4289735 Plan Item Actions. The numbers are only those that would have required documentation from clients and does not include UCVII screen amendments or SOLO actions.

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The resulting client record is fragmented with multiple files and multiple physical locations making it difficult to provide an effective cohesive service. It is also difficult to verify a client's identity at the point of service. The fragmentation of the client record makes it difficult for other internal stakeholders to find and access these records. Surveys of Work and Incomes Workload Model and "Lean[3]" analysis at the large Linwood Service Centre has identified significant savings in case manager client processing time can be realised by the digitisation of client provided documentation. A TAS survey analysis identified loose paper handling is between 5-8% of case manager's productive time. Scanning the verification up front and incorporating it into the businesses process will eliminate filing, photocopying and time spent locating loose papers. The analysis concludes savings per case manager of 16 minutes can be achieved through digitisation and the removal of paper based filing tasks.

Inactive client files and temporary files are routinely scheduled for destruction with a resulting in loss of historical information. The destruction due dates vary from case to case. (See: Work and Income Destruction Schedule). The variation of destruction dates has contributed to a significant quantity of files in Service Centres waiting to go to Recall[4].

The quality and integrity of the verification base and consequently the ability to validate the decisions made is therefore compromised.

The current information management practices of capture, use, and management of client data creates rework for staff and directly affects Work and Income's credibility with both clients and stakeholders.

Future state

The Ministry's strategy for client management and client-centric service delivery places the client—whether a child, young person, student, working age person, or older person—directly at the centre of its focus. The Ministry is continually realigning its services, responses, interventions, policies—and information—around the needs and preferences of its clients based on this philosophy.

A central electronic client record is an important element in realising this strategy for improved client outcomes. In addition the Ministry's conventional view of the client is evolving, as it begins to expand the concept of 'client' to include families, whanau and extended family relationships between individuals.

The intent of Digitisation is to simplify the capture, use and management of information provided by or to clients. Said differently it is the capture, storage and retrieval of paper based information.

Digitisation is a business process transformation initiative that manages the paper-based information supplied to business units by the client.

Supporting technology is required to implement the business process of scanning and managing critical client verification.

Digitisation is the replacement of hard copy paper forms and documents by controlled access to digital images.

The Digitisation project aims to digitise client files by providing the following:

[3] Lean Six Sigma (http://en.wikipedia.org/wiki/Six_Sigma) is a business management strategy that seeks to identify and remove the causes of defects and errors in business processes.

4 MSD stores non-current files and batch papers through a company named Recall.

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- a full and complete record of client documentation captured once digitally that is available through a single entry point
- core client information that is available for reuse by MSD staff.

Digitisation of client records will enable us to effectively meet the mandatory objectives of the Public Records Act, in particular:

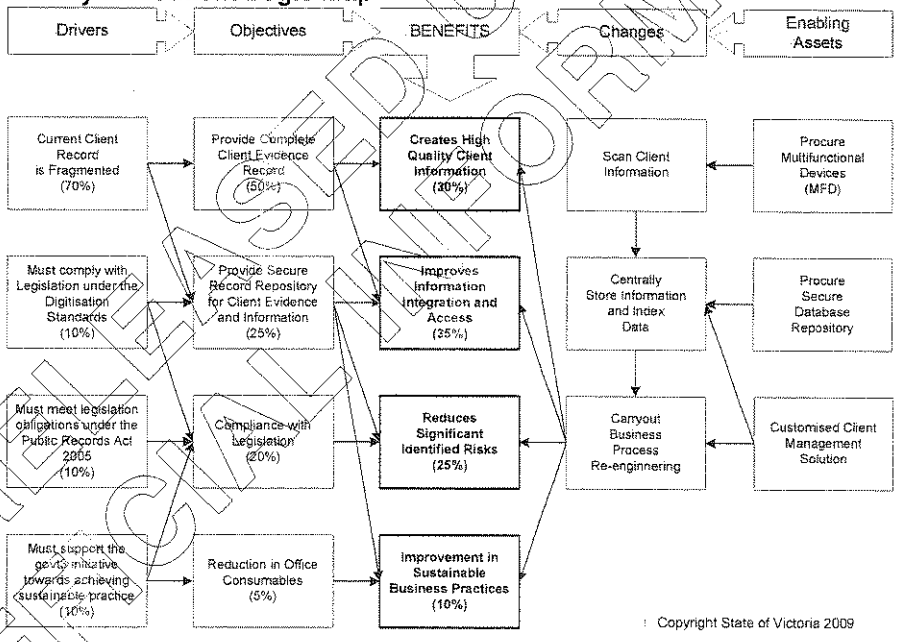
- "Promote the accountability of government organisations to the Crown, and of the Crown to the public through good recordkeeping;
- Enhance public confidence in the integrity of government records..."

5 Project Drivers

5.1 Primary Investment Logic Map (ILM)

The Investment Logic Map below graphically displays the drivers and objectives of the project together with the benefits it will deliver. The changes and enabling assets needed to bring about these benefits and to achieve this project are also shown. All these objectives and derived benefits can be reused across the wider Ministry business group to provide a digitisation capability.
A full ILM with Key Performance Indicators (KPIs) is provided at Appendix A.

Digitisation of Client Records – Work and Income
Primary Investment Logic Map



Drivers

The drivers for this project are:

- The need to prevent fragmentation of client records.
- The mandatory requirement to comply with record keeping legislation.
- To support the governments sustainable practices initiatives.

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Objectives

The objectives of this project are

- To provide a complete single view of client verification through the use of digitisation techniques.
- To provide a secure repository for client verification and information.
- To comply with mandatory legislation relating to record keeping.
- To reduce the consumption of office consumables.

Benefits

The benefits to be derived from the delivery of this project are:

- The creation of high quality, centrally located client information.
- The improvement of information integration and access.
- The reduction in significant identified risk.
- An improvement of the Ministry's sustainable business practices.

The Benefit Management Plan is included at Appendix A.

Enabling assets

The enabling assets required to support this project are:

- Multifunctional Devices Procurement - Included as part of the photocopier/printer refresh project being delivered by IT Customer Services. MFD's will replace all existing networked printers, photocopiers and fax machines in frontline Work and Income Service Centres. A disadvantage of MFD's is that having one device for three purposes may cause case manager queuing. This risk will be addressed during the User Assessment Acceptance phase when the optimum parameters for MFD installation location will be established.
- Customised Client Management Solution - The case manager interface will enable staff to access and manage quality images of client verification. Customisation of current systems used by staff will move Work and Income closer to a desired single system experience.
- Secure database repository – This must meet digitisation standards (S-5 Standard For Functional Specifications For Electronic Record Keeping Systems). The secure repository will facilitate:
  - efficiency, by making information readily available when needed for decision-making and operational activities
  - sound use of financial resources, by allowing timely disposal of non-current records
  - accountability, by enabling the creation of a complete and authoritative record of official activities
  - compliance, by demonstrating that legal requirements have been met
  - risk mitigation, by managing the risks associated with illegal loss or destruction of records, and from inappropriate or unauthorised access to records.

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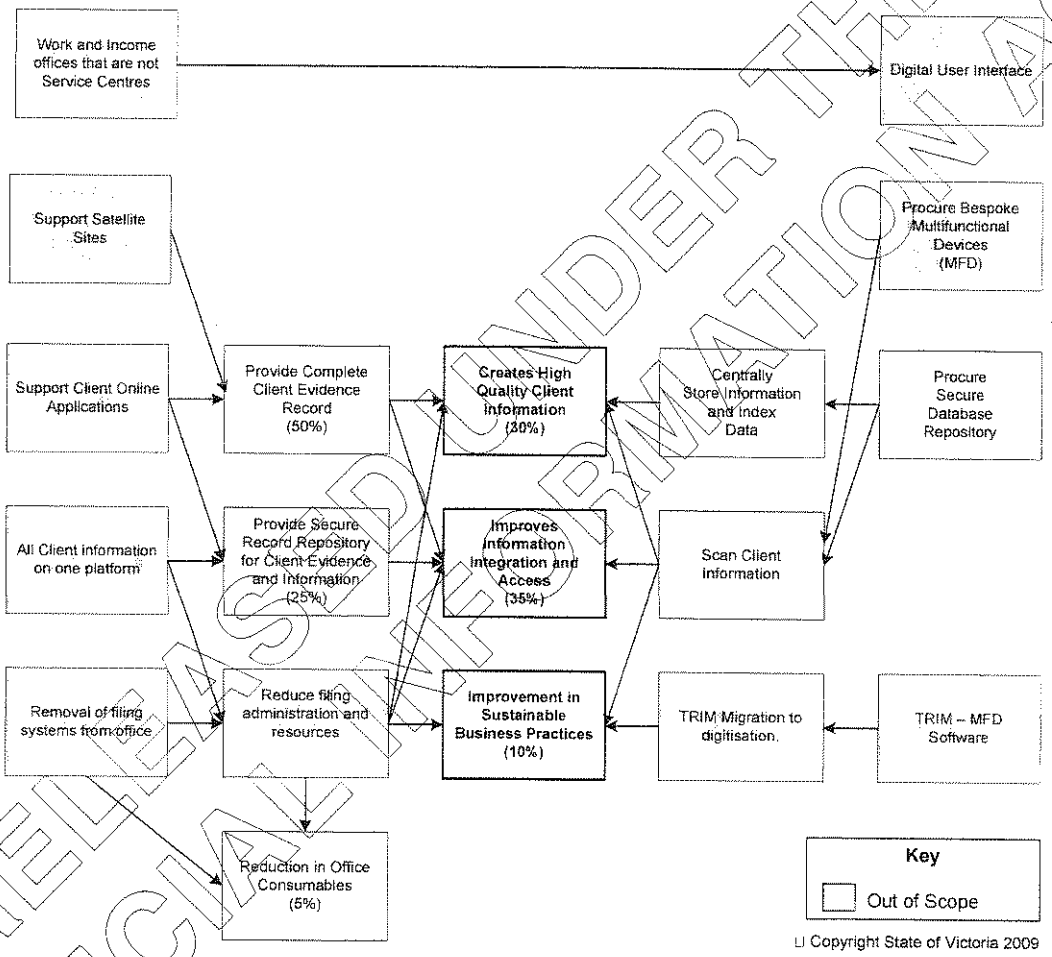
5.2 Secondary Investment Logic Map

Additional service needs, which are *out of the scope* of this project, must be taken into consideration in the Digitisation Programme of Work. They are shown in the following investment logic map.

Digitisation of Client Records – Work and Income
Secondary Investment Logic Map



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Separate project streams are required to deliver these *out of scope* service needs.

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6 Project Scope

The following table outlines what will and will not be covered by this Business Case:

In Scope	Out of Scope
Design, build, test and implement a Digitisation Solution that can be tailored through configuration to meet the needs of the wider Ministry business groups	
Design, build, test and implement a capability for Work and Income frontline staff that provides for the digitisation of paper based of client information	Implement a digitisation solution of client information for any other service lines at MSD
Define the tasks for: 1. Business process realignment 2. Technical Solution	What to do with existing paper records, refer to secondary logic map
Business requirements for IT	Detailed technical requirements
Develop and implement plans for • change management • risk management • communication • training • roll out	
Collaboration with other Work and Income Programmes to manage interdependencies and business change	Requirements for other projects/programmes
Implementation of a solution which meets the digitisation requirements for Work and Income client documentation	Implementation of a digitisation solution for any other documents required by national or regional offices Implementing the solution across the wider MSD context Documentation that is not scanned i.e. medical certificates.
Participation in the Photocopier/Printer refresh programme	Managing the photocopier/printer refresh programme

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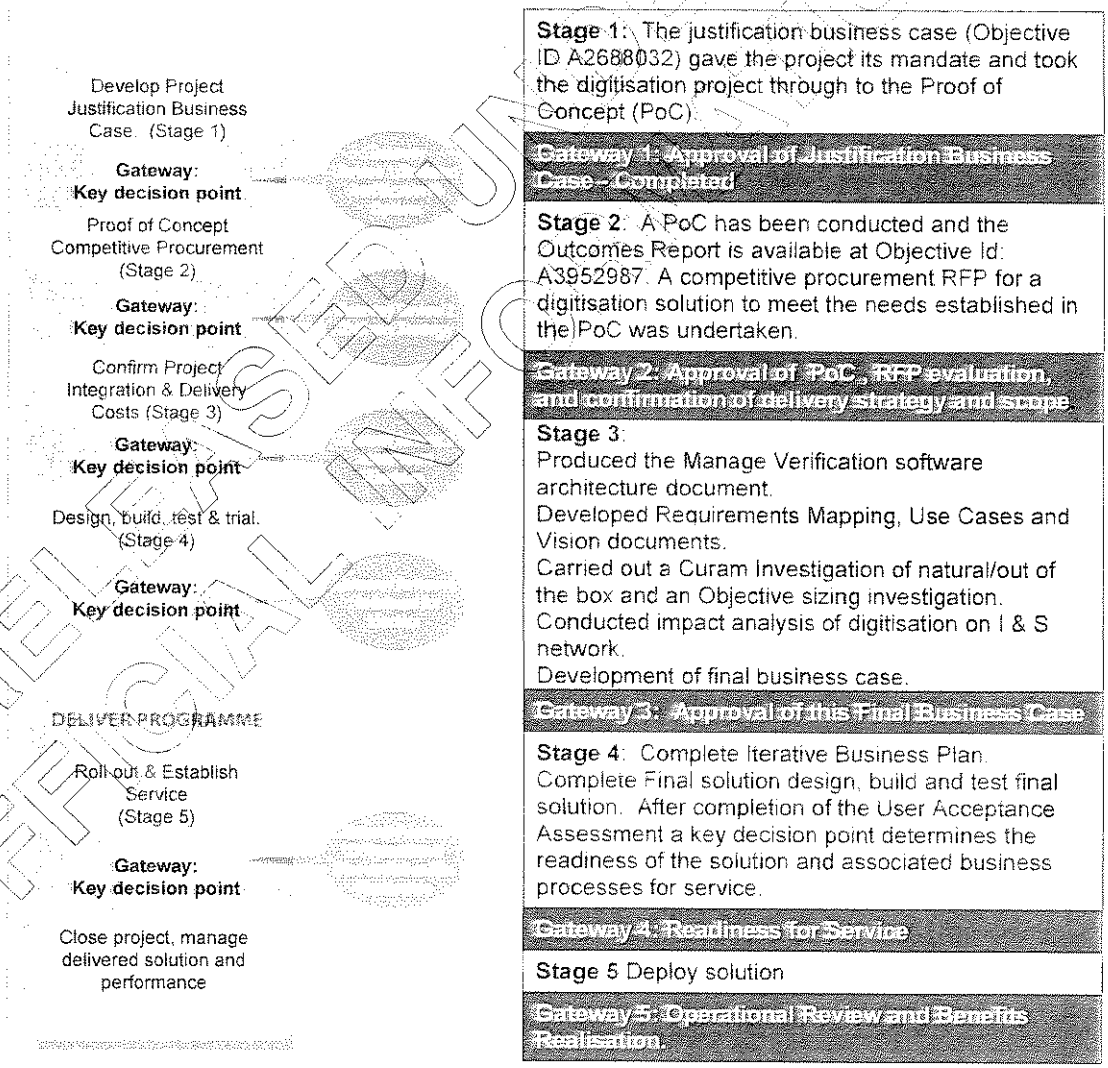
7 Programme of Work

Work and Income has an overarching strategy to support business transformation focused on efficiency and effectiveness. This strategy directly supports Work and Income's VFM commitments and response to a slowdown in economic growth. A range of complementary projects and initiatives are being developed to support this, including Work and Income online services, MSD payment cards, enhanced voice services and a business process re-engineering exercise.

Overarching governance is essential to ensure that these projects are appropriately prioritised and remain complementary. The Work and Income Executive and the Work and Income / IT Steering Group will maintain oversight of these initiatives.

IT is carefully planning its work programme to ensure appropriate resources will be available to support Work and Income priority initiatives, namely online services, voice services and MSD payment cards projects. This will be reviewed at regular stages to ensure projects are appropriately resourced.



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8 Project Cost, Timeframe and Approach

8.1 Cost

The expected cost for this project is $6,103,962.00 (inclusive of standard 30% contingency). The Net Present Value is positive. The project is included in the approved Work and Income 10 year capital budget.

(See Appendix B for a detailed financial analysis)

8.2 Financial Savings

Case managers currently spend up to 8% of their productive time with paper handling tasks[5]. Reducing this by 50% would save $3,532,098.01 per annum.

The net savings are $2.3 million pa. This savings calculation is based on the assumption that 75% of the current photocopied volume supporting verification for benefit applications for Work and Income clients of all ages are digitised by 2014, and that 16 minutes/day per case manager is saved through the removal of paper handling tasks.

Benefits realisation is an important aspect of this project. Savings are required to meet the Ministry's Value for Money commitments. The delivery of this project will also result in an increase in IT costs (support and maintenance) that will be funded from project savings. Accordingly, the Business Steering Group will provide direction and maintain oversight of benefits realisation.

8.3 Non Financial Savings

Clients will also experience a positive change to the way their information is managed. Benefits to the client include:

- Continuity of service – other service delivery areas will have access to client files e.g. call centre.
- Re use of existing documentation – clients won't have to re produce documentation for subsequent applications e.g. medical certificates or bank account details already held on file.
- Requests for information – digitised images can be accessed from any service centre.
- Photo identification match – client can be compared to photo drivers licence or passport.
- Transfer of information – client can produce information at any work and income office which is viewable by staff at any office.

8.4 Indicative Timeframe

The indicative timeframe to implement all services within this project is July 2010 to September 2010.

(See Appendix C.2 for a detailed timeframe)

8.5 Approach

The preliminary work carried out to produce this business case identified further investigative work was required to fully itemise a final solution and quantify project risk.

[5] Loose Paper Jan 08 to Jan 09 TAS survey Objective Ref A4212032

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8.5.1 Objective Document Repository

Objective is to be the digitised artefact document store. *Objective Corporation Solutions NZ Limited* were engaged to

- Determine the capability for objective to be scaled to take the anticipated data storage and access requirements (size, access speed and multiple logons).
- Provide final design on how this will be achieved.

8.5.2 IT Network Load Modelling

The impact of the Work and Income digitisation system components on the IT network was based on the small sample collected from the PoC. All predictions and assumptions were verified to ensure there would be no impact on current services or proposed quality of digitisation service. The IT investigation identified 30 small capacity[6] Work and Income sites where image retrieval beyond the initial first two pages would not be instantaneous and the remaining pages would be streamed[7] over the network at up to 2 seconds per page. Work and Income are working with IT to explore a range of low risk, low cost options that can be easily tailored to match individual site needs.

8.5.3 Curam

There was a need to investigate and understand the capabilities of "*natural*" or "*out-of-the-box*" Curam; it's alignment with digitisation and the Work and Income business requirements. A Curam Solutions Architect and Senior Business Analyst were engaged to identify where existing unmodified Curam capability could meet the business needs, reducing the need for expensive development.

The outputs from the above investigations have now been integrated into this final business case. Full details of the proposed approach are provided at Appendix C.1.

9 Critical Assumptions, Constraints and Dependencies

In the preparation of this Business Case, assumptions, constraints, and dependencies have been identified. Appendix D provides a fully detailed list, however the critical items are provided below:

9.1 Assumptions

This project has the following critical assumptions:

- There will be no increase in the print / photocopy OPEX charges incurred by Work and Income as a result of the introduction of Multi-Functional Devices by IT Customer Services.
- There will be no increase in the OPEX charges incurred by Work and Income for the costs of printing forms as a result of conversion from A3 booklet print set up to A4 stapled.
- The digitised images will be easily accessible to MSD staff and that the technical solution integrates with CMS.
- The existing IT infrastructure can support the bandwidth required for digitisation without any degradation of current services.

[6] Small capacity site –typically a site such as Foxton restricted bandwidth circuits and with 5 case managers.

[7] Streamed – streaming is a technique for downloading artefacts by making most use of the available network bandwidth.

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9.2 Constraints

The project has the following critical constraints:

- A solution to the fragmentation of paper records will be available for a first iteration user assessment by May 2010.
- The delivered solution must meet the requirements of: "S-6 Archives New Zealand Archive Standard for Digitising Non-Electronic Records for Recordkeeping Purposes and Retention of Non-Electronic Records in Electronic Form Only.

9.3 Dependencies

This project has the following critical dependencies:

- Resource availability.
- Any changes to processes implemented via the Work and Income Business Process Re-engineering (BPR) project will impact this project.
- The Roll-out of the Multi-Functional Devices and supporting device maintenance infrastructure being carried out by IT Customer Services is completed before the digitisation project commences its deployment.

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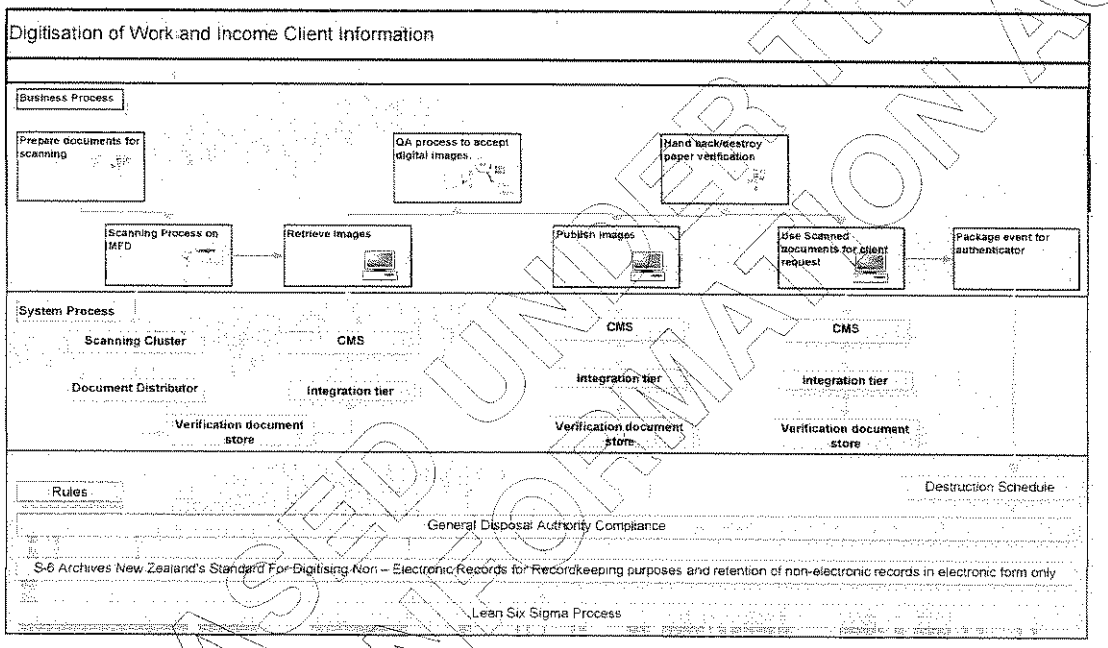
10 Business Implementation

10.1 Business Process Options and Final Requirements

The successful proof of concept, held in 2008, trialled three digitisation business processes. The advantages and disadvantages of each option together with detailed analysis and confirmation of the solution requirements are provided at Appendix E.

The chart below shows how the digitisation "steel thread" is aligned with Work and Income workflow process and the relevant legislation.



10.2 Change Management

A key aspect of the project is moving transaction activity from paper based records to electronic record keeping through the digitisation process. Supporting staff with this shift will require a change management component across the project. A business change manager will be supported by regionally based staff to deliver key messages and information throughout the project delivery lifecycle.

10.3 Communications

Key messages will be tailored to meet the specific needs of both case managers and Work and Income clients. The key messages will focus on the simplicity, convenience and efficiency and effectiveness of using the digitisation process. External communications will be supported by internal communications to staff as required.

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11 Key Risks and Security Concerns

11.1 Key Risks

High level risk analysis has been conducted for the project. A rigorous risk workshop has been arranged to determine mitigation strategies.

A current Risk Register (Objective Id A4186408) shows there are currently 3 very high level and 29 high level risks. The very high and high risks are included in Appendix F.

090511 Digitisation Business and IT_W&I Risk Register.obr

11.2 Security Concerns

The project has identified the following potential security issues -

Security Issue	Description
Sensitive documents available to any staff member.	Currently documents can be physically secured to avoid them being seen by other staff. An electronic solution to complement the existing secure record arrangement will need to be developed.
Eftpos cards and Credit cards should not be used as identification.	Potential fraud issues as the images contain enough information to be used for online purchases. Some Eftpos cards can now be used as credit cards to make online purchases. Note: the review of the use of EFTPOS/Credit Cards in April 2009 did not address these issues.

12 High Availability and Disaster Recovery (DR)

MSD has an existing investment in a mature e-services infrastructure.

This project will ensure high availability (server clustering) and the implementation of an appropriate Disaster Recovery (DR) environment that conforms to existing production requirements for Work and Income digitisation services.

13 Project Governance

13.1 Overview

The project has a comprehensive governance structure which includes:

- Information Technology Governance Committee oversight.
- A dedicated Steering Group who will ensure that the project is fully compliant with appropriate governance guidelines.

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- A Digitisation Services Advisory group to assist and guide the project team.

As the project is using the agile software development methodology the Business Steering Group (BSG) will be required to approve the time-lines and deliverables of each sprint iteration. From a governance perspective a description of how this will operate is as follows:

- The project team will confirm and agree the schedule of project deliverables with the BSG and this will be baselined.
- The BSG has the discretion to re-sequence programme deliverables according to emerging business imperatives. For example the BSG might react to a more rapid rise in benefit numbers than currently anticipated.
- The project team may also recommend to the BSG that sequencing of deliverables is changed if lessons learnt from the iteration business planning or detailed design and construction process indicates a more efficient approach for subsequent iterations.
- A high level architecture for the whole project has been established. Within this architecture, a functional modelling exercise and detailed design will be performed. This is part of the 'MSD Agile' methodology.
- The project team will report to each BSG meeting the overall project status as well as the timing and financial status of each stage.

Agile projects provide a great deal of stakeholder and steering committee control over spending and design decisions whilst giving project teams an environment where they can rapidly and efficiently develop 'fit for purpose solutions'. Industry analysts Gartner and Butler recommend their use in situations where solutions need to be efficiently and rapidly developed in a scenario of rapidly evolving business conditions.

This is such a project. Gartner recommend a mixture of governance methods so that stakeholders remain confident in the appropriateness and value of the project outputs. These governance practices have been incorporated into the MSD Agile methodology used for this project, whereby the BSG is continually presented expenditure analysis and approval of specific scoping design and spending decisions.

A further commonly used governance component that will be used on this project due to its size is stage gate funding. Under the over-arching public service and MSD governance models, management of the stage gates will be delegated to the BSG. Stage gates need to provide sufficient control to the steering committee without creating unnecessary road-blocks for the project team. For example, there needs to be sufficient funding approval so that in the early iterations basic infrastructure (servers and software) can be purchased and the project team assembled. If the stage gates are too close delays can result.

The recommended funding stage gates for this project to achieve the necessary balance will be to have initial funding gates of $1.75M and a final gate for the completion of project funding of a maximum of $4.35M. The first gate will be achieved upon signoff of this business case so that the project team can be formed without delay. This first gate covers funding for development of the project management plan. Timing of the remaining funding gate will be set as part of the project management plan and will be approved by the BSG.

13.2 Project Significance

This project has been assessed as a **Significant** Project is a **Category B**, 'Need To Do' criteria but is not a major IT project according to the Central Agencies definition.

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Criteria	Meets Y/N	Comment
An overall defined programme budget, including Ministry staff costs, which exceeds $100,000, being the Chief Executive's level of financial delegation to General Managers	Y	The lowest level indicative costs for the Digitisation initiative are $6.1 million.
Gives effect to a significant legislative or ministerial requirement	N	
Has been assessed as being of high risk (either for political, customer, delivery or complexity factors)	N	
Is part of a significant public initiative; e.g. e-government / e-delivery	Y	The proposal will contribute to e-government and SSC goal of improved and networked access to state services.
Is an identifiable business plan or business technology plan deliverable (purchase agreement specific)	Y	*Tomorrow and Beyond 2005-2010: An Information Strategy for Work and Income.*
Implementation will require resources from or have impacts across a number of business units	Y	This project has an impact on the programme of work of MSD IT and Work and Income.
Involves a number of core systems or impacts on core service delivery through infrastructure changes, including services such as network, telephony, file and print serving etc.	Y	May involve UCVII, CMS and Objective.

13.3 Project Controls

An MSD standard Project Management Plan will be the blueprint for project execution.

The project proposes to delegate management and delivery of this project to the Steering Group, and approval of the Implementation Requests to the DCE, Work and Income and the DCE, People Capability and Resources.

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13.4 Project Structure

The project structure is outlined in the diagram below:

s 9(2)(a) OIA

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14 Consultation

14.1 Stakeholder Identification and Consultation

Resources from the Business and IT have been consulted in the preparation of this business case (See Appendix G for more details).

14.2 Social and Environmental Analysis

A social and environmental analysis was conducted to:

- identify any significant social issues or opportunities directly attributable to the digitisation project
- address aspects identified in the stakeholder analysis
- outline the nature of the impact on each group or individual as an issue or opportunity.

The social and environmental analysis results are at Appendix H.

15 Recommendations

It is recommended that the Information Technology Governance Committee:

- **Note** that this proposed project is a direct result of the approved Work and Income FBC for Front Line Digitisation and is also supported by Work and Income's Information Strategy
- **Note** that this project supports the State Services Commission's e-government strategy
- **Note** that this project is expected to introduce significant improvements to services provided to clients
- **Note** that this project is estimated to create net annual cash savings of at least $2.3 M from year three
- **Note** that the project is expected to increased IT costs by $224K, however this increase will be funded out of project savings, and that a DCE baseline change will be made from Work and Income to PCAR for this amount
- **Note** that the Business Steering Group is to provide direction and maintain oversight of benefits realisation
- **Note** that this project has been provisioned in the 10 year IT capital plan
- **Note** that this project is classed as 'significant'
- **Note** that this project is expected to cost $6.1M, to be funded from the IT Capital Budget, Work and Income allocation
- **Approve** the governance arrangements for this project
- **Approve** funding of $1.75M for the first phase of the project that will deliver a Ministry capability to scan a paper document, process, store and view the digitised image.
- **Authorise** the Business Steering Group, following their approval of the Project Management Plan, to approve the timing and release of additional staged funding up to a further $4.35M from the IT Capital Budget.

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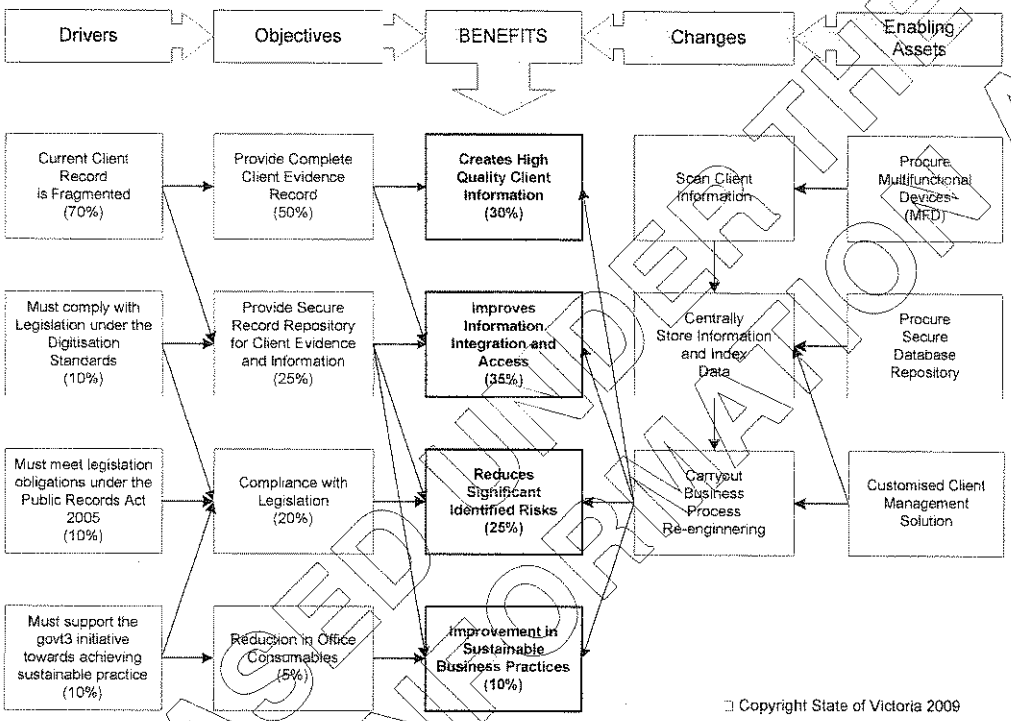
Appendix A — Benefits Management Plan

Digitisation of Client Records
Work and Income
Investment Logic Map

MINISTRY OF SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora



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Key Performance Indicators

Benefit 1: Creates High Quality Client Information
KPI 1: 95% of Critical Data/Client info is scanned and verified within 24 hours of receipt.
KPI 2: 100 % of images scanned on Multi Functional Devices (MFD's) meet archives standards.

Benefit 2: Improves Information Integration and Access
KPI 1: 100% of new clients have their verification documents scanned.
KPI 2: Client information will no longer be fragmented.
KPI 3: It is faster to access electronic verification than paper verification retrieval.
KPI 4: Clients moving to a different service centre do not have a corresponding file transfer or have to re produce verification already scanned.

Benefit 3: Reduces Significant Identified Risks
KPI 1: All identified risks relating to current paper based filing are reduced or eliminated.

Benefit 4: Improvement in Sustainable Business Practices
KPI 1: No new paper files are being created.
KPI 2: 95% reduction in additional archiving and archiving costs.
KPI 3: 75% reduction in photocopying volumes and costs associated with photocopying.

NOTE: (%) indicates relative importance of drivers, objectives or benefits to this investment

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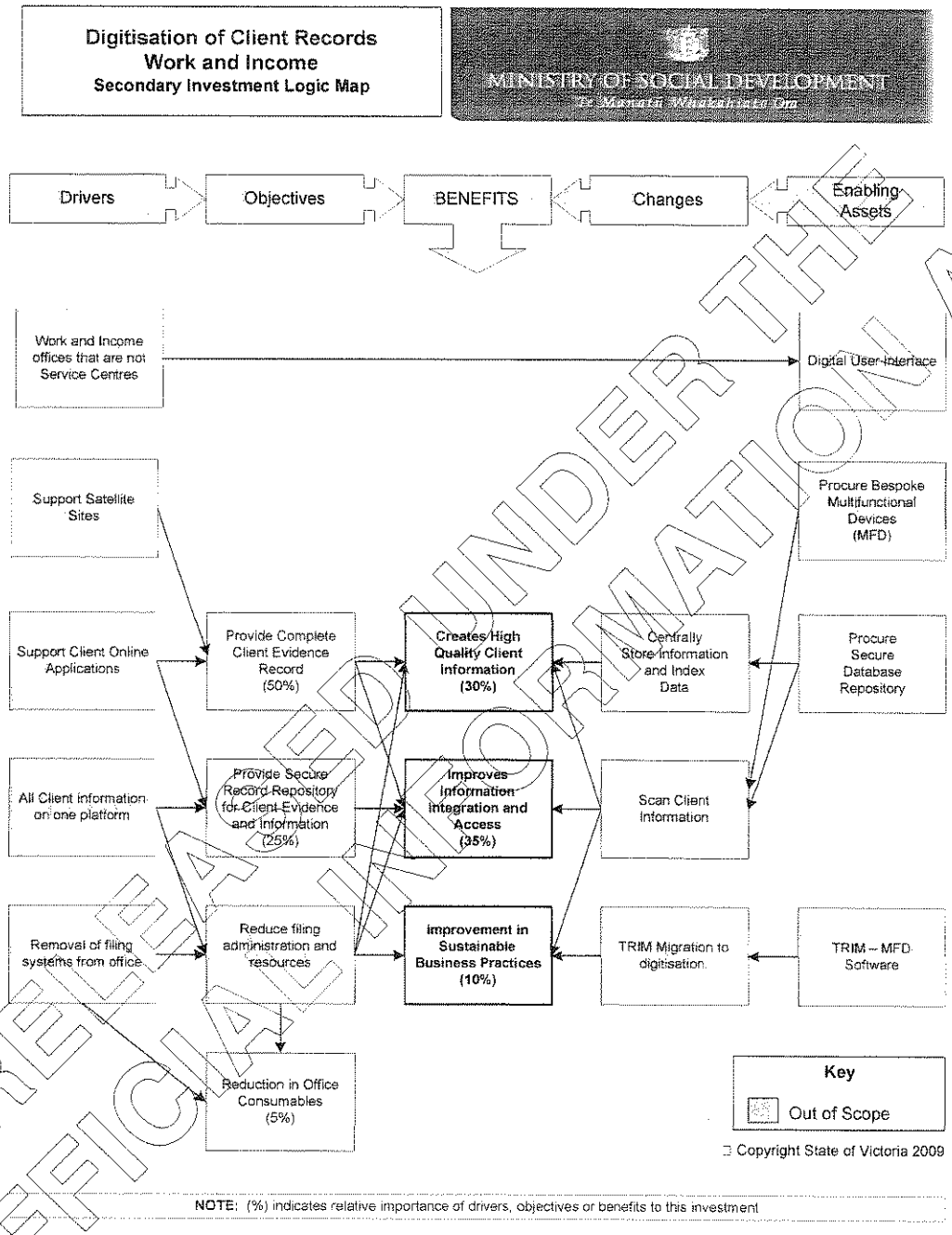

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Digitisation of Client Records

Work and Income Benefit Management Plan

BENEFITS SUMMARY

The proposed investment is expected to deliver the following benefits:

Benefit 1: Creates High Quality Client Information (40%)
By:

- 95% of Critical Data/Client info is scanned and verified within 24 hours of receipt.
- 100 % of images scanned on Multi Functional Devices (MFD's) meet archives standards.

Benefit 2: Improves Information Integration and Access (35%)
By:

- 100% of new clients have their verification documents scanned.
- Client information will no longer be fragmented.
- It is faster to access electronic verification than paper verification retrieval.
- Clients moving to a different service centre do not have a corresponding file transfer or have to re produce verification already scanned.

Benefit 3: Reduces Significant Identified Risks (15%)
By:

- All identified risks relating to current paper based filing are reduced or eliminated.
    - Client perception that we "lose" their documents would be reduced.
    - The actual occasional loss of documents would be eliminated.
    - The risks associated with storing large quantities of documents in storage areas (i.e. fire, flood, break in would be eliminated.
    - Backups of electronic copies can be stored whilst backups of paper copies can not.
    - Digitisation could enable a more distinct separation of duties between receipt and processing therefore reducing the risk of both external and internal fraud.
    - The privacy risks associated with hardcopy files will be eliminated as paper documents will not be stored where they are easily visible.
    - Information will be accessible electronically by authorised users thereby reducing the need to transport files or file copies and the possibility of documents being lost in transit.
    - Access to original verification of identity at any service centre will reduce the risk of identity fraud.

Benefit 4: Improvement in Sustainable Business Practice (10%)
By:

- No new paper files are being created.
- 95% reduction in additional archiving and archiving costs.
- 75% reduction in photocopying volumes and costs associated with photocopying.

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Digitisation of Client Information

Work and Income Benefit Management Plan

Benefit 1: Creates High Quality Client Information (40%)

KEY PERFORMANCE INDICATORS

KPI 1	KPI 2
95% of Critical Data/Client info is scanned and verified within 24 hours of receipt.	100% of images scanned on mfd's meet archives standards.
Measure	**Measure**
KPI	Archives standards
Baseline value	**Baseline value**
0%	
Target value for measure/s	**Target value for measure/s**
95%	100%
Date targets will be met	**Date targets will be met**
From commencement	from commencement

RESPONSIBILITIES

Who is responsible for meeting KPI?	**Who is responsible for meeting KPI?**
Title Case Manager	Title Case Manager
Dept Service Centre	Dept Service Centre
Who is responsible for reporting?	**Who is responsible for reporting?**
Title Service Centre Manager	Title Service Centre Manager
Dept Service Centre	Dept Service Centre

REPORTING SCHEDULE

Frequency of reporting	**Frequency of reporting**
Monthly	Monthly
Source of measurement data	**Source of measurement data**
APR Checks	Objective Audit
Starting date for reporting	**Starting date for reporting**
Tbc	tbc
Date reporting will end	**Date reporting will end**
Tbc	tbc

Benefit Management Plan has not been completed for each benefit, pending approval of approach with business case.

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Digitisation of Client Information

Work and Income Benefit Management Plan

Benefit 2: Improves Information Integration and Access (35%)

KEY PERFORMANCE INDICATORS

KPI 1	KPI 2
100% of new clients will have their verification documents scanned.	Client information will no longer be fragmented
Measure	**Measure**
ARP checks	No additional paper files will be created.
Baseline value	**Baseline value**
Target value for measure/s	**Target value for measure/s**
	No new paper files created
Date targets will be met	**Date targets will be met**

RESPONSIBILITIES

Who is responsible for meeting KPI?		**Who is responsible for meeting KPI?**
Title	Case Managers	Title tbc
Dept	Service Centres	Dept tbc
Who is responsible for reporting?		**Who is responsible for reporting?**
Title tbc	tbc	Title
Dept tbc	tbc	Dept

REPORTING SCHEDULE

Frequency of reporting	**Frequency of reporting**
Source of measurement data	**Source of measurement data**
client paper file store	Audit of
Starting date for reporting	**Starting date for reporting**
Date reporting will end	**Date reporting will end**

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KPI 3	KPI 4
It is faster to access electronic verification than paper verification retrieval.	Client moving to a difference service centre do not have a corresponding file transfer or have to produce verification already scanned
Measure	**Measure**
Time savings realised	Nil occurrence of re verification
Baseline value	**Baseline value**
100%	
Target value for measure/s	**Target value for measure/s**
16 minutes per day	%
Date targets will be met	**Date targets will be met**
1 year from implementation	commencing go live

RESPONSIBILITIES

Who is responsible for meeting KPI?	**Who is responsible for meeting KPI?**
Title Case Manager	Title Case Manager
Dept Service Centre	Dept Service Centre
Who is responsible for reporting?	**Who is responsible for reporting?**
Title Service Centre Manager	Title Service Centre Manager
Dept Service Centre	Dept Service Centre

REPORTING SCHEDULE

Frequency of reporting	**Frequency of reporting**
Source of measurement data	**Source of measurement data**
Analysis of TAS survey	Analysis of clients changing location
Starting date for reporting	**Starting date for reporting**
Date reporting will end	**Date reporting will end**

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Digitisation of Client Information

Work and Income Benefit Management Plan

Benefit 3: Reduces Significant Identified Risks (15%)

KEY PERFORMANCE INDICATORS

KPI 1

All identified risks relating to current paper based filing are reduced or eliminated.

- Client perception that we "lose" their documents would be *reduced*.
- The actual occasional loss of documents would be *eliminated*.
- The risks associated with storing large quantities of documents in storage areas i.e. fire, flood, break in would be *eliminated*.
- Accidental destruction of records will be *eliminated* as backups of electronic copies can be stored whilst backups of paper copies can not.
- Digitisation could enable a more distinct separation of duties between receipt and processing therefore *reducing* the risk of both external and internal fraud.
- The privacy risks associated with hardcopy files will be *eliminated* as paper documents will not be stored where they are easily visible.
- Information will be accessible electronically by authorised users thereby *reducing* the need to transport files or file copies and the possibility of documents being lost in transit.
- Access to original verification of identity at any service centre will *reduce* the risk of identity fraud.

Measure

Post implementation risk analysis workshop.

Baseline value

Target value for measure/s

Reduced or eliminated

Date targets will be met

RESPONSIBILITIES

Who is responsible for meeting KPI?

Title Case Manager

Dept Service Centre

Who is responsible for reporting?

Title Service Centre Manager

Dept Service Centre

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REPORTING SCHEDULE

Frequency of reporting
Quarterly via post implementation risk analysis workshop.
Source of measurement data
Incidences
Starting date for reporting
Tbc
Date reporting will end
Tbc

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Digitisation of Client Records Work and Income Benefit Management Plan

Benefit 1: Improvement in Sustainable Business Practice (10%)

KEY PERFORMANCE INDICATORS

KPI 1	KPI 2
No new paper files are being created	95% reduction in additional archiving and archiving costs.
Measure	**Measure**
Baseline value 0%	**Baseline value**
Target value for measure/s	**Target value for measure/s**
Date targets will be met	**Date targets will be met**

RESPONSIBILITIES

Who is responsible for meeting KPI?	**Who is responsible for meeting KPI?**
Title	Title
Dept	Dept
Who is responsible for reporting?	**Who is responsible for reporting?**
Title	Title
Dept	Dept

REPORTING SCHEDULE

Frequency of reporting	**Frequency of reporting**
Source of measurement data	**Source of measurement data**
Starting date for reporting	**Starting date for reporting**
Date reporting will end	**Date reporting will end**

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KPI 1

75% reduction in photocopying volumes and costs associated with photocopying.

Measure

Baseline value

0%

Target value for measure/s

Date targets will be met

RESPONSIBILITIES

Who is responsible for meeting KPI?

Title

Dept

Who is responsible for reporting?

Title

Dept

REPORTING SCHEDULE

Frequency of reporting

Source of measurement data

Starting date for reporting

Date reporting will end

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B.1 Provides Non-Financial Benefits

This project will improve client experience with Work and Income by acknowledging and returning their documents immediately. This will contribute to reducing the perception that we have lost the copies of the documents that they provide. This perception often arises because we ask the client to bring in documents that they have already produced because this is easier than finding the original copies or because the original copies are not stored in an accessible place.

Staff find the process of filing and batching to be inconvenient and time consuming, therefore any reduction in this requirement will improve staff satisfaction. The filing and batching of client information is often not considered as a high priority task and may not be completed with any degree of regularity. Digitisation will ensure that client documentation is attached to the client record at the point of receipt therefore ensuring that client information is captured and easily accessible.

As client documentation is currently in a hardcopy format, this poses some risk in terms of client privacy. Digitisation of these documents will increase the privacy of our clients by ensuring that there is no paper copy and the electronic image is only accessible through the security and access channels currently in place to access Work and Income systems.

The ability to access a single view of a client's documents will improve our ability to respond to ministerial enquiries, respond to media enquiries and gather personal information for the many purposes that we do.

The ability to scan client documentation rather than photocopying it will markedly reduce the amount of paper that is used in a Service Centre. The reduction in use of a renewable resource contributes to the reduction of Work and Income's carbon footprint.

The business process transformation is designed to remove the performance of repetitive administrative tasks in the role of a case manager. This will allow their efforts to be focussed on interventions leading to sustainable employment, improving outcomes overall for clients.

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B.2 Provides Financial Benefits

The financial analysis detailed below is based on figures obtained from MSD Customer Services, National Office Finance and NAC Rotorua.

Reduced staff costs will arise from reduced need to manage and find documents.

FIN1036 - SUMMARY FINANCIAL RECOMMENDATION TEMPLATE

Project Title	Work and Income Digitisation of Client Information
Project Start (Financial Year):	2009/10 e.g. enter 2008/09 if project start is between 01 July 2008 & 30 June 20--
Net Present Value % (MSD Cost of Capital is 7.5% but Treasury suggest [July 2008] default rate of 8% and 6% for office buildings and 9.5% for IT projects)	9.5% **Payback** Year Three

CASHFLOWS $'000's - LIKELY CASE revenue / (expense)

Fund	Soft?	Narrative (describe major component and assumptions)	2009/10	2010/11	2011/12	2012/13	2013/14	Outyears
		s 9(2)(b)(ii) OIA						
capex								
capex								
capex								
capex								
opex								
opex								
opex								
opex								
opex								
opex								
opex								
opex								
opex								
opex								
opex								
opex								
NPV	$3,210	TOTAL LIKELY SAVINGS/(COSTS)	(5,184)	1,616	2,348	2,362	2,362	2,362
	soft	add back SOFT savings	(174)	(956)	(2,116)	(2,137)	(2,138)	(2,138)
		HARD savings/(costs) to be FUNDED	(5,364)	(479)	227	225	224	224

FUNDING $000's - DCE baseline changes due to the above

	2009/10	2010/11	2011/12	2012/13	2013/14	Outyears
capex						
opex						
opex						
capex						
opex						
opex						
$0 <--- Total AMOUNT REQUIRED (i.e. Unfunded) ---> split by year	0	0	0	0	0	0

Fin1036 16/09

Currently, document management requires staff to be involved in a number of activities. Times have been assessed for these activities based on TAS; and surveys carried out with front line staff.

Additional digitisation activity in the new environment is offset by a reduction in the existing searching activity. The above table shows a conservative saving of 16 minutes per day per Case Manager.

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Case Manager Time Savings	Year One	Year Two	Year Three	Year Four	Year Five
Days per period/year	20	260	260	260	260
Holidays/Downtime	8	103	103	103	103
Processing Days	12	157	157	157	157
No Case Managers	2010	2010	2010	2010	2010
New staff	257	51	51	51	51
	2267	2061	2061	2061	2061
Annual Salary	s 9(2)(b)(ii) OIA				
Daily Rate					
Hourly Rate					
Minutes saved / day					
Work and Income minutes /day					
Work and Income minutes/year					
Work and Income hours/year					
Case Manager Time Savings	$174,384.62	$2,094,953.65	$2,115,903.19	$2,137,062.22	$2,158,432.84

Standard annualised salaries have been used in calculations for all staff with a 1% increase per year built into these estimates.

The above processing time calculations are based on feedback from Work and Income Finance that the standard for available processing days is close to 60% due to sick leave, training and downtime.

This project overall delivers $2.3 M of benefits ongoing. A reduction of ongoing operating costs has been estimated as 75% of the current photocopier copier volume, with current *"hardware ownership"* model replaced by a *"cost per copy"* model.

Capital is the most appropriate funding for this project for the following reasons:

- a new asset delivery service in a new a channel is being delivered
- $2.3M pa savings have been identified.

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B3 CAPEX and OPEX (One Off) Costs for the project

IT costs for the project, based on standard IT Estimation Methodology, are $6,103,962. This is comprised of costs for the following components:

PROJECT COSTS		Year One	Year Two
I&S Costs - Fixed or One Off Capital costs		s 9(2)(b)(ii) OIA	
Hardware for Production and Disaster Recovery (DR) environments			
Hardware for Non production environment			
I & S Personnel Resources			
Costed risks			
Software for Production and DR environments			
Software for Non production environment			
Storage Useable - 16 TB Tier 2 Replicated Storage - (2years)			
Storage Usable - 44 GB Tier 1 Replicated storage - (2 years)			
Storage Infrastructure - SAN Director Switches			
Data Protection - Additional VLS Capacity			
Java Service Wrapper Development License - Prof Edition 32/64			
	Total I&S Costs	$1,860,095	
CBT and Integration			
Ricoh/ScanerVision Install			
Go live support/Change Management CAPEX			
	Total Infrastructure	$2,232,590	
Infrastucture Contingency @30%			
CAPEX External Personnel Resources (includes contingency)			
CAPEX Internal Personnel Resources (includes contingency)			
	CAPEX TOTALS	$5,335,653	$707,110
CAPEX (Year One and Year Two)			$6,042,762
OPEX (One Off - in Year 1) - Training Delivery			$61,200
TOTAL CAPEX and OPEX (One Off)			**$6,103,962**

B4 OPEX Costs for the project

The following tables provide breakdowns of the Worse, Best and Most Likely OPEX costs for the project:

OPEX Worse Case

OPEX Worse Case Costs	Year One	Year Two	Year Three	Year Four	Year Five
ScanerVision Licence					
Hardware Maintenance Support					
Annual Licence Support and Maintenance					
Annual Java Service Wrapper Support					
Training Delivery					
Support Resources					
CMS (0.2 fte)					
ScannerVision (0.5 fte)					
Objective (0.5 fte)					
I & S (0.65 fte)					
Helpdesk (2.0 fte)					
Helpline (1.0 fte)					
TOTAL OPEX WORSE CASE	$86,450.00	$478,397.40	$487,760.10	$497,403.68	$507,336.57

The above table assumes all IT Resources Support costs cannot be absorbed and that they are required to commence for the last three months of the financial year 2009/2010.

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OPEX Best and Likely Case

OPEX Best and Likely Case Costs	Year One	Year Two	Year Three	Year Four	Year Five
ScanerVision Licence		s 9(2)(b)(ii) OIA			
Hardware Maintenance Support					
Annual Licence Support and Maintenance					
Annual Java Service Wrapper Support					
Training Delivery					
Support Resources					
CMS (0.2 fte)					
ScannerVision (0.5 fte)					
Objective (0.5 fte)					
I & S (0.85 fte)					
Helpdesk (2.0 fte)					
Helpline (1.0 fte)					
TOTAL OPEX BEST AND LIKELY CASE	$65,450.00	$218,837.40	$220,413.30	$222,036.48	$223,798.35

The above table assumes that I&S Resource Support costs cannot be absorbed, whereas the remaining IT Resource support costs can be absorbed within current budgets. The I&S Resource will be required to commence for the last month of the financial year 2009/2010.

Savings Breakdown

The savings below were extracted from a KEA Data query covering the period 01 May 2008 to 30 April 2009. The original source of the KEA extract can be located at Objective ID A4188342.

Savings	Year One	Year Two	Year Three	Year Four	Year Five
Files					
Wraps					
Labels					
Boxes and Freight					
Fax toner					
Savings on Filing Costs	$9,119.26	$109,431.14	$109,431.14	$109,431.14	$109,431.14
Net Saving on paper					
Net Saving on photocopying					
Total Savings on Paper and Photocopying	$28,154.44	$337,853.27	$337,853.27	$337,853.27	$337,853.27

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Appendix C Project Approach and Indicative Timeframe

C1. Project Approach

Background

A successful Proof of Concept (PoC) was carried out during September to December 2008. The PoC trialled:

- Three business processes.
- Digitisation hardware and software management package.
- Impact on the Ministry's IT infrastructure.

Three business processes

Centralised scanning was determined ineffective and inefficient, while the other two processes – Case Manager and Scanning Support each had their own benefits. The outcome of the PoC proved digitisation works but did not give us the parameters of how digitisation would work in reality i.e. the case manager completes all client scanning or when is there a need to have scanning support. There is no one solution fits all scenario when deciding between scanning support and case manager scanning.

Digitisation hardware and software management package

The solution confirmed the effectiveness of digitisation as a viable business process. The PoC determined critical success factors to be used during the final solution procurement phase.

Impact on the Ministry's IT infrastructure

The PoC provided sufficient information to effectively scale the final solution. However it is recommended that assumptions made are further verified.

Current State

The preliminary work carried out to produce this business case included:

- Capability for objective to be scaled to take the anticipated data storage and access requirements (size, access speed and multiple logons).

  An Objective consultant was engaged to provide Final design on how this will be achieved.

- We needed to understand the capabilities of natural Curam (out of the box), it's alignment with digitisation and the business requirements.

  A Curam solutions architect and senior business analyst were engaged to identify, assess and cost existing Curam capability meets the business needs, reducing the need for expensive customisation.

- In conjunction with the assessment of the Curam option, all implementation risks, and costs has been presented in the form of a solutions options paper.

- The impact of the digitisation system on the IT infrastructure network was based on traffic samples collected during the PoC and an analysis of case manager processing actions for the period 01 June 2008 to 31 May 2009.

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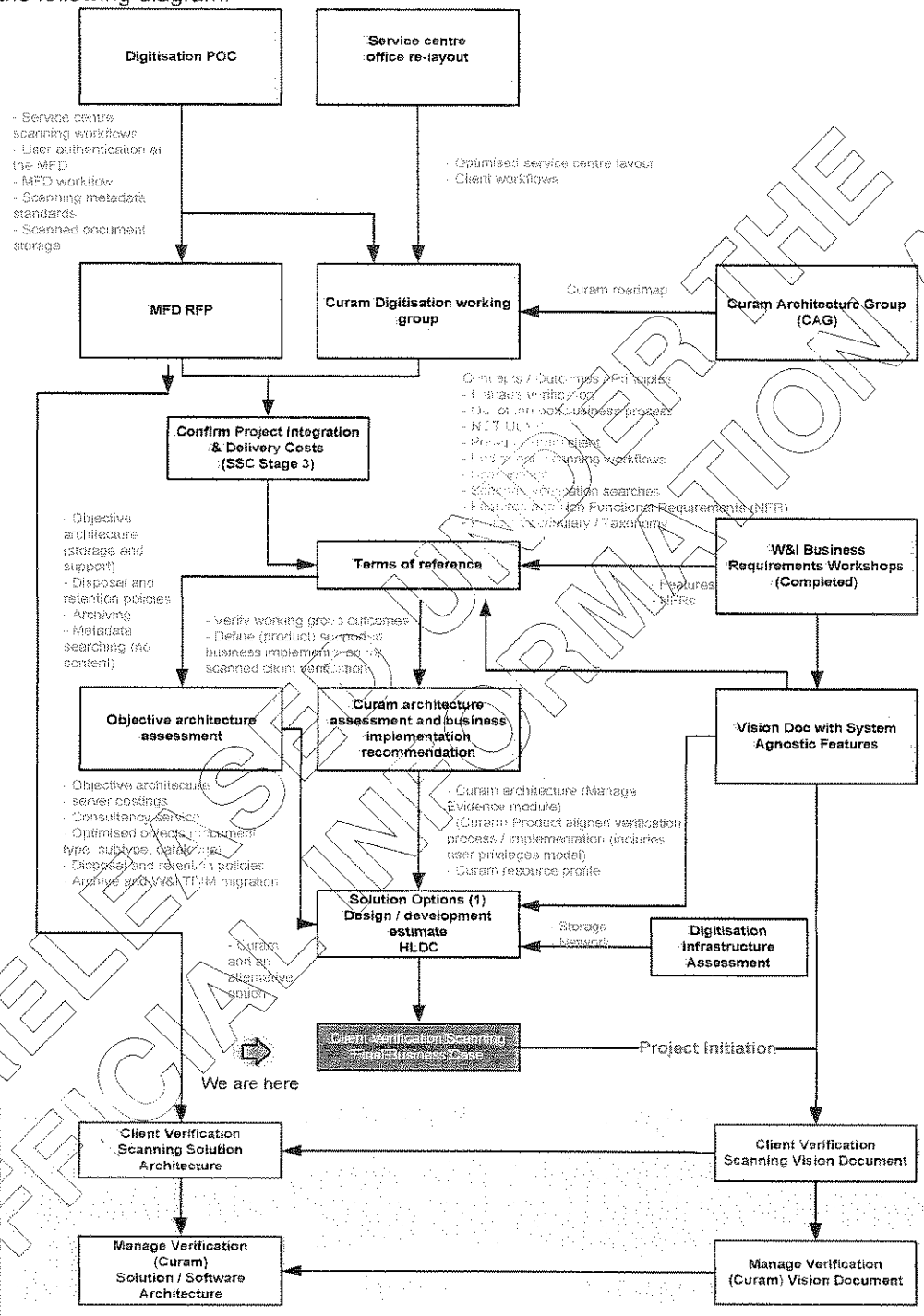
The approach to project delivery and the current position within the delivery cycle is shown in the following diagram:



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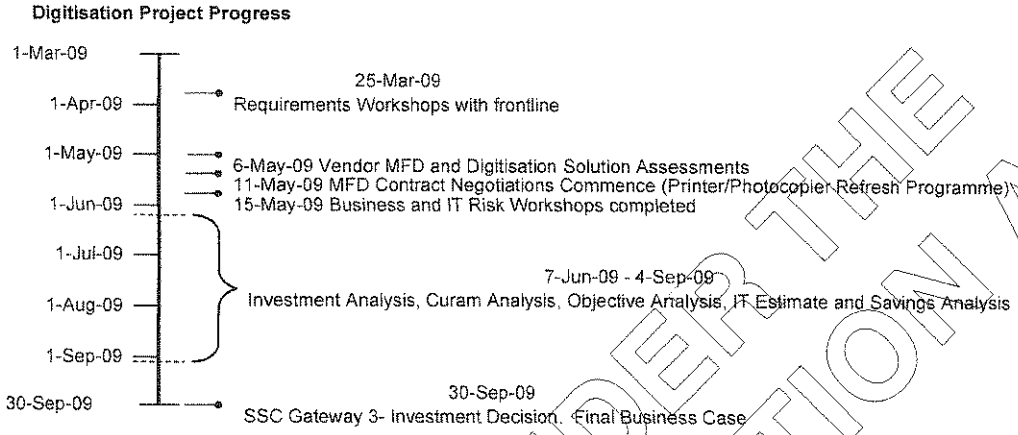
The timeline below shows the progress of the digitisation project following the PoC



Transition

Constraints listed in Appendix D mandate that an early resolution be found for the fragmentation of client records.

Future State

The user assessment phase of this project will achieve the following:

- Business process: Determine the parameters of when it will be more cost effective to utilise a scanning support person and determine the optimum position and quantity of MFD's.
- Work flow:
  - Work flow of digital images i.e. assigning scanned images, linking to client's record.
  - Processing work flow i.e. when to scan and processing standards.
- Test Supporting Infrastructure.
- True replication of what we are expecting.
- Change impact on frontline roles.

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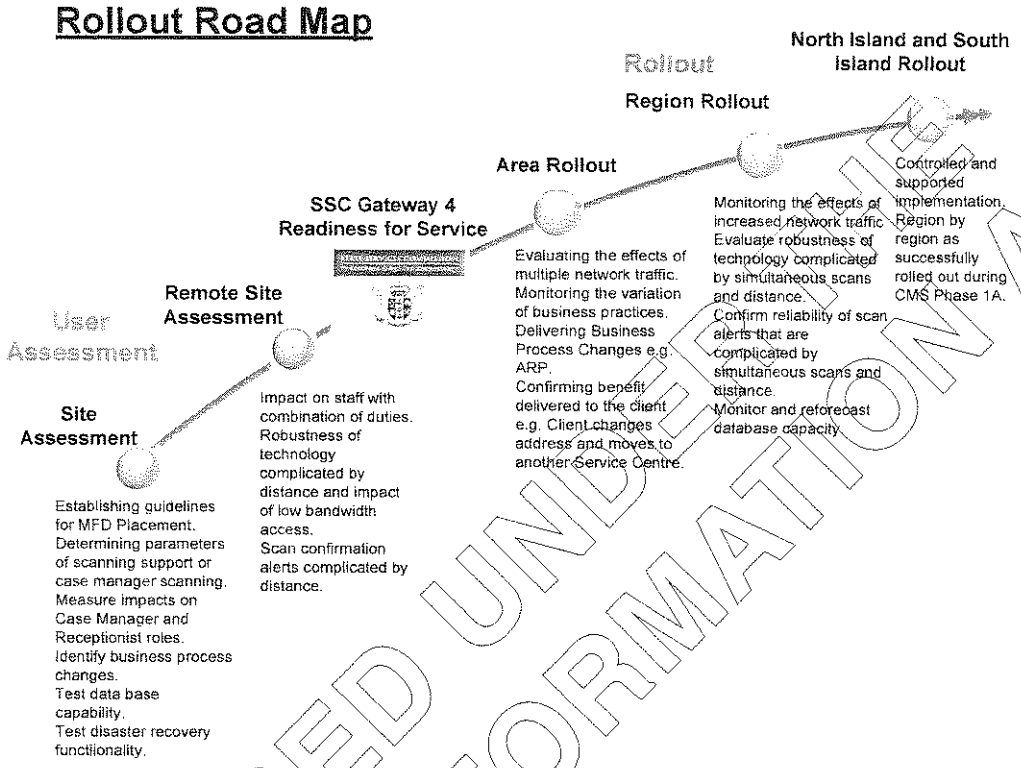
The diagram below shows the rollout recommendation. Each stage of the rollout is supported by the different components of digitisation to be assessed.



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C2 Indicative Timeframe

The following timeframes are estimates only and will be confirmed following the completion of the Iteration Business Planning (IBP) Phase

The IBP Phase determines the business objectives and how they will be achieved.

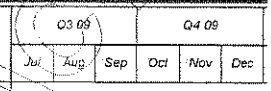
The goals of the IBP Phase are as follows:

- Determine the business objectives and needs
- Define requirements in the form of high level stories for the application
- Convert business requirements into solution design
- Identify approximate cots and effort/duration
- Identify risks and issues
- Confirm team, roles and responsibilities.

Following the IBP the Project Management Plan and related Statements of Work will be produced for each deliverable element.

These timeframes are based on an October 2009 start for the programme of work

ID	Task Name	Start	Finish
1	Objective and Curam Assessment	1/07/2009	19/08/2009
2	Bandwidth Modelling	1/07/2009	19/08/2009
3	SSC Gateway 3 Investment Decision Final Business Case	30/09/2009	30/09/2009
4	MFD Rollout (tbc)	30/09/2009	1/12/2009
5	Iterative Business Plan	1/10/2009	2/10/2009
6	End to End Infastructure	30/09/2009	29/03/2010
7	Requirement One	30/11/2009	25/12/2009
8	Requirement Two	28/12/2009	21/01/2010
9	Requirement Three	22/01/2010	19/02/2010
10	Requirement Four	22/02/2010	19/03/2010
11	Requirement Five	22/03/2010	14/04/2010
12	Requirement Six	15/04/2010	21/05/2010
13	UAT and Production Release	24/05/2010	18/06/2010
14	Monitoring and Defect Fixing	21/06/2010	16/07/2010
15	Training Delivery Region 1	8/02/2010	11/02/2010
16	Training Delivery	19/04/2010	30/06/2010
17	SSC Gateway 4 Readiness for Service	16/07/2010	16/07/2010
18	Progressive Nationwide Rollout	19/07/2010	17/09/2010
19	Project Close Down	2/08/2010	5/08/2011



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Appendix D Critical Assumptions, Constraints, and Dependencies

D.1 Critical Business Assumptions or Constraints

The critical business assumptions or constraints for the digitisation project are documented below.

Assumption or Constraint	Explanation
There will be no increase in the print / photocopy OPEX charges incurred by Work and Income as a result of the introduction of Multi-Functional Devices by IT Customer Services.	If a cost-per-copy payment model is introduced there is the potential for OPEX charges to be increased to offset the CAPEX cost of not purchasing the MFD hardware.
There will be no increase in the OPEX charges incurred by Work and Income for the costs of printing forms as a result of conversion from A3 booklet print set up to A4 stapled.	The volume of paper and ink required to produce forms remains the same.
Curam natural (out of the box) is the user interface to the digitisation platform.	Case managers will not experience an additional system. The user interface will present to the user as an extension of current functionality available in CMS. Case managers will not use Objective.
The existing IT infrastructure can support the bandwidth required for digitisation without any degradation of current services.	Network bandwidth modelling has been carried out. The IT investigation identified 30 small capacity[8] Work and Income sites where image retrieval beyond the initial first two pages would not be instantaneous and the remaining pages would be streamed[9] over the network at up to 2 seconds per page. Work and Income are working with IT to explore a range of low risk, low cost options that can be easily tailored to match individual site needs.
A solution for the fragmentation of paper records by digitisation is to be available for a site user assessment by end of May 2010.	Dependant on MFD rollout.
Must meet requirement of: "S-6 Archives New Zealand Archive Standard for Digitising Non-Electronic Records for Recordkeeping Purposes and Retention of Non-Electronic Records in Electronic Form Only".	This standard sets out requirements for digitisation processes for public offices and local authorities to support the requirements of the Electronic Transactions Act 2002 and Public Records Act 2005.
All client verification is scanned. Critical and non critical data.	Critical data list was re defined in previous business case (Objective Id A2688032). All verification required to be

[8] Small capacity site –typically a site such as Foxton restricted bandwidth circuits and with 5 case managers.

[9] Streamed – streaming is a technique for downloading artefacts by making most use of the available network bandwidth.

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Assumption or Constraint	Explanation
	'kept' will be scanned. This is defined by critical and non critical data. Additional verification that is not required to be kept will not be scanned.
Client verification can be destroyed or returned to the client immediately after scanning.	Relevant Archives standards must be satisfied and built into work flow. Continued manual filing would negate any time savings realised through digitisation.
That imaged documents will be treated in the same way as any other personal information in terms of security and back up.	The PoC storage repository was Objective which meets electronic storage requirements. A separate instance will be commissioned to ensure scanned images are maintained in line with legislative requirements.
Existing processes used in frontline will be streamlined to realise the benefits of digitisation.	The benefits will help offset the extra effort required to digitise images i.e. paper filing and batching will no longer be required.
Work and Income intends a solution where scanning is available at every public point of contact.	Metro, provincial and rural clients will be afforded the same level of service.
That application forms will be perforated	Application forms need to be easily separated for scanning purposes. Front facing staples with the spine cut may also suffice.
Scanning support option could be required.	The option of scanning support (and also kiosk help) may require re organisation of the reception areas.

D.2 .Dependencies and Related Projects

D.2.1 Dependencies

This project has the following dependencies:

- The Roll-out of the Multi-Functional Devices and supporting infrastructure being carried out by IT Customer Services is completed before the digitisation project commences its deployment.
- Resource availability.
- Any changes to forms that are part of the Work and Income Forms Review Program will impact this project.
- Any changes to processes implemented via the Business Process Re-engineering (BPR) project will impact this project.
- Any changes to processes implemented via the Lean Six Sigma project will impact this project.

D.2, 2 Related Projects / Business Considerations

The On-Line Services Project:

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- Achievement of the deliverables from the Online Applications service will contribute to the outcomes of the Digitisation project.
- The Digitisation Project will need to consider input of data from an external source where applications are made online.

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Appendix E Business Process Options and Solution Requirements

E.1 Business Process Options

The following tables provide details of the three business process options trialled at the Proof of Concept.

Option 1: Case Manager	
Case Manager does everything. Case Manager interviews the client, takes the paper, goes to scanning device, scans documents, returns to desk, adds indexing to record and saves.	
Advantages	**Disadvantages**
This option is most similar to the current process. Would require the least change as the scanning process replaces the photocopying process. No double handling of paper records.	Receptionist - receptionist will have to digitise client verification instead of photocopying. Metadata is an additional step not currently completed by Case Managers and will be required for every document scanned. This could mean adding indexing for up to 20 documents for 1 application. If scanned prior to getting approved by an authenticator or if there are corrections to be made to the application there will be multiple scans for the same application. If the application is scanned after it is authenticated, the paper is still 'lost' until it is scanned. Until the image is scanned any advantages of digitising client verification will not be realised, for the client or work and income. Takes longer to digitise client verification than it does to photocopy. Additional time allocated to appointments may reduce the number of appointment times available and impact on meeting timeliness on appointment standards. Number of MFDs - if all Case Managers to scan at the same time there need to be an adequate number of MFD's. This option assumes there is no filing process for the paper record.

Option 2: Pre Scanned Scanning Support
Scanning support pre scans. Scanning support person takes the paper, checks application, goes to scanning device, scans documents and hands documents to case manager. Case Manager confirms the images (if not confirmed by scanning support and interviews the client.

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Option 2: Pre Scanned Scanning Support	
Advantages	**Disadvantages**
This option aligns with the planning and assessment meetings process. Paper is scanned immediately. No 'lost' paper. Applications are checked for accuracy prior to interviewing client. Metadata could be added by scanning support. Accuracy will be more consistent. Additional time required to digitise records will not be passed on to the case manager. No impact on appointment times. Number of MFD's. Claims can be scheduled to avoid line at MFD machine. Scanning support person could also assist kiosk clients. Scanning support person could assist with Recall process for existing paper. Receptionist - receptionist will have assistance to digitise client verification. Paper can be filed/disposed of immediately. • Scanning support will pick up some of the additional work for case managers i.e. scanning application forms (something they do not currently photocopy) and indexing/metadata. • There will be a reduction in the administrative paper management function as the scanning and linking of the document to the client file will prevent the need to file paper documents, retrieve or manage them. • Scanning of client documentation occurs in the office and at the point of contact with the client. • The service to the client remains paramount as the client receives their documentation back immediately, the scanning of documents do not prevent the	Scanning support for larger offices may be substantial. Time taken to scan is not fast as photo-copying - at reception clients will have to wait until the paper has been scanned. Not a one size fits all option. Clients may not have verification ready or prefer to give it to their case manager. Requires additional or re allocation of staff resources. Where they exist, may require re design of the reception area. If re designed at the same time as kiosk and/or community link will have minimal impact.

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Option 2: Pre Scanned Scanning Support	
processing of applications for assistance or impact on the timeliness standard associated with processing. In many cases they will not be required to provide copies of their documentation again. • Returning original documents to client at time of application reduces document destruction costs. • Scanning the document prior to processing is required to meet digitisation standards and enable destruction of paper records. To enable destruction of the paper record the official record of action must be identified as the one which is used in the transaction of business. If the original source record is still the record of business action it cannot be disposed of. If the subsequent business action is taken on the digitised copy of the original source record it can be considered for disposal. • The in house specialisation of scanning provides a greater level of control and consistency in the process and in the information collected. By specialising the role of the scanning – there will be greater assurance that the documents are being scanned correctly, that the indexing is occurring, tracking is minimal and timeliness and quality standards are being met. • Scanning support role can also support online services self help kiosk. • Can be used in combination with Option 1.	

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E.2 Solution Requirements

E 2.1 Overview

To enable the digitisation of client files the following is required:

- a business process for digitisation of client verification
- a device used to scan documents
- an image management solution
- a desktop application to view, manage and link to client record
- a secure repository.

E 2.2 High Level Digitisation Process

At a very basic level, the process of Digitising critical data follows these steps:

1. Instead of photocopying, all client documents are scanned with metadata collected on each digital image identifying the client by their SWN number.
2. Retrieve scanned images by a desktop application.
3. Add appropriate notes to the document record (metadata).
4. Associate client document to the appropriate client(s) record(s) by confirming and committing the document to be published in a central storage repository.
5. Retrieve this document for viewing, processing and printing purposes from the client record.

E 2.3 High Level Business Requirements

The following business requirements for a Digitisation solution were identified in the original Work and Income Digitisation Business Case (Objective Id A2688032) prior to Proof of Concept (PoC). Outcomes from the PoC are shown in the second column.

Original Requirement	Proof of Concept Outcomes	Requirement
Additional processes created by digitisation are kept to a minimum.		Additional processes will be based on user, legislation and digitisation requirements.
All points of entry have scanning capability.	Satellite sites (38) and off site client visits have specific scanning capability requirements. A recommendation is included in Appendix D. This is out of scope of this business case (refer to secondary logic map).	All main points of entry have scanning capability.
Digitised records are accessible from anywhere in the country.	Digital images need to be published by a staff member who has viewed the original document. Published records will be accessed from the	Published digital records are accessible from anywhere in the country.

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Original Requirement	Proof of Concept Outcomes	Requirement
	client's electronic file. Existing permissions for secure records will need to apply.	
The time taken to complete the scanning process is not longer that the current process of photocopying, filing and batching.	During the PoC client verification was photocopied as well as scanned. Because of the dual process, accurate time impacts were not recorded. These will need to be recorded in the user assessments. The MFD requires a logon process and the digital images need to be published. Because of these two factors alone, digitisation of client verification will take longer than photocopying. Time savings may come from subsequent client visits if verification is easily found. Handling of existing paper records going forward was considered out of scope in the previous business case. The current practice of "batching" and paper filing will no longer exist.	Client verification such as photo identification can be re used in subsequent visits. Once scanned, client verification can be disposed of.
Image management solution needs to be able to function in UCVII and then be transferable to CMS.	Not tested in PoC as it was a stand alone application.	This will be evaluated during the high level design phase.
Minimal change to existing processes.	Digitisation of client records follows the client's interaction with Work and Income from their first application to their cancellation and any subsequent requests. Therefore it is reasonable to expect business processes to be affected at each stage of client interaction.	Changes to existing processes will be based on user, legislative and digitisation requirements.
No new IT applications, an image management solution must run within existing systems.	Users require a single system experience. The user interface software solution needs to look and feel like UCVII or CMS but not necessarily be either.	Case managers should not experience another system for image management of client records.

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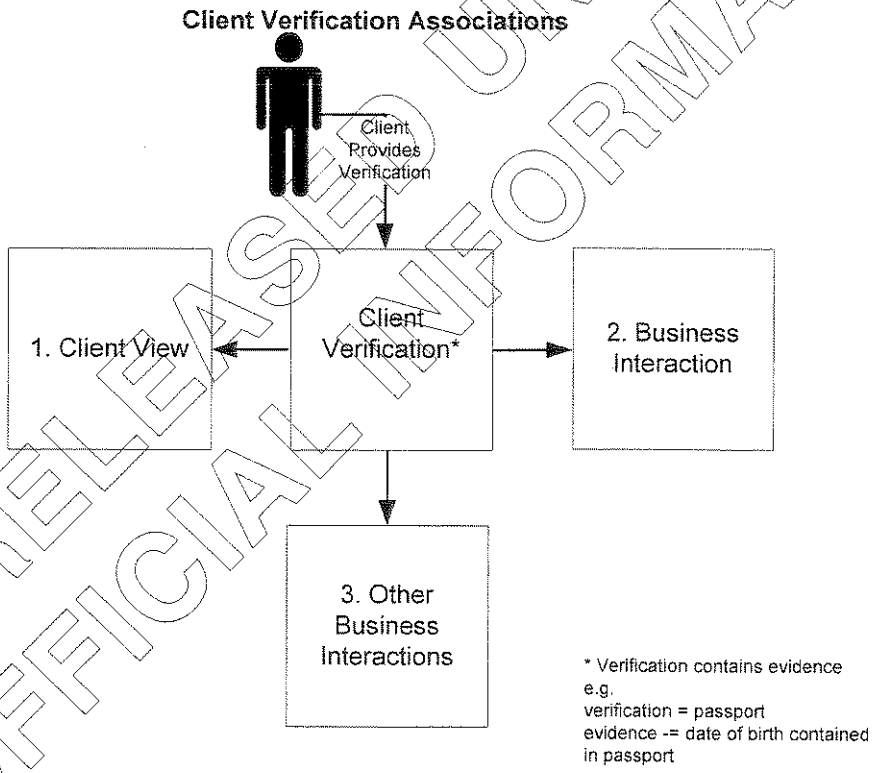
Original Requirement	Proof of Concept Outcomes	Requirement
Workflow solution must be able to work locally and nationally.	Agreed. Published images will be accessible locally and nationally.	Workflow solution must be able to work locally and nationally.
Scanned images must be in colour.	Agreed. Must meet Archives standards.	Scanned images must be in colour as required to meet Archives standards.
Where possible, the option of "travelling paper" should be avoided.	Agreed. The digital solution should follow the travelling paper requirements.	Workflow should address the travelling paper requirements.

E 2.4 Gathering and Re-use of Verification

Client verification is provided by the client, to support applications for, or reviews of financial assistance.

The following diagram shows client verification as a single source of truth that can be re used for other business transactions.



1. Client verification must be associated to the client. E.g. George provides verification; the case manger can view the verification via his client record.
2. Client verification must be associated to the business interaction it was provided for e.g. George provides his drivers licence to support his online application for Unemployment benefit.

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3. Client verification can also be associated to subsequent business interactions e.g. George applies for third tier assistance at a later date. His drivers licence can be re used for the third tier assistance application.

This example shows verification used to support George's interactions with the business. For this to be successful, the verification needs to integrate with other parts of CMS to be re used. The verification needs to work with On-line Applications and Payment Card.

E.3 Satellite Office Requirements (*Out of Scope* of this project)

In addition to the business process options trialled during the PoC the project team conducted analysis on additional requirements for satellite offices. The following tables presents the additional requirements for these offices. It should be noted that these requirements are ***out of scope*** of this project and are listed as part of the Secondary Investment Logic Map.

Satellite sites and off site client visits
As Work and Income continually strives to enhance the delivery of their customer service, technology is challenged to keep pace. Currently staff at 42 Satellite sites and 19 Prisons access photocopiers by a variety of means. Some may have mobile copiers or access to borrowed photocopiers. MSD has issued an RFP for the progressive replacement of photocopiers with MFD's. The purchasing and installation of these devices has been aligned to meet the requirements of the *Work and Income – Digitisation of client records project*. A disadvantage of this option is satellite sites and other client interactions outside of a Service Centre, e.g. hospital visits, home visits and prisoner integration staff who work in prisons. Although, out of scope of this business case, an alternative has been considered where MFD's are not practical or cost effective. We propose to provide a mobile digitisation platform for vehicles used to deliver Work and Income services, outside of the service centre environment. Connected through a lap top, Mobile Multi Functional Devices will be used to service satellite sites or sites where a link to the network is unavailable. Mobile MFD's would also serve as useful back ups, e.g. Ruatoria is 4 hours drive for the nearest SSA in the event of a network outage.
Mobile Digital Platform
Stand alone scanners connected to the network via a lap top can support satellite sites and off site visits. The option of standalone scanners means that there will be another sole function device on the network.

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Appendix F Project Risks

The very high risks identified at the risk workshops are listed below. The Risk Register is located at: 090511 Digitisation Business and IT_W&I Risk Register Objective Id: A4186408. The risks are as presented at the risk workshops and have not had a treatment plan completed.

090511 Digitisation Business and IT_W&I Risk Register#2.obr

Title and Description	Details of Risk (include level and description of the likelihood and consequences)	Likelihood score	Consequence score	Risk Ranking
Case Managers will have less time to see clients because they spend time scanning the verification	**IF** initial appointments are required to be longer to allow for scanning **THEN** this may reduce the number of appointments available and clients may need to wait longer for an appointment	Almost Certain	Severe	1 Very High
Infrastructure: Insufficient build/test environment to meet MSD project needs overall	**IF** there are insufficient build/test environments **THEN** the solution will not be put into to proper testing prior to business use.	Almost Certain	Major	1 Very High
Resources: IT resource (people) conflicts	**IF** there is an IT resouce (people) conflict **THEN** there might be not enough people that will work on the solution.	Almost Certain	Major	1 Very High

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Appendix G Stakeholder Consultation

The table below presents the key stakeholders who are affected by or have a direct interest in the Digitisation project.

Stakeholder Group	Description	Mitigation
Clients	• Will notice that there is a change in the way we manage their information. • Will experience a continuity of service from service and contact centres.	Explain change during activity. Develop key messages for clients as part of the communications strategy.
Staff	• Will replace photocopying with scanning. • Will spend less time looking for files. • Will spend more time capturing metadata. • Will have a user interface to manage digital images.	Communications Plan. Training Plan. Proof of concept. Change and implementation plan. Requirements workshops.
IT	• Procurement of multifunctional devices. • Implementation of multifunctional devices. • Procurement of Image. Management software. • Implementation of Image Management software. • Ongoing management of additional network devices. • Testing. • Project resources and project management. • Possible ongoing management of additional database.	Engagement and consultation. Responsibility for design and delivery of technical solution. IT project resources to design and deliver solution. Staged implementation including user assessment phase.
IT Ops	• Managing the tender process for the photocopier refresh project.	Early engagement and responsibility for RFP to purchase Multi Functional Devices. Audit of existing hardware. Fact Sheet for installation of MFD's based on Proof of concept lessons learnt.
Work and Income National Office	• Impact on current projects, policies and procedures.	Risk Management Workshop. Early engagement on approval of business case and ongoing consultation during user assessment phase and staged roliout.

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Risk and Assurance	s 9(2)(a) OIA
Work and Income	
Work and Income	
Work and Income National Operations	
Work and Income Regional Operations	
This Final Business Case	
Risk Workshops	Consulted (Names)
IT Risk Workshop	
Business Risk Workshop	
Work and Income Requirements Workshops	
Lower Hutt	
Mangere	
Levin	

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Wellington and Riccarton	s 9(2)(a) OIA
MSD	
IAP Data Warehouse	
Work and Income	
Strategy and Service Development	
Lean Six Sigma	
Online Services	
Payment Card	
Printer / Photocopier Refresh Programme	
Printer / Photocopier Refresh Programme team	
Vendors	
Ricoh	
Objective	
CURAM	

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Appendix H Social and Environmental Analysis

The social and environmental analysis table below:

- identifies any significant social issues or opportunities directly attributable to the digitisation project
- addresses aspects identified in the stakeholder analysis
- outlines the nature of the impact on each group or individual as an issue or opportunity.

Stakeholder/Area of impact	Issue or Opportunity
Impact on clients	Continuity of service from Service Centre to Contact Centre. Privacy and security of their information. Requests for information. Client information can be found a lot faster if digitised. Re use identification. compare to existing photo id.
Impact on front line staff	Addition of scanning to work flow. Benefits of scanning (paper retrieval) does not directly correspond to extra scanning work. No paper flow. No filing or batching. Increased reliance on technology. Move closer to single system experience. Eventual removal of Trim[10] requirements. Re use of identification
Impact on Service Centres	Increased service centre real estate (space) with removal of rotoscans. No more filing rooms. Increase in paper destruction. Decrease in photocopying costs.
Impact on policy	Will impact on processing standards. Will impact on workflow. Will impact on verification requirements – critical and non critical data.
Impact on business processes	Has effect on checking standards. Re use identification and medical certificates. Eftpos cards and credit cards not used for identification. Identification photo comparison. Increased access to scanned images.
Impact on Government	Support Govt3: towards sustainable practice.
Impact on IT	Integration and support of MFD software. Procurement and support of secure repository. Delivery and support of user interface Procurement and support of storage solution. SSA and staff training to support MFD's.

[10] TRIM is a computer software product that allows MSD to manage physical storage and retrieval of documents held at Recall.

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Appendix I Document Contribution

Contribution Details

Who contributed	Role
s 9(2)(a) OIA	

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Appendix J Glossary and References

Glossary

Term	Definition
Digitisation	The complete process of taking a digital image of a piece of paper and electronically filing the image.
Scanning	The process of translating paper images into a digital form that can be recognized by a computer. An image is placed on a scanner and digital picture is taken of the image.
Metadata	Metadata describes the content, quality, date, and other characteristics of a scanned image. Metadata is valuable in the storage and retrieval of information.
Objective	A desktop tool that facilitates the creation, capture and retrieval of electronic information (documents, etc.) into a structured framework
CMS	Client Management Solution - CMS is an MSD application used for the management of client records.
Repository	A centralised electronic database that stores specific information.
Verification	Information supplied by clients as requested/required by Work and Income to provide a service. **Oxford Dictionary Definition** Verification is the act of reviewing, or inspecting evidence to establish that it meets the regulatory, standard or specification.
Evidence	Evidence is information contained within verification. An example of verification is a passport, the residency details contained in the passport is evidence. **Oxford Dictionary Definition** Evidence: Information or data used to establish facts in a legal investigation or admissible as testimony in a law court
Multi functional device	Multi functional devices are scan, print, fax and photocopy capable. One machine houses all of these functions.
TRIM	TRIM is a computer software product that allows MSD to manage physical storage and retrieval of documents held at Recall.
Recall	Company used by Work and Income for the storage and retrieval of stored client files.

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MINISTRY OF
SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

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Final Business Case for StudyLink's Online Decision Support

Author: s 9(2)(a) OIA

Version: 2.0

Compilation and Distribution Summary

Version	Date	Author	Distributed to	Comments/Feedback
0.1	8 April 08	s 9(2)(a) OIA		Formatting the document to align with the Style Guide.
0.2	5 May 08			Feedback incorporated
0.3	5 May 08			Feedback incorporated
0.4	15 May 08			Feedback incorporated
0.5	16 May 08		Signatories	Softcopy released for comment / review
1.0	22 May 08		Signatories	Hardcopy released for signature
1.1	26 May 08		Signatories	Updated the Executive Summary as per feedback
2.0	3 June 08		Signatories	Hardcopy released for signature

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Executive Summary

The purpose of this Business Case is to gain approval to implement the next phase of StudyLink's Enhanced Service Delivery Model – Online Decision Support (ODS)

From an Outcomes perspective ODS will:

- Ensure students receive full and correct entitlement through a single assessment and application process
- Ensure students have access to all the information they need to make informed study decisions.

From a StudyLink business perspective ODS is:

- An essential platform for StudyLink business transformation so that:
  - StudyLink has a sustainable, cost effective business model
  - tailored self-service is available for those that need it
  - core business priorities are met.

From an MSD perspective ODS will:

- Progress the Client Management strategy and move StudyLink toward a "single view of the client"
- Take an enterprise approach so applications are portable and easily adopted across MSD – e.g. online eligibility assessment for Work and Income and Seniors
- Begin to transition StudyLink toward an MSD service response – i.e. study is a life event not a separate service line.

Outcomes

StudyLink has a clear set of outcomes it wants to influence, these include:

- StudyLink will support students to invest wisely in their future
- StudyLink will empower students to make fully informed educational decisions and provide the right financial support to them.

Critical to achieving these are two key components:

1. Every student receives full and correct entitlement
2. Business transformation – i.e. StudyLink has a business model that is efficient, effective and allows for personalised service for those that need it.

Full and correct entitlement

Currently there is a risk to delivering full and correct entitlement. Students can apply for an allowance or loan online but need to contact StudyLink for a paper application for specific supplementary assistance products and scholarships – assuming they are aware of both the availability and their eligibility to assistance. StudyLink mitigates this now through proactive services such as StudyWise engagements, outbound calling and text messaging but there is very limited capacity given the centralised model.

This risk is further compounded through the fact that StudyLink uses multiple assessment and payment systems – SAL, UCV2, and SWIFTT – which creates multiple partial views of the client.

ODS will enable students to assess their eligibility and seamlessly apply for all MSD financial assistance. The assessment will be derived from the client answering questions about their circumstances – not by applying for specific products.

Based on current web uptake rates StudyLink would expect around 200,000 users per year. To ensure full and correct entitlement for even 100,000 clients through existing

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channels would cost in excessive of $2 million per annum. Therefore there are direct economic as well as social benefits to ODS.

The technology used to deliver this will be re-usable so that other MSD units can adopt it easily. The eligibility assessment will include products used across MSD – e.g. Disability Allowance and Accommodation Supplement.

Business Transformation

StudyLink has a highly centralised model. It does not have the resources to move to distributed model and even if so, this would be impractical due to the highly seasonal nature of its workload – the bulk of applications occur in two months.

Existing channels cannot be scaled to meet the demands of either improving outcomes or to meet increasing volume growth. Therefore major transformation of StudyLink's operating model is needed to meet these demands.

ODS is the channel strategy component of the transformation. The other components include a review of:

- Policy and processes
- Client management systems
- People capability

ODS will provide the platform required to be able to undertake this transformation and remain cost effective.

It is uncertain whether there would be any operational savings directly from ODS given that an improved eligibility assessment could lead to increased applications. Any potential savings would be best served to ensure services are improved to those who are not reached through ODS – i.e. those who genuinely required in-depth personalised service.

It should be noted that while critical in its own right ODS is a phase within the over-arching Enhanced Service Delivery Model (ESDM) and is consistent with the approach taken in this strategy. The previous phase of the ESDM was MyStudyLink, which was delivered in November 207.

Solution overview

Solutions for ODS have been evaluated and costed. The preferred approach is a blended model with Cúram to develop the core components along with MSD and/or support vendor resources. This will provide considerable benefit to MSD including:

- An Enterprise approach so the solution can be portable and able to be easily integrated into other Ministry initiatives.
- Compatibility with the MSD approach to client management and specifically the next phases of the Cúram CMS project. CMS Phase 2 – 'single view of the client' is not a dependency on ODS but will be a catalyst for the business transformation stage.

Costs

The total investment required is shown in the following table. It is made up of:

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Online Decision Support Financial Impact Assessment								
Project Costs	**2008/9**	**2009/10**	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**Outyears**
Project Management	s 9(2)(b)(ii) OIA							
Design								
Build								
Integrate								
Test								
Sub Total								
Implementation								
Subtotal								
On going (Net)								
Subtotal								
TOTAL	4.439	0.404	0.077	0.077	0.077	0.077	0.077	0.077

IQA

Independent assurance has been conducted by Burleigh Evatt. They were given the mandate to assess the business case against the requirements of a major project as per the State Services Commission guidelines.

Recommendations

It is recommended that the Chief Executive:

Note: StudyLink's Enhanced Service Delivery Model will deliver an outcomes focused and sustainable business model

Note Online Decision Support is a critical enabler to the Enhanced Service Delivery Model

Note The Online Decision Support development will be MSD led using a blended resource model with Curam MSD and support vendor contributions

Note The investment required to deliver Online Decision Support is $4.77m with ongoing costs of $.077m per year

Approve: the delegation of the approvals for the CAPEX allocation, Go Live Request and Project Closeout Report to the DCE, Students Seniors Integrity Services and DCE, People, Capability and Resources

Approve: the Governance arrangements for the project as set out in section 10

Approve: commencement of the Online Decision Support project and expenditure of $4.77m.

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1 Document Context and Purpose

1.1 Purpose

The purpose of this Final Business Case is to obtain approval to deliver the next phase of StudyLink's Enhanced Service Delivery Model.

1.2 Context

StudyLink is clear about the outcomes it is striving for. StudyLink has a robust outcomes framework and is currently leading a project to construct a cross-agency student support outcomes framework. StudyLink wants students to:

- successfully complete their study
- achieve at a higher educational level
- borrow wisely
- effectively transition to the workforce
- repay debt quickly.

1.2.1 Enhanced Service Delivery Model

StudyLink needs to move from being transaction and product based to client and outcome focused in order to achieve this. StudyLink's strategy for transformation is the Enhanced Service Delivery Model (ESDM). The ESDM focuses on providing support to students throughout their study cycle from the decision to study through to completion and transition into the workforce.

The lifecycle stages are:

- Pre Entry – services/tools to assist those considering study
- Entry – self service tools to provide an enhanced application process, incorporating an assessment of preparedness for study
- In Study – information and engagement services during study
- Personalised Client Centric Service – one on one support for those at risk of poor borrowing behaviour or non completion
- Post study – information for those transitioning from study.

This is illustrated below:

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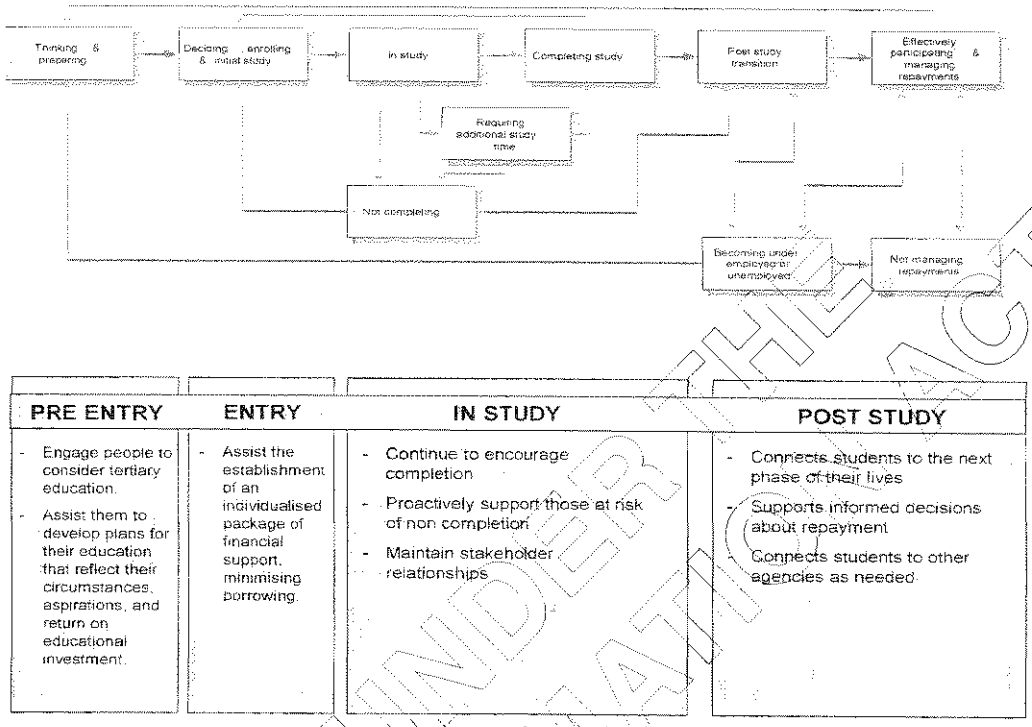
StudyLink Student Lifecycle Model



There are three stages to the model:

- **Service Enhancement** – providing improved service within the existing delivery parameters. StudyLink has progressively introduced services to deliver on outcomes as process improvements create efficiencies. These include:
  - StudyWise engagements
  - On Course schools programme
  - digitisation (scanning etc)
  - outbound calling.

- **Online Services** – optimising service delivery channels for improved service and increased efficiency. The core of this phase is moving transaction activity to the internet channel so more resources can be dedicated to personalised service for those who need it. This is being delivered in two phases:
  - MyStudyLink provides self-service options online for registered clients including updating personal details and declaring income. This was released in November 2007.
  - Online Decision Support will help ensure full and correct entitlement online. A student will assess their eligibility for financial assistance and then make a single application for any assistance – rather than for separate products. Online Decision Support combined with MyStudyLink will mean a full end-end service for clients from seeking information, to confirming entitlements, to managing their day to day transactions.

- **Business transformation**. The first two stages have focused on the client experience and enabling full and correct entitlement online. The next stage is to develop a service delivery model that ensures full and correct entitlement for any client, enables

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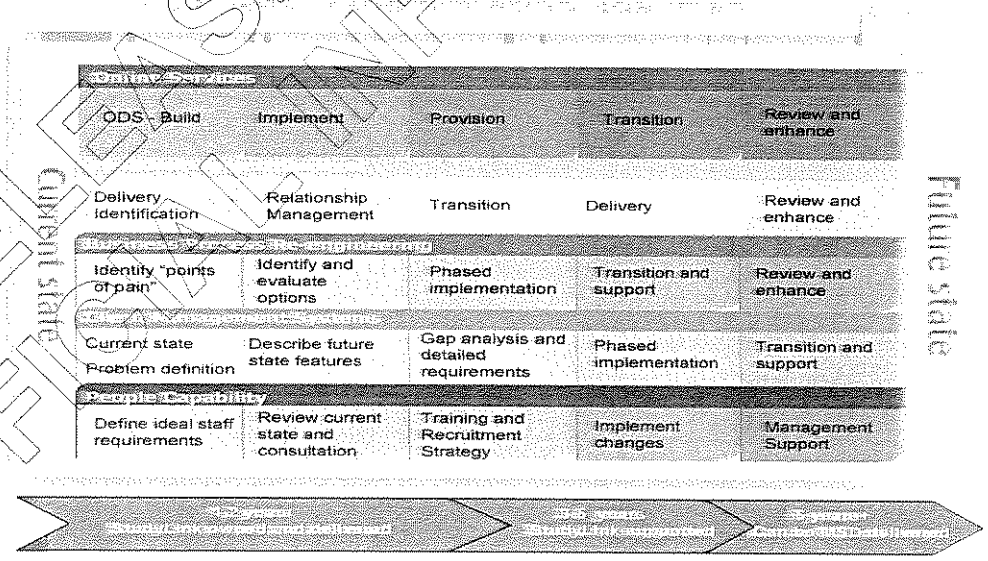
personalised service for those who need it and is adaptable to a changing environment.

- The key imperatives are:
  - Core business deliverables are met and
  - Outcomes are improved and
  - Baseline spending is not exceeded
- Deliverables of this phase include:
  - A single view of the client – removing multiple systems
  - Integration of Service Delivery – moving away from separate delivery units (processing centre and call centre) to pooling resources and optimising the balance between channels (web vs. phone vs. face to face)
  - Policy review – ensure all operational policies are still relevant and meet client expectations and government intentions
  - Communication channels – identifying the optimum communication channel for requirements, e.g. online correspondence and increased TXT messaging for call to action campaigns.

Business transformation will provide the organisational shift that will allow StudyLink to move to an outcomes focus while operating within baseline. Online Decision Support (ODS) is a critical enabler and will facilitate full and correct entitlement through self-assessment and improved application processes. A client will complete a single application for all financial assistance which is easier for them and provides a StudyLink officer a complete view of that person's circumstances instead of being segregated by product. This will enable the provision of in-depth personalised service for those who need it.

The roadmap for business transformation is illustrated below:



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1.2.2 Current State

Within the current model delivering full and correct entitlement largely requires the client to seek information then apply for specific products based on their understanding.

Currently there is a risk to delivering full and correct entitlement. Students can apply for an allowance or loan online but need to contact StudyLink for a paper application for specific supplementary assistance products and scholarships – assuming they are aware of both the availability and their eligibility to assistance.

StudyLink uses systems which are product based to ensure efficiency and accuracy of payment but do not effectively portray the client's specific individual circumstances. Therefore there is a risk that students may not be making informed decisions about study choices or student finance options; consequently not all students may be receiving full and correct entitlement.

StudyLink mitigates this now through proactive services such as StudyWise engagements, outbound calling and text messaging but there is very limited capacity given the centralised model. This is currently limited to:

- conducting 20,000 StudyWise interviews each year
- delivering "On Course" presentations to year 12 and 13 secondary school students
- integrating "informed decision" messaging into business as usual where possible.

This risk is further compounded through the fact that StudyLink uses multiple assessment and payment systems – SAL, UCV2, and SWIFTT – which creates multiple partial views of the client.

1.2.3 Solution overview

A comprehensive Online Decision Support service would enable:

- A student to assess their eligibility for financial assistance and then make a single application for any assistance
- A student to fully engage with the study decisions they are making
- every potential client to gain an understanding of their financial assistance options rather than needing to know which product to apply for
- an improved end-to-end application process – information will pre-fill into an application for the client and submit directly to StudyLink.

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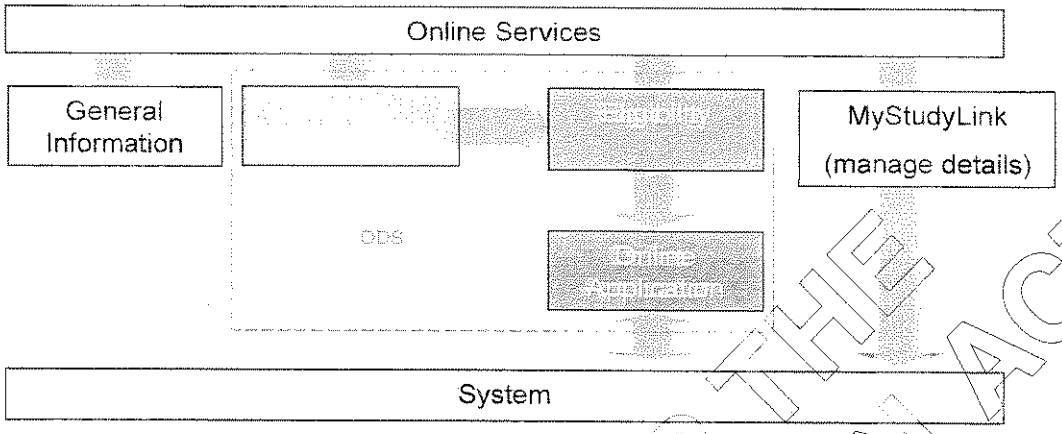
StudyLink Online Services



Connects to information about where, what and how to study.

Interactive tools to help build an understanding of the cost of study and implications of loan borrowing.

Comprehensive financial planner to calculate true cost of study and the income they'll need.

Tools to self-assess all financial assistance a student may be eligible for.

An eligibility calculator where students tell us about themselves and are advised what they are eligible for.

Online application forms for all financial assistance the student is eligible for - including Supplementary Assistance and Scholarships.

A single form to complete which is pre-filled with all the information we already know about the student.

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1.3 Consultation

The following groups have been consulted in the development of this business case:

Business Unit	Consulted (Names)
People Capability & Resources	s 9(2)(a) OIA
Corporate and Governance	
Risk & Assurance	
Work & Income	
Students Seniors Integrity Services	
Child, Youth and Family	
Strategic Finance	

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2 Business Need/Opportunity

2.1 Outline of Need/Opportunity

The following table outlines the needs and opportunities driving this project -

Criteria	Y/N	Need/Opportunity Statement
Gives effect to a significant legislative or ministerial requirement or is part of a significant public initiative	Y	• Assists the Government in the delivery of E-government services and accessible state services. • Provides a building block for ensuring State Services Commission (SSC) goal of "no wrong doors" is met.
Directly supports an MSD strategic objective	Y	• Supports the goal of an "inclusive New Zealand where all people are able to participate in the social and economic life of their communities." • For working age people "encourage(s) and enable(s) participation in tertiary education that leads to successful educational outcomes and sustainable employment while minimising debt". • Supports MSD development of a unified client management system – the Client Management Strategy – through integration with Cúram functionality.
Reduces significant identified risk	Y	• Risks associated with clients not being aware of their full and correct entitlement are alleviated as clients' self-assess eligibility based on individual circumstances. • Risks of sustainability given that existing channels cannot be scaled to meet demands. • Risks associated with recruiting and training temporary staff will be reduced by increasing the number of services available online.
Provides financial benefits	N	• ODS will avoid the costs incurred if delivery objectives were to be met through other channels • This phase will establish the platform for business transformation which will ensure an effective and sustainable business model.
Provides non-financial benefits	Y	• Improved product and service access, control and choice for clients leading to better informed decision making. • Broader delivery of service as pre-study messages will be available to all users (e.g. parents, partners) and not limited to current target groups (e.g. high school students) and not reliant on Contact Centre and Outreach staff for delivery.

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		• By increasing the automation of application processing, StudyLink will in the future be able to focus more resources on those at risk of poor borrowing behaviour or non-completion. • For those supplementary assistance or scholarship applications that can be submitted via the Web, but require manual intervention in order to complete, StudyLink will be able to prioritise processing, targeting staff competency, moving processing from being "on demand" (e.g. when a paper application is received) to being managed via action queues.

2.2 Description of Need/Opportunity

2.2.1 Significant Legislative or Ministerial Requirement/Public Initiative

The State Services Commission (SSC) Development goals for state services include the provision of accessible state services and networked state services. The accessible state service goal seeks to enhance access, responsiveness and effectiveness, and improve New Zealanders experience of State Services.

Online Decision Support will put self-assessment tools online for anyone to access. This then provides MSD a vehicle for clients to very easily assess their eligibility to government assistance while ensuring the support structures (such as face to face services) are available for those who require them. Research has shown that the student group prefer online channels for communication and this is supported by the fact that over 90% of all allowance and loan applications are now online.

Putting these tools in the public domain clearly improves access to services. Online Decision Support will be the opportunity for MSD to test this approach and widen the scope as demand or capacity allows.

2.2.2 Directly Supports an MSD Strategic Objective

Inclusive New Zealand

The Ministry's vision is of an "inclusive New Zealand where all people are able to participate in the social and economic life of their communities." For working age people the Ministry seeks to "encourage and enable participation in tertiary education that leads to successful educational outcomes and sustainable employment while minimising debt." In addition the Ministry seeks to ensure that "the amount of debt incurred by clients while on benefit (or receiving a student loan) is minimised."

Online Decision Support supports these goals by delivering a service that will enable:

- all New Zealanders are given an opportunity to consider tertiary education
- a student can fully engage with the study decisions they are making
- every potential client can gain an understanding of their financial assistance options rather than needing to know which product to apply for
- an improved end-to-end application process – information will pre-fill into an application for the client and submit directly to StudyLink
- StudyLink staff to have a better quality engagement with clients. Staff interacting directly with clients will focus on discussing individual client needs rather than managing eligibility rules.

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Client Management Strategy

MSD is enhancing client management across the Ministry through the Client Management Strategy (CMS). This seeks to:

- ensure effective and efficient delivery of client services in the current environment and the flexibility to meet changes expected to evolve over the next five years
- meet the challenges of client service delivery in a "client centric, whole of government, managing for outcomes environment".

StudyLink is a key player on the roadmap for implementing this strategy and is taking a proactive approach toward it so that it can both support the Ministry's goal and realise the benefits for its own client group. To do this Online Decision Support will:

- take an enterprise view and use architecture that will support CMS. In particular it will lead the way for the Ministry to provide eligibility assessment tools openly and publicly for anyone to access
- align itself closely to the CMS project and use methodologies and systems that are consistent with other streams of work
- ensure implementation and project plans align with the roadmap so that dependencies or conflicts are avoided wherever possible.

This will position StudyLink to more easily make the transition to the Ministry's single client management system. ODS will utilise Cúram functionality to ensure that it is consistent with the CMS direction and methodologies.

2.2.3 Reduces Significant Identified Risk

Student Loan application volumes have progressively increased over the past years and the introduction of 0% interest on student loans from 1 April 2006 has resulted in a further increase in loan applications. In addition StudyLink currently administers around 76,000 allowance applications per year and approximately 10,000 Unemployment Benefits Student Hardship applications.

StudyLink continues to steadily expand and successfully administer student scholarship awards on behalf of MoE and NZQA. Scholarship applications and administration is a growing area of work.

The seasonal nature of educational activity means that up to 25% of annual StudyLink workload must be undertaken in one month - February. Historically peak workload has been managed by employing 300+ additional temporary staff.

Reliance on large pools of temporary staff poses two main risks:

1. Quality. StudyLink products and policies are complex and we ensure people are effectively trained in the process to progress an application to payment. However it is not feasible to train the same people to understand the client's personal circumstances and identify all opportunities for full and correct entitlement. The short employment duration does not allow for the growth of institutional knowledge required to grow a culture of service delivery excellence.
2. Cost. Typically a temporary staff member will be trained for five weeks for a four-five month contract. This degree of training investment is clearly not cost effective.

Online Decision Support will mitigate these risks by enabling:

- the client to be aware of what they are eligible for based on an assessment of their individual circumstances reducing the risk of not receiving full and correct entitlement.
- the client to self-assess their eligibility for financial assistance and seamlessly make an application for these products. Applications can therefore be assigned to a person with the required level of skill to manage the complexity of each client's circumstances.

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2.2.4 Provides Economic Benefits

The specific economic benefits of this project are:

- Cost avoidance of achieving the same outcomes through other channels. While we would expect uptake to be at least 200,000 students per year, to ensure at least 100,000 students are fully aware of full and correct entitlement and have all the information they need to make sound study decisions through a face to face and phone delivery would cost in the vicinity of $2 million ongoing each year.
- Cost avoidance of continuing an unsustainable model for example the cost of re-work due to poor quality, managing complaints, increased attrition and multiple client contacts due to lack of confidence.
- Cost avoidance of increased application volumes. Assuming that other channels could be scaled to meet the demand it is still more cost effective to manage this via the web channel. This will then allow for improved service to be provided to those who genuinely need in-depth personalised service.

The following table shows that while ODS is a critical enabler it needs to be considered in context of the next phase to realise the required benefits.

The ODS Change (Phase 2)	Enables StudyLink to (Phase 3)	To benefit
Online Decision Support Tools	Transition to becoming a facilitator for student decision making	Improved access to information Better quality information due to clear ownership Cross agency response Cost efficiencies through web based delivery
Eligibility self assessment	Migrate eligibility and entitlement rules into a Curam environment Begin the transition to a Curam based Client Management System Change training and recruitment focus to client service based not product knowledge	Improved ability for personalised service to those who need it A MSD approach to client service – study becomes a client intervention, not a separate service Improved client satisfaction through streamlining the engagements and reducing re-work
Improved Application Process	Ensure full and correct entitlement Review and improve back-end processes and policies Reduce paper based forms and manual processes Deliver personalised service due to a single view of the clients circumstances and entitlements	Better study outcomes Reduced debt Business sustainability through improved efficiency and effectiveness

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2.2.5 Provides Non-Financial Benefits

The benefits of this project are those that will assist StudyLink in moving closer to an outcomes based service delivery model and tangibly contribute toward StudyLink's achievement of its outcomes goals. Below is a table of how Online Decision Support will achieve these.

Benefit	KPI	Measure
B1: Improved decision making More people consider tertiary education and make informed decisions before study	Any student or potential student utilising Online Decision Support is aware of the financial assistance available to them before they begin study. Any student, potential student or student influencer utilising Online Decision Support can make informed study decisions through: – easier access to relevant information and – a better range of decision support tools that relate to their personal circumstances.	– Increased course completion rates – 40% of students access decision support tools in the first year of implementation – 80% of students access decision support tools within 3 years of implementation – 80% of students surveyed believed they had enough information to make an informed study decision.
B2: Optimised Student Loan borrowing Ensure they receive the right support and advice so that they borrow wisely through the Student Loan Scheme	Any student utilising Online Decision Support will – maximise access to student support and other forms of financial assistance and – be connected to good career/course information so that that they complete their course and thereby maximise their financial investment in education	– 40% of students access decision support tools in the first year of implementation – 80% of students access decision support tools within 3 years of implementation – 80% of students surveyed believed they had enough information to make an informed study decision.
B3: Increased educational success for young New Zealanders[1]	The implementation of Online Decision Support as part of StudyLink's overall Enhanced Service Delivery Model will contribute towards: – increasing the number of New Zealanders achieving qualifications at higher levels – ensuring more young New Zealanders complete their tertiary education qualifications before the age of 25	– Increased qualification completion rates – Reduced number of students withdrawing from study in their first year.

[1] Stated priority of Tertiary Education Strategy 2007-12 (Ministry of Education)

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Benefit	KPI	Measure
B4: Personalised Service	The implementation of Online Decision Support as part of StudyLink's overall Enhanced Service Delivery Model will enable: - Access to pre-study messages is not limited to targeted groups, where the channel dictates the level of service a student receives. - All students that require pre-study support will be able to obtain this information in a manner best suited to their personal situation. - Students to have the ability to access decision support when and where it suits them and not restricted by StudyLink's core business hours or be affected by queues	
B5: Improved client management StudyLink will be able to manage clients by individual circumstances rather than by product applied for	The implementation of Online Decision Support as part of StudyLink's overall Enhanced Service Delivery Model will enable: - StudyLink to progress toward a complete view of clients' circumstances in order to provide personalised service delivery - StudyLink to focus more resources on those at risk of poor borrowing behaviour or non completion by increasing the automation of application processing - StudyLink to move processing from being "on demand" (e.g. when a phone call is received) to being "managed" - StudyLink staff to have access to tools that will more easily enable them to determine full and correct entitlement based on individual needs. I.e. reduce the requirement for detailed product and policy knowledge and increase investment in client service	- Increase in students surveyed on quality of service that rate it very good or better - Students believe they were fully informed about their student finance entitlements

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Benefit	KPI	Measure
B6: Improved application process The ability for a client to apply for full and correct financial assistance through a single online application. I.e. the client provides us their information and we assess entitlement rather than the client applying for specific and separate products. **B7: Increase in use and value of e-Services functionality.**	- StudyLink to reduce its reliance on temporary staff Online Decision Support will enable the following application process enhancements: - Clients are assessed for their eligibility against all StudyLink-administered products and services - Client information can pre-fill into an online application where this data is already held by StudyLink - Applications will be intuitive so that information is only entered once across all products and services - Increase in percentage of clients using web self services. - E-service users are satisfied with the service provided through this channel	

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3 Scope

The following table outlines what will and will not be covered by this Final Business Case:

In Scope	Out of Scope
Determine governance structures for the project	Any other StudyLink governance structures
Appoint an external quality assurance person to QA the project	Procurement process for IQA provider
Evaluate implementation options	
Determine detailed business requirements for system changes relating to: - Online decision support tools - Eligibility self-assessment tools - Online Application forms - Integration requirements - Back-end processing requirements - Changes to existing StudyLink website to improve navigation and usability	Migration of SAL functionality to Curam
Determine accurate cost estimates relating to: - Online decision support tools - Eligibility self-assessment tools - Online Application forms - Integration requirements - Back-end processing requirements - Ongoing operating costs resulting from increased applications - Changes to existing StudyLink website to improve navigation and usability	Vendor management relating to the transition to new support providers
Assess financial and non-financial benefits for implementation	
Assess and quantify risks of implementation	
Determine implementation timelines and dependencies	
Develop an Implementation Plan for delivery of the solution	

4 Assumptions

- Development resources will be available to the project
- Development and project team will be based at MSD premises in Wellington
- MSD will provide style-sheets and other User Interface resources
- MSD testing resources will be used
- MSD will provide for the required testing and production environments

5 Objectives

As a result of this project, MSD will have an online based service delivery vehicle which will provide:

- students with the tools to make informed decisions regarding study choices.
- students with the ability to easily self-assess their eligibility for MSD administered financial assistance.

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- students with an improved application experience by pre-filling forms with information we already have and creating a process that is based on their circumstances not by product.
- MSD with an application that supports its client management strategy
- MSD with the platform to provide self-assessment tools to all New Zealanders
- StudyLink with an application that will enable its move from a transaction to outcomes focused organisation.

5.1 Constraints

Availability of resources. MSD is already undertaking a number of similar projects and multiple work streams could put pressure on already limited skilled resources.

6 Options

6.1 Options Identified

The comparative merits of the online channel as a preferred channel have been explored and validated in previous business cases – specifically Interactive Self Service Phase 1 MyStudyLink. This business case does not seek to re-litigate decisions previously made about the viability of online services as a preferred channel.

With this assumption, and given the documented business requirements and architectural principles, three options were evaluated. The full evaluation can be found in the paper "Major Technical Options"

Option	Description
Cúram Solution (Recommended Option)	This option uses Cúram functionality as the main component for the end-end solution. This is a combination of scripted questions using Intelligent Evidence Gathering, eligibility assessment using the Cúram Rules Engine and application forms using Cúram Agenda Player. While the core components are Cúram based the development is a MSD led blended model using expertise from both internal and external sources.
Custom Build Solution	This option is an in-house only solution. The functional areas for ODS can be custom-built using the XFA (Extranet Foundation Application) framework approach. The XFA project has developed a technical framework for MSD using technology best practices, standards-based design & development approaches, components and patterns for Java-based web applications.
Hybrid Solution	A hybrid solution would consist of a custom-built Apply Online application and an Intelligent Evidence Gathering (iEG) based Decision Support and Eligibility application.

6.2 Evaluation Criteria

The evaluation criteria used was the standard MSD technical criteria applied to new projects. These focus on both functional capability and connection to MSD strategy and Enterprise Architecture principles. This is attached as Appendix A.

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6.3 Evaluation Results

Option	Score	Evaluation Summary
Cúram Solution	87.33%	This solution had the best fit for purpose and the closest alignment to MSD strategic aims and enterprise architecture principles
Custom Build Solution	81.33%	This solution is fit for purpose however it scored lower in the strategic alignment categories.
Hybrid Solution	70.33%	This solution is also fit for purpose but scored lower again is strategic alignment and in maintainability categories

6.4 Recommended Option

The recommended option is the Cúram based solution.

7 Approach Timeframes and Dependencies

The following timeframes are estimates only and will be confirmed following the completion of the Project Management Plan and related Statements of Work for each phase.

7.1 Approach

This project will be completed in 3 concurrent phases

7.2 Phases and Timeframes

The table below lists the key phases it is anticipated that the project will undertake.

Phase	Description	Due Date
Concept	The Concept Phase was completed with the successful sign off of a Preliminary Business Case, November 2007	Completed
Planning	Agree deliverables and timeframes Determine IQA Determine external resources required Determine any RFP requirements Determine MSD resources required	May 2008
Detailed analysis and Design	Final Business Case Complete Project Plan Determine Policy/Legal implications Re-confirm high level design and architecture Detail Business Requirements Vendor Fixed Price Quotes Review CBA analysis Detail System Design Detail operational impacts Detail implementation plan	June 2008 July 2008 September 2008
Build	SAL and Web System builds completed Rules engine builds complete	Q1 2009

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Phase	Description	Due Date
Test	Complete SAL and Web user testing, including regression and performance testing	May 2009
Implementation	Communication/Marketing strategies developed Operational Plan signed off Training Plan signed off Go live request signed off SAL and Web System release	June 2009 July 2009 August 2009
Closeout	Project Closure Report sign off Post Implementation Review	September 2009 October 2009

7.3 Dependencies

This project has no dependencies on any other projects, initiatives or legislative changes.

8 Impacts

8.1 Financial Impact

The total investment required is shown in the following table. It is made up of:

$4.54m CAPEX

0.077m OPEX ongoing for server licences and hardware support

$0.225m OPEX for implementation – these are StudyLink incurred costs comprising

- Research 25,000
- General Admin 25,000
- Training 50,000
- Communications 75,000
- IQA 50,000

It is assumed that ongoing IT support will be included within existing support arrangements and therefore not incur additional ongoing costs

It is assumed that StudyLink will consider ongoing business support costs as part of its next phase of business transformation and will therefore not seek a baseline injection specifically for this project.

Contingency has been applied at 20% of the total project cost.

Online Decision Support Financial Impact Assessment								
Project Costs	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Outyears
Project Management	s 9(2)(b)(ii) OIA							
Design								
Build								
Integrate								
Test								
Sub Total								
Implementation								
Subtotal								
On going (Net)								
Subtotal								
TOTAL	4.439	0.404	0.077	0.077	0.077	0.077	0.077	0.077

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The financial impact of not undertaking this work is estimated at $2m per annum ongoing. This is the cost of ensuring full and correct entitlement through other channels.

The benchmark for measuring this is the StudyWise intervention. Currently to ensure full and correct entitlement StudyLink has a one-on-one engagement with the client to discuss their personal circumstances and their understanding of their borrowing decisions.

The $2m is a conservative estimate. This assumes a 30 minute engagement (research, interview and updates) at an average CSR salary of $41,896. This assumes salary only costs, phone based interviews (not face to face) and no additional technical costs.

8.2 Stakeholder Impact

Stakeholder Group	Description	Mitigation
Clients	Change in service delivery channel – paper to web based applications.	Other channels will not be immediately reduced to allow time for changes in client behaviour. Communication and marketing systems are already in place (web, IVR, mail out, TXT, etc) and will be updated with new messages
IT	Development of new applications have build, test and support impacts	Shared governance arrangements – e.g IT and Business Project Managers – ensure requirements and impacts are clear and accounted for during planning phases.
Other Government Departments	Possible overlap in scope with other projects across the sector. Specifically, Career Services are building a web based decision support tool.	Ongoing formal and informal engagement to ensure that projects are consistent in messages and that agencies are leveraging off each other to prevent a 'competitive environment'. StudyLink and Career Services have entered into a Memorandum of Understanding to formalise these principles.

8.3 Programme of Work Impact

All stakeholders involved in the delivery of the outputs of this project have been consulted and no impacts on other programmes of work have been raised.

Disaster Recovery

This project will use existing DR arrangements for each of the functional areas – e.g. web, WLI, SAL etc.

I.T Environmental Impact

Environment impacts have been considered by Testing Services, Infrastructure and Support and costs have been included in this business case.

8.4 Accountability Impact

The project has no accountability impacts.

9 Risks and Security

9.1 Risks

A Risk Workshop has been held for this project and a Risk Register completed. The following are the key risks identified as a result of the Risk Workshop:

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Risk No	Title & Description	Details of Risk	Conse-quence	Likeli-hood	Risk Rating
R004	Policy/Legislation	**IF** unexpected changes to legislation or policy or systems are made during the project implementation phase. **THEN** Project schedule delay and possible delays for dependent projects may occur	Severe	Possible	High
R005	Security Breach	**IF** the site is insecure **THEN** student information is compromised, resulting in loss of credibility	Major	Unlikely	High

9.2 Security

This project will use existing security protocols that are in place for other web applications – Student Apply Online and MyStudyLink. This project will not necessitate any changes to those arrangements.

A security assessment has been undertaken as part of the technical solution review.

10 Project Governance

10.1 Project Significance

Projects are considered Significant if they meet the first criterion in the following table and then meet one or more of the other criteria:

Criteria	Meets Y/N	Comment
An overall defined programme budget, including Ministry staff costs, which exceeds $100,000, being the Chief Executive's level of financial delegation to General Managers	Y	
Gives effect to a significant legislative or ministerial requirement	N	
Has been assessed as being of high risk (either for political, customer, delivery or complexity factors)	N	
Is part of a significant public initiative; e.g. e-government / e-delivery	Y	
Is an identifiable business plan or business technology plan deliverable (purchase agreement specific)	Y	
Implementation will require resources from or have impacts across a number of business units	Y	
Involves a number of core systems or impacts on core service delivery through infrastructure changes, including services such as network, telephony, file and print serving etc.	Y	

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The project is not a Major IT Project according to the Central Agencies' definition.

This assessment indicates that this project is a **Significant** Project and the project is **Category B**, 'Need To Do'.

10.2 Project Controls

Control	Approval	Date
Project Management Plan	BSG	November 2007
Preliminary Business Case	LT	November 2007
Final Business Case	LT	June 2008
Statements of Work	BSG	July 2008
End of Phase Report - Design	BSG	September 2008
End of Phase Report: Build	BSG	May 2009
End of Phase Report: Test	BSG	July 2009
Go Live Request	LT	August 2009
Project Closure Report	BSG	Sept 2009
Post Implementation Review	LT	April 2010

10.3 Project Roles

The following table lists the key project roles:

Business Owner	Hilary Reynolds	
Business Owner's representative	Merv Dacre	
BSG Members	Hilary Reynolds	DCE, Students Seniors Integrity Services
	Christine Stevenson	DCE People, Capability and Resources
	Graeme Carruthers	DCE, Risk and Assurance
	Doug Craig	DCE, Director Office of the Chief Executive
	Wendy Beban	National Manager Service Deliver
	Merv Dacre	General Manager StudyLink
	s 9(2)(a) OIA	
Project Managers		

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11 Recommendations

Recommendations

It is recommended that the Chief Executive:

Note: StudyLink's Enhanced Service Delivery Model will deliver an outcomes focused and sustainable business model

Note Online Decision Support is a critical enabler to the Enhanced Service Delivery Model

Note The Online Decision Support development will be MSD led using a blended resource model with Cúram MSD and support vendor contributions

Note The investment required to deliver Online Decision Support is $4.77m with ongoing costs of $.077m per year.

Approve: the delegation of the approvals for the CAPEX allocation, Go Live Request and Project Closeout Report to the Business Owner

Approve: the Governance arrangements for the project as set out in section 10

Approve: commencement of the Online Decision Support project and expenditure of $4.77m.

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Appendix A Evaluation Results

Evaluation Results

Ability	Addressed	Note	Weighting 1 (least) to 5 (most)	Weighting %	Score 1 (bad) to 10 (good)	Total Score
EA Alignment	Yes	The preferred option complies with all Enterprise Architecture Standards	5	16.67	10	16.67
Industry Standards	Yes	This option complies with Industry best practices. Curam framework is a leader in build client centric applications within Social Services organisations.	4	13.33	10	13.33
Flexibility	Yes	This solution is reasonably flexible	4	13.33	8	10.67
Maintainability	Yes	Reasonably maintainable	4	13.33	7	9.33
Scalability	Yes	Very scalable – can cluster servers	3	10.00	8	8.00
Throughput	Yes	Very scalable	4	13.33	8	10.67
Security	Yes	Meets the existing security level in this area (not entirely relevant for this document)	1	3.33	10	3.33
Network traffic	Yes	As per existing systems	2	6.67	8	5.33
DB Traffic	Yes	Lowest possible	1	3.33	10	3.33
Response time	Yes	Meets requirements	1	3.33	10	3.33
Down Time	Yes	Meets requirements	1	3.33	10	3.33
Total					%	**87.33**

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MINISTRY OF SOCIAL DEVELOPMENT

Te Manatū Whakahiato Ora

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Business Case

Senior Services Workflow

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1 Introduction

The Ministry is transforming its business model for delivering assistance to Senior Services' clients. This change is needed to meet the increasing workload brought about by greater client numbers, and more clients with more complex needs. Our focus is to improve the way we deliver services, and make it easier for clients to access their entitlements.

To achieve this we need to create significant capacity gains within current baselines. Our key strategy is to increase efficiency through improved administrative processes, and streamlined, electronic options for clients and staff.

Senior Services current work is largely paper-based, and processed via face-to-face services at local offices. Centralised support is provided by the contact centre, and specialised processing centres manage requests for some complex products.

There is no current mechanism to effectively record and track work across service delivery and local services sites. Workloads are managed at each Local Services site, resulting in varying workloads between offices. This makes it difficult to redistribute work between offices to even out workloads.

Senior Services needs to be able to treat staff as a "national workforce" to allow us to fully utilise existing staff. This will smooth the distribution of work to Local Services, and link together the service centres, contact centre, and specialised processing operations.

This business case proposes a model that allows Senior Services to manage work electronically at a national level. We will be able to record and distribute work to the most appropriate staff member, and track and manage work processing to ensure efficiency and balanced workloads. This will help us to provide a high quality, timely service to our clients across Senior Services.

Information and Communications Technology (ICT) services and development will enable electronic creation, distribution, and management of work. We have described this as "workflow". The term "workflow" can be used for two different forms of work tracking and management:

- business workflow, which is the flow of work within the business (managing the distribution of items of work to staff), i.e. tracking and managing work
- processing workflow, which is the flow of tasks to complete work (defining and presenting task(s) to be done), i.e. process steps, tools, and automation.

Within Senior Services, we need both forms of workflow to transform the way we provide services.

This business case outlines the programme of work needed, and the core functionality in scope for Phase One. We expect to implement further workflow functionality in later phases of the programme of work. This phase will build a strategic foundation for ongoing workflow development within Seniors. This work could be further developed for use by other Service Lines.

Implementation of Phase One has a Budget cost estimate of $2.103 million, with savings of $2.950 million over four years. The NPV is $440k, with payback in year four.

The Seniors Workflow Programme of Work will be governed by the Senior Management Team (SMT) within Senior Services. Phase One of the programme will be monitored against the business case and planned KPI impacts to ensure success. Key IT and IAP stakeholders will be involved in governance.

Phase One of the Programme of Work has been defined as Significant with a risk rating of 'Medium'. For further details of the profile refer to the Work Profile Analysis [1].

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1.1 Background and Drivers for Change

1.1.1 Senior Services Client Groups

Senior Services has four primary client groups:

- Seniors – people entitled to receive New Zealand Superannuation, or a Veterans pension
- Card Holders – people entitled to a Community Services Card and/or a Super Gold Card
- Residential Subsidies – people who are accessing residential subsidies or aged care, and couples, separated as a result of one partner being in care, who also need support
- Portability and Overseas Pensions– people entitled to a New Zealand benefit who live overseas, and some people living in New Zealand who are entitled to an overseas pension.

1.1.2 Senior Services Business Model

Senior Services consists of three client facing business groups, and a quality and traning unit. These groups are supported by a centralised service development and delivery team at at National Office. The client facing groups are:

- Local Services: 181 staff and ten managers, located at 81 offices around New Zealand, providing face-to-face assistance
- Specialised Processing Services: two sites, one primarily providing residential subsidies, the other focusing on overseas pension services
    - Residential Subsidies: Around 50 staff and three managers in Whangarei
    - Portability and Overseas Pensions: Around 60 staff and five managers in Wellington
- Senior Support Centre: one site providing contact centre, veteran pension services, and card administration and support for community services cards (CSC) and Super Gold cards, with around 85 staff (five are veterans specialists) and five managers in Wellington
- Quality and Training Services: 14 staff and one manager in Wellington.

Currently the workload across the teams varies, depending on the volume of work generated within the business and geographic area each team services. The current process to transfer work to another office is to physically parcel up the paperwork, then courier it to another site.

The net result is inconsistent work volumes between offices. Staff in some high-need areas experience consistently demanding workloads, and some staff in areas of lower need have more variable workloads. Tracking work is a manual, and retrospective, process.

Within Local Services, 75% of offices have less than four staff. To maintain this broad network of staff providing face-to-face services, we need to be able to better utilise their time. Some Local Services' staff are very busy, and complete high volumes of client interviews, reducing their capacity for other work. Some staff with low local work volumes have the capacity to help process work received nationally. To smoothly balance workloads, and meet the need to service clients at a face-to-face level, we need to find ways to streamline and redistribute processing work.

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1.1.3 Senior Services processing overheads

Managing the distribution and quality of paper based work is a significant overhead for Senior Services. The four main functions involved are data collection for volume and productivity reporting, and record retrieval for quality and competency checking. Collectively, the time required for these activities uses an excessive amount of capacity within Senior Services, and incurs practical costs. The headcount[1] for each activity is shown below:

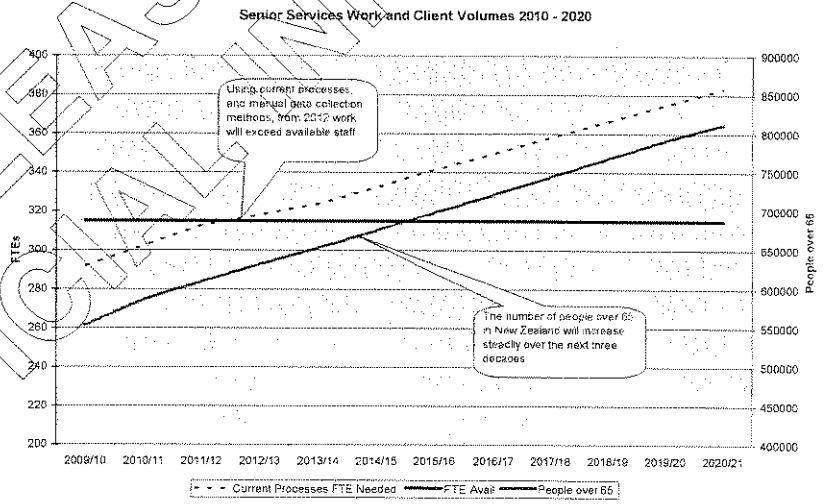
Function \ Service Line	Local Services	Specialised Processing	Senior Support Centre
Volume Data Collection	3.1 FTE	1.8 FTE	9.5 FTE [2]
Productivity Data Collection	n/a	1.9 FTE	n/a
Quality Checking	5.9 FTE	0.9 FTE	0.4 FTE [3]
Competency Checking	0.9 FTE		
Managerial / OA time	0.3 FTE	0.8 FTE	n/a

Descriptions of these activities are in Appendix C

1.1.4 Drivers for change

The volume of work processed by Senior Services is forecast to consistently increase over the next ten years, as client numbers grow from 550,000 to 880,000. This rate of growth is expected to continue for a further three decades, with 1.3 million people projected to be over 65 by 2051.

From 2012, Senior Services will not have enough staff to manage the expected work volumes using current practices. In addition, even if staff capacity is available, the use of paper based work means work being distributed must be physically moved from one location to another. This creates a lag in response times, and makes it difficult to utilise our front line capacity effectively.



[1] FTEs are calculated at 64437 productive minutes / year

[2] Scan, classification, and allocation of work in TRIM for 3500 items weekly (work will not reduce with workflow).

[3] Identification and retrieval of work in TRIM (work will not reduce with workflow)

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1.2 Programme Approach

1.2.1 Objectives, and Outcomes

This programme of work will support the realisation of the Seniors Vision:

"Older People are happy, healthy, and living in their own homes for as long as they can"

- *They can easily access entitlements*
- *They are aware of the support and assistance available*
- *They can easily connect to services support and opportunities*

Our strategic objective for the workflow programme of work is to provide easy access to services and support for clients, as efficiently as possible. To achieve this we need two key outcomes:

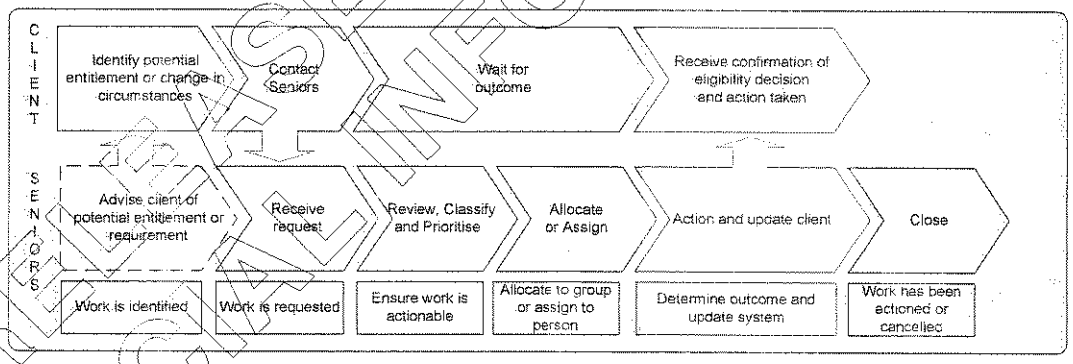
1. Optimise use of existing capacity to process work within Senior Services
2. Support and automation to make it easier for staff to complete work

This will allow us to effectively manage increasing workload within baseline, and make it easier for clients to access their entitlements.

1.2.2 Programme Approach

Transformation of the way Senior Services record, manage, and action work requires significant changes for our business, our people, and our technology.

A high level view of the way work is identified and processed is shown in the diagram below.



Senior Services needs a programme of work ("The Workflow Programme") to transform the way we receive, manage, and action work. The phases in this programme are:

1. Business Workflow: Work tracking – creating electronic records of work requests and evidence, and using simple electronic queues to distribute work
2. Business Workflow: Work management – using business rule controlled work distribution queues, with business driven work management and reporting functions
3. Processing Workflow: Work processes – creating structured tasks to guide work, and integrating with core systems
4. Processing Workflow: Work tools and automation – automated task completion, supported by eligibility and entitlement assessment tools

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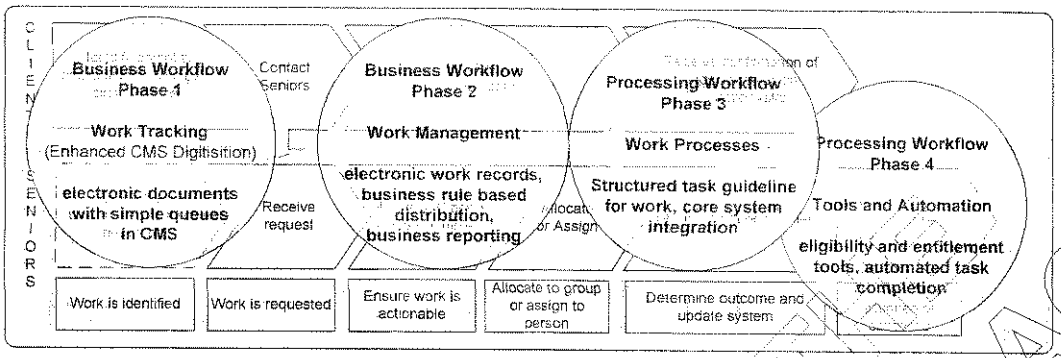

This business case focuses on Phase One, transforming the way we track work. This will build on the functionality delivered by the Digitisation Project.

Transforming the way we manage and process work is planned as Phases Two, Three, and Four of this programme of work. A separate business case will be created at a later date for this work.

1.2.3 Aligning Deliverables with Phases

The Workflow Programme deliverables by phase are:

Phase	Deliverables
1.Work tracking	Items of work are recorded electronically Items of work are kept in an electronic queue for action Staff can be allocated and/or request items of work from the queue Reporting data is stored in IAP
2.Work management	Work is electronically distributed to staff Flexible business rules are used to distribute work The business controls the rules used to distribute work Work is assigned to staff who are available and have the right skills to process it Detailed reports on the distribution and processing of work are available
3.Work Processes	Workflow templates guide staff through standard processes Detailed reports on processing outcomes and performance are available
4.Tools and Automation	Decision support tools and calculators are used by clients and staff to assess entitlements Some requests are automatically processed in core systems Online application information is stored and updated directly in core systems Clients view and update their information online

Ongoing management to ensure best use of workflow requires access to timely data. This information will be used by Senior Services to see, understand, and manage work for clients effectively. In addition, high quality data will contribute to planning and measuring initiatives within Senior Services, using Lean Six Sigma methodology.

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1.3 Workflow Programme Change Outcomes

1.3.1 Phase One – Tracking work and improving staff and client experience

The experience of our staff and clients will be enhanced by recording and tracking work and evidence, and consistently processing work in a timely and efficient manner.

Current	Future
Paper-based client files; physical client records are filed in the location received and are not easily accessible to all staff	**Electronic client records**; critical information from client records will be scanned and available electronically to all staff
Paper-based for applications and reviews; paper forms must be submitted regardless of channel used, including applications completed online	**Channel of choice**; clients can select to make requests online, on paper, in person, and on the phone, and will be encouraged to use electronic channels
Interview-centric; clients are usually required to visit an office and meet with staff	**Appropriate contact**; client contact requirements will be relative to the work required
Geographically dependent; with work distribution being geographic, service levels and timings vary across regions depending on capacity and work volumes	**Nationally consistent**; work distribution nationally will ensure clients experience consistent service levels and timings
Repetitive; clients can be required to provide information and evidence previously given	**Efficient**; clients will only need to provide new or updated information and evidence, and contact time will be used effectively

1.3.2 Phase Two - improving work management

The way our workload is distributed to staff will be enhanced by using automated, rule-driven prioritisation and distribution of work to ensure appropriate, balanced, allocation of work.

Current	Future
Manual; managers distribute work or staff take work from the current 'pile'	**Automated**; work will be distributed based on classification and prioritisation rules
Ad hoc; managers and staff try to ensure work assigned matches the staff member skill set	**Skills based**; staff will be allocated work that matches their skill set
Hard to track; work allocated to one staff member is often not visible to other staff members	**Visible**; appropriate information about work waiting and allocated will be accessible to staff and managers
Unbalanced; work generally needs to be processed by a site in the region receiving it, and any transfers need to be done physically	**Balanced**; work will be evenly allocated to available staff with appropriate skills to process it
Uncoordinated; multiple tasks for one client cannot be automatically consolidated where appropriate	**Co-ordinated**; rules can be used to consolidate work for a single client
Reactive; upcoming work (e.g. DA review tasks) is not necessarily identified and actioned alongside other work being done for a client	**Proactive**; upcoming work (e.g. DA review tasks) can be allocated alongside current work requested by a client
Impersonal; the majority of processes are not personalised for the customer profile	**Personalised**; the processes followed will align the level of contact and tasks required with the client profile.

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1.3.3 Phases 3 and 4 –Improving our work processing and support

This will ultimately make it easier for staff to process work with process guidance, decision support tools for eligibility and entitlement assessment, and automation of some tasks.

Current	Future
Self directed tasks; the processing activities and order followed is determined by the staff member (using Seniors policies, and process guidelines)	**Structured workflow**; standardised processing activity guidelines will be provided for staff
Manual processing; all tasks and system updates required are manually processed	**Automation**; Some tasks and system updates required will be automated
Individually calculations; users must use additional tools or manual calculations to assess eligibility and payments	**Assessment tools**; eligibility assessment tools and calculators will be available to simply and standardise the process of determining entitlements and payments
Difficult to handover; re-allocation or assignment of work (e.g. escalation, transfer from staff on leave) is a manual, physical process.	**Transferrable work**; re-allocation or assignment of work will be possible electronically, and can be automated (e.g. work at risk of not being processed within thresholds)

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2 Reasons

The primary reason for Phase One of the Workflow programme of work is to ensure Senior Services can effectively distribute and manage increasing work volumes, using existing resources, over the next two to three years.

Implementation of the full Workflow Programme will position Senior Services to leverage the Ministry's investment in Cúram to improve productivity, and to participate effectively in all of Government service initiatives, enabling integrated, streamlined receipt and processing of client requests.

2.1 Alignment with Ministry Vision and Strategy

The Seniors Workflow Programme will contribute to the realisation of the vision for Senior Services:

- **Senior Services – Our Future 2010**[4] **is based on**
  - **Integrated MSD senior services** - *Phase One of the Workflow Programme will extend digitisation to enable initial centralised distribution and processing for some work.*
  - **Building and enhancing services and infrastructure**.- *Phase Two of the Workflow Programme will provide the capability to manage and action online applications more effectively, and enable centralisation of processing for further activities*
  - **Fully integrated services**.- *Phase Three and Four of the Workflow Programme will support the transition to automation of simple processing, and transactional integrated workflow and work processing*

The Seniors Workflow programme of work also aligns with the ICT vision for Senior Services:

- **Seniors Transformation Roadmap – Enterprise Architecture**[5]
  - **Workflow and Workforce Management**. *Phase Two of the Workflow Programme will enable the classification, prioritisation, and distribution of work to staff with the skills to process the request.*
  - **Channel Management**. *Phase Three and Four of the Workflow Programme include leveraging and developing the processing of client online requests to streamline and simplify client interactions.*
  - **Rules Consolidation**. *Phase Three and Four of the Workflow Programme include assisted decision making and eligibility assessment to ensure consistent, high quality decision making throughout Seniors.*
  - **Evidence Management**, **Correspondence Management**. *Phase One and Two of the Workflow Programme will provide evidence and correspondence management to enable national work distribution.*

Detailed stakeholder needs and features/stories are defined within the Vision [2].

[4] Refer to 'Senior Services – Our Future' presentation by Merv Dacre 22 Feb 2010

[5] Refer to 'Seniors - Roadmap Slides v2.0.ppt' authored by Arun Rajamani

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3 Recommended Option

The recommended option is **Cúram Client Management Solution (CMS) digitisation, with workflows and task tracking.** This will leverage the existing Ministry investment in Digitisation to deliver Phase One of the Workflow Programme, and has the capability to develop the functionality required for the full Workflow Programme for Senior Services.

The two technical options considered a strategic fit and assessed were:

- Cúram CMS digitisation, with workflows and task tracking
- Cúram CMS with task orchestration via Genesys "intelligent Workload Distribution" (iWD)

Use of StudyLink's SAL system was discounted as it is not aligned with the strategic direction of the Ministry.

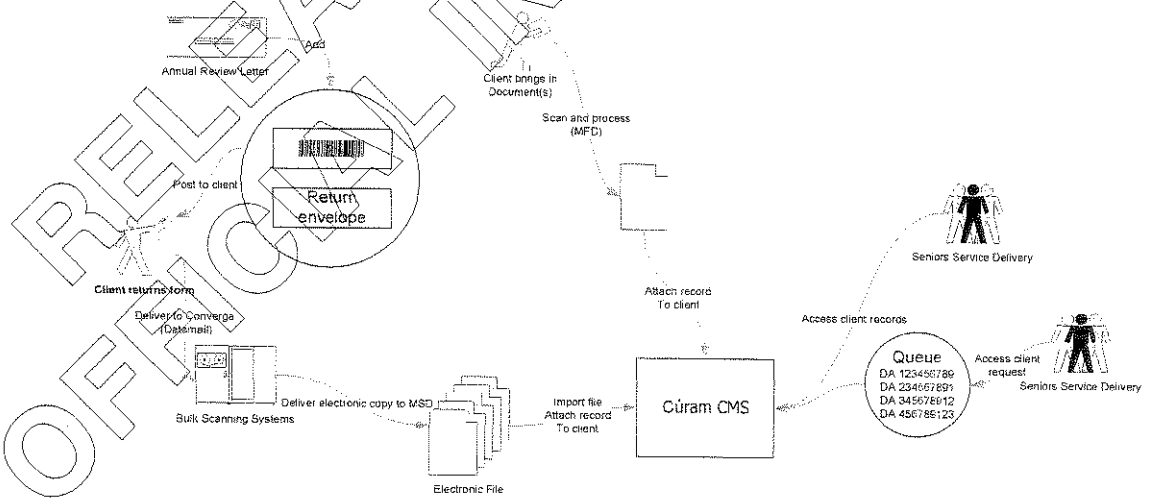
Senior Services and ICT staff have explored these two options in detail. We started with a strategic vision of consistent business and processing workflow fully integrated with core systems. The costs for delivering this level of functionality using either option significantly exceeded the direct benefits, and the scope was narrowed to focus on identifying the best initial investment to deliver business workflow.

Further detailed estimation of the costs of implementing business workflow using both options resulted in cost estimates that were still greater than the direct benefits, and were unlikely to be available prior to the forecast capacity shortage within Senior Services.

An iteration business planning (IBP) workshop was then held to clarify the business needs, and assess the effort required to meet those needs with Cúram CMS. Following the IBP, further analysis of the benefits and requirements identified the **recommended option as Cúram CMS digitisation, with workflows and task tracking.**

To meet initial business needs, and reduce the risk associated with a single, large, project, and significant business change, the **recommended approach to deliver the vision was a phased Workflow Programme of work for Senior Services.**

Seniors Workflow Programme Phase One:



The Cúram CMS functionality delivered could also be used as a basis for other Service Lines to build on for workflow services in future.

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3.1 Workflow Programme Phase One Scope

The scope for Workflow Phase One has been determined as a result of identifying the costs, dependencies, and benefits associated with the project deliverables, then identifying which deliverables will positively contribute to achieving the business outcomes and objective.

The Workflow Phase One scope includes:

- updates to CMS Digitisation functionality for Seniors work practices
- barcoding of the system generated Annual Review Letters to clients, and changing the delivery address to a third party scanning provider
- implementation of third party bulk scanning for client forms where appropriate (such as annual reviews and other supporting documentation)
- importing the bulk scanned work and evidence into the Digitisation Objective instance, and linking the image to the client record
- creating and queuing a 'work item' in CMS for the work or evidence using simple queues based on Digitisation
- out of the box 'Supervisor Workspace' functionality to manage simple queues
- mapping Seniors access information (from LDAP) to CMS for user roles required
- mapping CMS tables into IAP to enable data capture and reporting
- provision of dual monitors to Senior Services Local Services staff to enable viewing of digital documents, and core systems records in tandem
- provision of higher capacity scanning hardware for up to five high volume Senior Services sites.

Out of scope is:

- integration of CMS with core systems (such as SWIFTT, UCVII)
- migration of correspondence to ECS
- business rule based workflows, queues, and escalation
- processing workflow functionality
- automation of work processing
- online self service for clients
- additional development of the Online Application in COS, including entitlement.

Details underlying this option and other options considered are defined within the Technical Options Considered [3].

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4 Benefits Expected

The proposed approach will help Senior Services to manage a larger volume of work within existing baseline funding. The expected benefits of Workflow Phase One are:

Financial

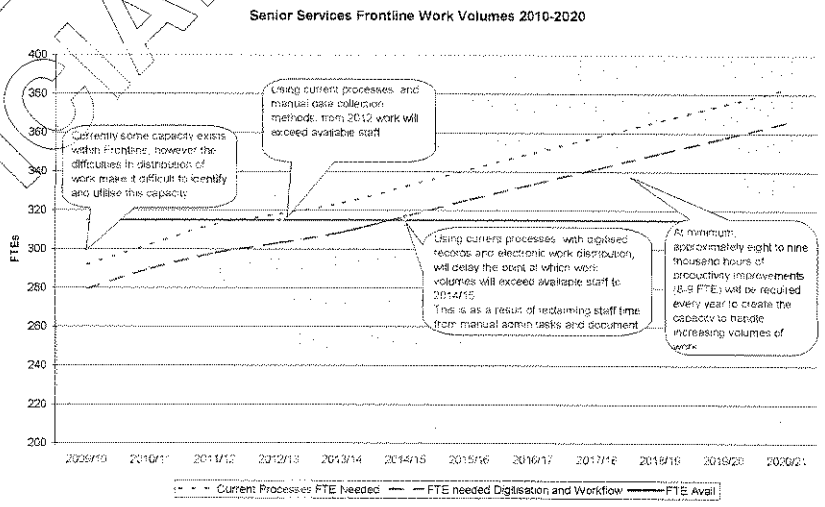
- Increased capacity as a result of reduced staff time spent manually copying and distributing evidence for checking and review (7.7 frontline FTE, and 0.3 managerial FTE post implementation)
- Increased capacity as a result of reduced staff time spent manually recording work volumes (4.3 front line FTE, and 1 analyst FTE, from the second year of implementation)
- Increased capacity as a result of reduced staff time spent copying and filing (manually or digitally) completed renewal letters and evidence (2.3 FTE in the first year, rising to 3 FTE by 2014/15)
- Reduced courier costs due to electronic images of documents being used
- Reduction in long term Recall paper filing costs as a result of electronic images of documents being stored

Quality and Performance

- Improved timeliness of processing work as a result of electronic images being available to all staff as soon as they are filed
- Increased consistency of customer experience as a result of the ability to distribute work to utilise capacity
- Increased timeliness of quality and competency checking
- Increased accuracy, timeliness, and availability of reporting data

Risk Mitigation

- Reduced risk of loss or exposure of client related documentation
- Increased transparency, accessibility and audit-ability of client interactions and requests



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5 Risks

Risks identified include:

- Scope changes: scope changes that increase the size and/or complexity of the project will put successful delivery at risk
- Resourcing: If insufficient skilled ICT and business representatives are committed to the project for the duration of the project, the outcomes may be affected negatively
- Performance: The solution must be available and responsive to ensure benefits are delivered. If the solution is slower to use than existing manual processes, additional capacity goals will not be realised
- Engagement and Change Management: The project must engage with Senior Services staff effectively, and ensure clear communication for all staff about changes, impacts, and timeframes.
- Client behaviour: changes to client renewal behaviours must be managed and supported to reduce workloads

No high risks and one medium risk have been defined and are being managed in detail within the Work Profile Analysis [1].

6 Cost

Hardware	s9(2)(b)(ii) OIA
Software	
HR (Charged)	
HR (Absorbed)	
Vendor/Contractor	
Total	$1,752,587.00
Contingency	$350,517.40
Budget Cost	$2,103,104.40
Project Effort	1610 days

A detailed cost breakdown for the recommended option can be found in the Cost and Effort Estimate [4].

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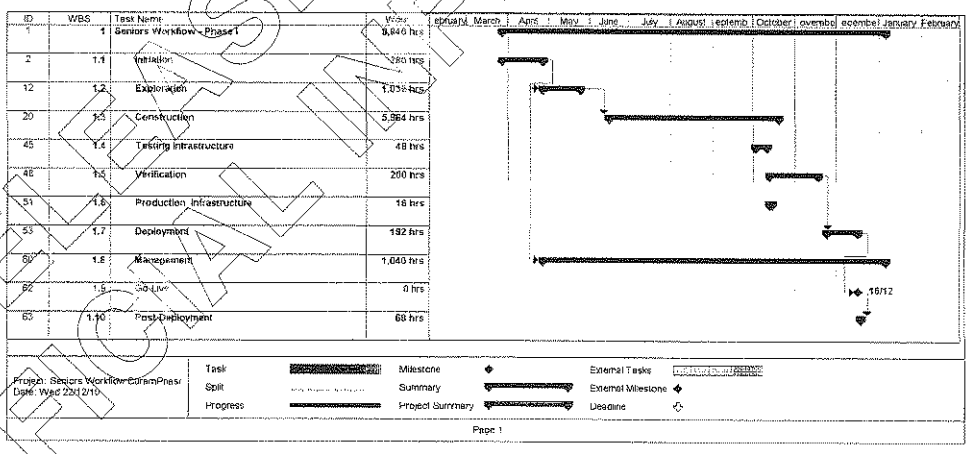
7 Timescales

The table below lists the key milestones for the project:

Milestone	Description	Duration post BC Signoff
Initiation complete	Phase One resources and project schedule confirmed, Environment requirements confirmed	+ 6 weeks
Exploration complete	Business and Technical requirements documented and approved Technical Design complete and approved Environments configured and available for development	+ 4 weeks
Construction complete	Development and unit testing complete Testing environment available	+ 14 -16 weeks
Verification complete	UAT, and Load testing complete All significant issues resolved	+ 4 weeks
Production Deployment	Phase one deliverables implemented in production environment (dependent on release schedule for Curam CMS)	+ 4-12 weeks
Transition to BAU	Post deployment support and issue resolution complete, handover to BAU complete	+ 8 weeks



Detailed task breakdowns can be found in the Project Plan [5]. The total duration of the project is expected to take around nine months from approval to production implementation, with a further two months of post production support.

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8 Investment Appraisal

SUMMARY FINANCIAL RECOMMENDATION TEMPLATE

Project Title	Seniors Workflow programme - Phase One	
Project Start (Financial Year):	2010/11	e.g. enter 2008/09 if project start is between 01 July 2008 & 30 June 20
Net Present Value % (MSD Cost of Capital is 7.5% but Treasury suggest [July 2008] default rate of 6% and 9% for office buildings and 8.5% for IT projects)	9.5%	Payback Year Four

CASHFLOWS $'000's - LIKELY CASE revenue / (expense)

Fund	Soft?	Narrative (describe major component and assumptions)	2010/11	2011/12	2012/13	2013/14	2014/15	Outyears
capex		**Resource Costs** - Workflow Programme Phase One (refer to A6241932 Business Case Pricing estimation)	s 9(2)(b)(i) OIA					
opex		**Vendor Costs for SWIFTT changes** (change delivery address and add barcodes to Renewals)						
capex		**Vendor costs for bulk scanning set up** (renewal and evidence scanning)						
capex		**Project contingency @ 20% of total project estimate**						
capex		**Site Hardware** costs (200 monitors @$300 and 200 video cards @$20, 6 scanners @ 11k)						
capex		**Server Hardware** - Scanned document router (1 server)						
opex		**Ongoing Processing Costs for third party scanning** based on 40% of letters being returned by post to Datamail from mid 2011/12 and of the returns, 50% being letter only, the other 50% averaging 2 items of evidence per letter (Refer to A6261235 'OPEX' for Renewal Letters xls)						
		SAVINGS:						
opex	soft	**Case Manager Time** - no longer required to manually retrieve, copy, and courier documentation for quality review saving 7.7 FTE annually						
opex	soft	**Managerial Time** - no longer required to manage the manual retrieval, copying and couriering of documentation for quality review saving 0.3 FTE annually						
opex	soft	**Case Manager Time** - no longer required to manually track data for reporting 4.3 FTE annually from the last quarter of years one (assumes some SPS reporting data will still be manually collated, eg: 0.5 FTE)						
opex	soft	**Analyst Time** - no longer required to collate manual data for work processing 1 FTE annually from the last quarter of year one (assumes 50% of time spent on data collation will be saved)						
opex	soft	**Case Manager Time** - no longer required to scan and associate documentation with the client for renewals returned by mail @ 2 minutes per evidence item received and scanned at Grade C salary assumed, 1 page impor per item						
opex	soft	**Case Manager Time** - no longer required to scan and associate letters with the client for renewals returned by mail @ 2.5 minutes per letter received and scanned at Grade C salary based on current processing time for inbound mail						
opex	hard	**Courier Costs** - reduced courier costs for Senior Services as a result of electronic distribution of work and quality checking rather than physical distribution of paper records. Costs of 2k / month reduced by 50%						
NPV	$446	TOTAL LIKELY SAVINGS/(COSTS)	(471)	(1,338)	728	733	737	724
	soft	add back SOFT savings	0	(347)	(841)	(853)	(867)	(867)
		HARD savings/(costs) to be FUNDED	(471)	(1,685)	(112)	(120)	(130)	(143)

FUNDING $000's

			2010/11	2011/12	2012/13	2013/14	2014/15	Outyears
		Funded from exisiting DCE allocations						
capex		Capital from shared costs (Finance to agree to this)						
		Hard costs ($) to be funded by: Savings $ to be allocated						
		Savings/(Additional Costs) Allocation						
opex	Seniors	Reallocate (savings) or indentify additional costs to be funded						
opex	*Seniors*	100% of savings to be re-allocated within the Seniors baseline						
opex								
opex		Fund additional expenses						
	$0	<— Total AMOUNT REQUIRED (i.e. Unfunded) —> split by year	0	0	0	0	0	0

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9 Assumptions & Dependencies

The following assumptions are applicable for this business case:

Staff

- Sufficient business staff and resources will be allocated to ensure the workflow maintenance, management, and reporting are effectively managed
- All front line and processing staff within Senior Services can use the solution

Work

- The types of work to be done are largely constant and involve a known or potential client
- Clients and potential clients will be encouraged to initiate work using workflow friendly channels (e.g. Online application forms)

The following dependencies are applicable for this business case:

Electronic Records (Digitisation):

- Electronic records can be created by any Senior Services staff member for a form or supporting document provided by the client
- Any electronic record is accessible to all Seniors Services delivery staff, and all frontline MSD staff
- An electronic record(s) can be held in a queue for actioning
- Metadata can be stored with an electronic record (e.g. SWN number, Record type)

Processes

- Standard Business processes will be defined, agreed, signed off, and in use by staff
- An agreed change management methodology is used to request, action, and track changes to work and work processes

Data

- Core client information is available within Cúram CMS
- Third party scanned documentation and associated data can be imported and accessed in the same way as a CMS Digitisation document scanned on a Ministry site

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10 Project Roles

The following table lists the key project roles:

Business Owner	Graeme Carruthers, DCE Students, Seniors, and Integrity Services
Business Owner's representative	Merv Dacre, General Manager Senior Services
Business Steering Group	Merv Dacre s 9(2)(a) OIA
Project Manager	To be confirmed
Programme Manager	To be confirmed

11 Recommended Actions

It is recommended that the Chief Executive and members of IT Governance Committee:

(1)	**Note**	MSD has a significant investment in Cúram Client Management, which is a key component of the IT Strategic direction
(2)	**Note**	Seniors Workflow Phase One is a Significant Project
(3)	**Note**	Workflow Phase One will enable Senior Services to maintain services within baseline until 2013/14
(4)	**Endorse**	The Senior Services Workflow Programme
(5)	**Approve**	the delegation of approvals for CAPEX allocation, Go Live Request, and Project Closeout Report to the Business Steering Group
(6)	**Approve**	the governance arrangements for this project
(7)	**Approve**	commencement of the Seniors Workflow Programme Phase One project and estimated expenditure of $million and expected go live date of December 2011

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12 Document Control

12.1 Definitions and Acronyms

Acronym	Definition
Authentication	The process of a staff member reviewing and approving the actions taken by another staff member to process a work request.
Converga (Datamail)	A division of Datamail solutions which provides scanning and classification of documentation for other businesses
CMS	Cúram Client Management Solution (which will replace UCVII and SWIFTT)
COS	Cúram Online Services, used to provide online application form functionality via the internet
Digitisation	Use of an MFD (multifunction devices) at a local service office to create an electronic record which is stored in a digitisation EDRMS (Objective) and associated with a Curam client record. Due to be implemented in stages late 2010/early 2011.
DREW	Data, Rate and Entitlement wizard used to confirm entitlement
ECS	Electronic Correspondence System
EDRMS (Objective)	Electronic Document and Record Management System (using Objective software) currently available in National Office
Entitlement	The support and assistance a client is eligible for, and entitled to claim
IAP	Information Analysis Platform (data warehouse)
IT	Information Technology
ICT	Information and Communication Technology
LDAP	Lightweight Directory Access Protocol, the application which holds staff user names, passwords, and role information
MSD	Ministry of Social Development
SAL	Student Loans and Allowances, an application to manage student information, allowances and payments
SPS	Specialised Processing Services, centralised processing for overseas pensions and rest home subisdies
SSC	Seniors Support Centre, centralised mail and telephone processing
Seniors	Senior Services, a business unit within MSD, tasked with delivery of services to older citizens, veterans, clients in residential care, and some card services
SWIFTT	'Social Welfare Information for tomorrow today', the core benefit assessment and payment system for MSD
UCVII	Unified Client View Phase II, frontline staff application to view and check client data
V-retrieve,	The tool used to store and access information scanned and classified by Converga
Work	A request for action to be taken on a client account, which may include applications for or updates to entitlements, or personal information updates.

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12.2 Related Documents

Ref #	Document Title	Version	Link
1.	**Work Profile Analysis**		Seniors E3 ITWM Work Profile Analysis alias.obr
2.	**Vision**		Seniors_Workflow_Requirements Definition - Vision
3.	**Technical Options Considered**		Seniors E3 Workflow Solution (Strategic) - Major Tec
4.	**Cost and Effort Estimate**		Business Case Pricing Estimation Curam only post IBP
5.	**Project Plan**		Seniors Workflow CuramPhase I.obr
6.	**Concept Paper**		Concept Paper - Seniors Workflow and Workforce Ma

12.3 Distribution List

Name	Role	Function

12.4 Approvals

Name	Role
<Name>	**Sponsoring DCE, <Role>**
Signature and Date:	..../...../..... ***Obtain physical signature from approver and file***

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Name	Role
David Habershon	Chief Information Officer
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Nick Gale	Chief Financial Officer
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Graeme Carruthers	Deputy Chief Executive People Capability and Resources
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Peter Hughes	Chief Executive
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12.5 Document Details

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Appendix A: CAPEX Form

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Appendix B: Senior Services' changing client base

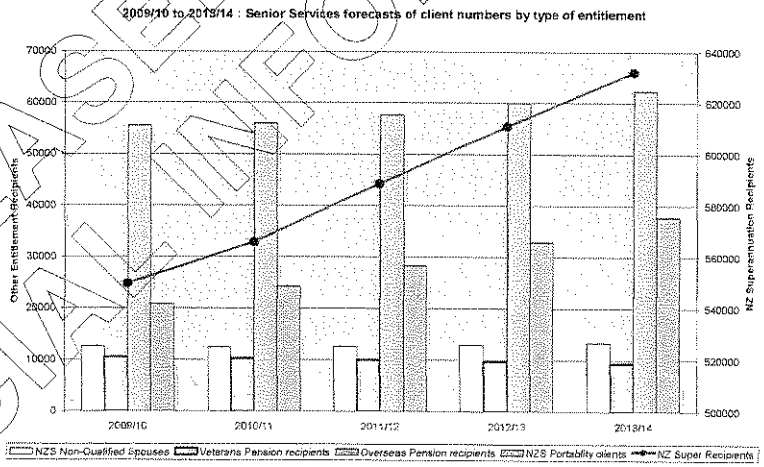
Over the next few decades the number of people aged 65, and notably 80 or over, will increase significantly[6], and the needs of the older population are also expected to become much more diverse.

The client base for Senior Services is large, and increasing in size and complexity. The majority of clients are NZ Superannuation recipients, with support and services also provided to veterans, people in residential care, recipients of overseas pensions, and NZ superannuation clients living overseas. Senior Services also administer Community Service Cards and Super Gold Cards.

Current forecasts show an expected increase for Senior Services in both the number of clients over 65, and the number of applications for entitlements and additional support.

There are two key drivers for the increase in workload for Senior Services:

1. **Increasing numbers of seniors** – Forecasts show more New Zealanders will reach the age of eligibility for NZ Super, and more of our seniors will live longer lives on average. This results in:
    - More applications – NZ Superannuation, additional support applications, and renewal volumes will increase as the client base increases. The majority of seniors clients, once enrolled, have infrequent contact with Senior Services for the first ten years – we need efficient and streamlined processes to manage this work.



    - Increasing support needs – As the population ages and family support networks likely decrease[7], a growing number of clients will require more intensive support, particularly those over 80. This level of support often involves a face-to-face interaction.

[6] Statistics NZ projects that the number of people aged 65+ will increase from around 500,000 in 2007 to 1.33 million in 2051. The biggest growth will occur between 2011 and 2037 as the baby-boomers turn 65. By 2051 25% of people aged 65+ will be over the age of 85.

[7] Refer to 'The Legacy of Past Childbearing Decisions' ISBN 978-0-478-35353-2 (online) published by Statistics New Zealand

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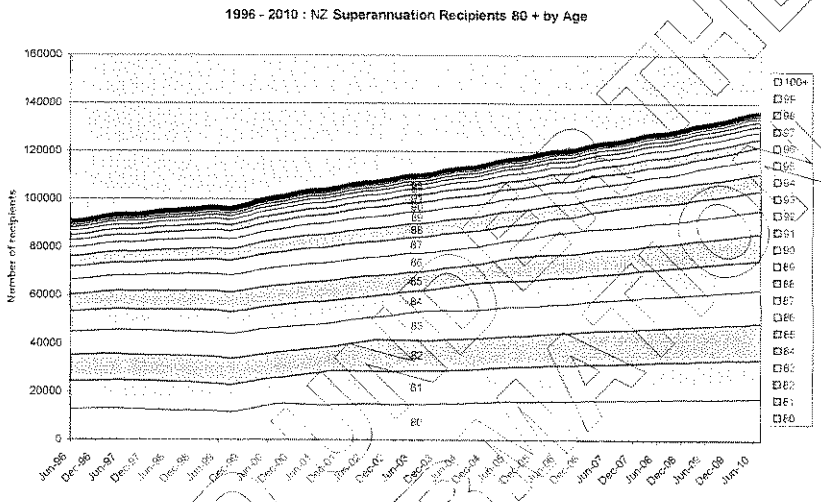
- Population health measures of life expectancy are based on "Independent life expectancy" (ILE), which is the number of years expected to be lived free of functional limitations requiring assistance. Trends from 1996 - 2006[8] indicate 65% of the increase in life expectancy was 'healthy' for women, and 72% for men. This means over that decade, an increase of 0.9 of a year for women, and 1 year for men, of life expectancy in poor health. This trend is likely to continue, as life expectancy increases. This will result in increasing numbers of clients needing care, support, and assistance for longer periods.



2. **Greater complexity of circumstances** – social changes over the last forty years in the ways people live and work, and manage their assets, will be reflected in our senior population going forward.

    - Immigration and Travel – The number of seniors with complex residency histories due to migration and/or working overseas turning 65 are expected to increase. These clients will require additional effort to assess eligibility, identify and administer potential overseas entitlements.
    - Complex finances – The number of clients who use asset and income management options such as family trusts, has been increasing, particularly for couples in pre-retirement years[9]. Assessing eligibility for additional income linked additional support, such as rest home subsidies, requires skilled review of the financial arrangements a client has made, and is time consuming.

In this environment of increasing numbers of new clients, increasing longevity and support needs of existing clients, and increasing complexity around eligibility assessments and granting of payments, Senior Services require tools that enable smart and effective management of their workload.

[8] Ministry of Health and Statistics New Zealand (2009). Longer life, better health? Trends in health expectancy in New Zealand 1996–2006. Wellington: Statistics New Zealand

[9] The number of trusts liable for income tax (qualifying trusts) increased from 1991 to 2004 from around 50,000 to around 170,000.Refer to 'Family trusts: ownership, size, and their impact on measures of wealth and home ownership' 2006, published by the Reserve Bank of New Zealand

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Appendix C: Senior Services Manual Data and Quality activities

Data Collection

Currently, to track work volumes, staff need to count items of work received, work on hand, and work on hold, and record this information in a spreadsheet.

This is then collated for the work group (e.g. site) within the business area, and sent to the operations analyst. The operations analyst then verifies and consolidates the data to obtain a view of work volumes within the business.

Quality Checking

Quality checking of work within Senior Services has two primary purposes:

- ARP checking – random sampling to ensure outputs are correct (rate, date, person and payment)
- Site Checking –all staff have 3-5 items of work reviewed to ensure full and correct entitlement has been identified and provisioned

For checking, once an action or request is selected for review, the staff member must find the client record, photocopy all the supporting documentation, and courier that documentation to Kordia House for the quality checking team to review.

Competency Development Checking

When new staff join Senior Services, all work they action is reviewed for the first few months until quality checking demonstrates the staff member is fully competent. There are two types of competency checking:

- New Staff – all work must be reviewed to ensure it meets standards, and that the staff member has all the competencies required. This usually lasts for 2-3 months
- New Competency – a staff member who has been trained in a new skill must have all work of that type checked to ensure it meets standards. This usually lasts for 1-2 months

All supporting documentation must be photocopied and couriered to the quality checking team for work to be reviewed.

In 2008/09, Senior Services hired 45 new staff within Local Services, Specialised Processing, and Support Services, and in 2009/10, 37 staff were hired.

We assume new staff need 8 weeks of full checking, and new competencies need 4 weeks of checking. For new staff, this would be sent daily. For staff with a new competency, this would be sent several times a week.

Senior Services have a lower rate of turnover than the Ministry as a whole, however the number of staff approaching retirement age is higher than usual in the Ministry, (e.g. Local Services has 64 staff over 60 years of age), and turnover is likely to increase as these staff chose to retire.

Productivity Reporting

Collecting and reporting on staff productivity requires significant time and effort from managers, as with manual distribution and processing of work, data is difficult to obtain.

Courier costs incurred in 2010 average $2,000 monthly for Senior Services, as a result of the need to courier documents between offices for quality and work distribution purposes.

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