

Title: Transforming the Services of the Office of the Public Guardian IA No: MOJ 155. Lead department or agency: Office of the Public Guardian Other departments or agencies: Ministry of Justice	Impact Assessment (IA)		
	Date: 08/05/2012		
	Stage: Consultation		
	Source of intervention: Domestic		
	Type of measure: Secondary legislation		
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Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
£m	£m	£m	No Out

What is the problem under consideration? Why is government intervention necessary? The Office of the Public Guardian (OPG) wishes to transform the way in which it delivers its services to customers in terms of the process for making and registering Lasting Powers of Attorney (LPA) and the supervision of deputies. The current IT system within the OPG is obsolescent and much of it is, in fact, out of support. As a result the OPG is losing a significant number of man hours per month due to computer down time (currently around 2000) and cannot adapt the computer system to deal with new ways of working. There are two options: either replace the computer system only or replace the computer system and add a digital front end. By providing digital channels to citizens, the OPG will improve customer service, enable business growth and reduce costs and fees from their current levels over time and it will also make the creation and registration of an LPA easier and more efficient. Government intervention is needed to reform the existing public service and provide citizen benefit. This also closely aligns to the Government's Digital by Default Strategy.

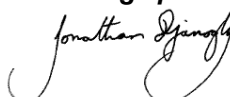
What are the policy objectives and the intended effects?
OPG's vision is to encourage everyone to prepare for a possible lack of mental capacity and to empower and safeguard those who lack mental capacity now. The policy objectives are to deliver excellent services to customers; to develop innovative ways of improving services; and to develop effective relationships with partner organisations in order to support delivery and increase the impact of the Mental Capacity Act. The intervention is intended to provide streamlined ways for customers (individuals, professionals, businesses) to engage with OPG so as to improve quality and speed and reduce cost. There will be a supported, staged transition to digital. The reforms should encourage individuals to plan ahead and result in less involvement by the Court of Protection.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base): We have considered the following options:

- Option 0: Do nothing. This option is not viable, as the existing and ageing IT system carries significant risk of critical system failure and no customer or business improvements could be made.
- Option 1: Replace the legacy IT system only. This would address the risks associated with retaining the legacy IT system but would not deliver any customer or the vast majority of the business improvements.
- Option 2: Implement a digital service model. This is the preferred option, as it will deliver improvements for the customer in terms of speed, ease of use and cost. It will be delivered in a staged approach with this consultation and associated policy forming Stage 1. Stage 2 will require primary legislation to deliver and the timescale for delivery of this stage is therefore longer. This is in line with the Ministry of Justice Transforming Justice Programme and Government's commitment to Digital by Default services

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 04/2015					
Does implementation go beyond minimum EU requirements?				YES	
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro N/A	< 20 N/A	Small N/A	Medium N/A	Large N/A
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: NQ	Non-traded: NQ	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.



Signed by the responsible SELECT SIGNATORY: _____ Date: 04/07/12

Summary: Analysis & Evidence

Policy Option 0

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year 2012/2012	PV Base Year 2012/2012	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	2.9	0.6	7.5

Description and scale of key monetised costs by 'main affected groups'

Monetised costs of do nothing consist of the annual running costs and the additional costs over and above that for the work necessary to keep the system working, as changes have to be made and work done just in order to keep it working day to day over and above any annual service charges.

Other key non-monetised costs by 'main affected groups'

Non-monetised costs include opportunity costs for the OPG during the transformation. There should be no non-monetised/ intangible costs for customers or business in complying with the reform.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0	0	0

Description and scale of key monetised benefits by 'main affected groups'

There will be no benefits from the do nothing solution. The OPG will continue to lose man hours due to computer down time and the customer will still be faced with a purely paper based solution

Other key non-monetised benefits by 'main affected groups'

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
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BUSINESS ASSESSMENT (Option 0)

Direct impact on business (Equivalent Annual) £m:	In scope of OIOO?	Measure qualifies as
Costs:	NO	OUT
Benefits:		
Net:		

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
2019/2019	2019/2019	10	Low: -3.3	High: -4.3	Best Estimate: -3.8

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	7.3	0.4	10

Description and scale of key monetised costs by 'main affected groups'

Monetised costs of implementing the reform include one-off programme costs, one-off organisational change costs, ongoing supplier charges. Decisions on whether OPG will acquire capital assets (eg IT) or services affects this. Reform places no financial burden on customers or businesses. The cost of delivery would be met from the current revenues generated by fee income.

Other key non-monetised costs by 'main affected groups'

Non-monetised costs include opportunity costs for the OPG during the transformation. There should be no non-monetised/ intangible costs for customers or business in complying with the reform

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0.5	0.8	6.2

Description and scale of key monetised benefits by 'main affected groups'

The benefits for the OPG are around reduced spend on maintaining the current IT system, reduced level of man hours lost through IT downtime and more stability to enable the organisation to deal with increasing workloads. This could lead to reduced fees but the savings will be less than from a digital service and, hence, any fee reduction is likely to be lower. However, the processes will remain paper based so limited time savings (other than those saved through current down time) will accrue. There will not be any benefits to the citizen as they will need to continue to fill in the same forms that they currently do as we would not be looking to change any of the existing forms at the same time. As the OPG will still be receiving paper copies of all LPAs a greater scanning capability will need to be retained and more staff will also be needed to register an LPA.

Other key non-monetised benefits by 'main affected groups'

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

The key assumption is that any new computer system will be able to deal with increasing workloads over time and will be flexible enough to deal with any changes to the process in the future. The fact that the IT system will not be able to do one or both of these is also a considerable risk for the future

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs:	Benefits:	Net:	NO	OUT

Summary: Analysis & Evidence

Policy Option 2

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year 2019/2019	PV Base Year 2019/2019	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 2.9	High: 18.4	Best Estimate: 12.8

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	7.9	0.2	9.4
High	15.8	0.6	18.9
Best Estimate	11.8	0.4	14.6

Description and scale of key monetised costs by ‘main affected groups’ Monetised costs of implementing the reform include one-off programme costs, one-off organisational change costs, ongoing supplier charges. Decisions on whether OPG will acquire capital assets (eg IT) or services affects this. Reform places no financial burden on customers or businesses. It will also potentially reduce the numbers of citizens obliged to go through the Court of Protection, with the attendant cost and complexity; that also delivers savings to the justice system. ‘Affected groups’ is likely to include G-Cloud suppliers, at least in detailed options discussion. OPG is consulting on how changes and costs affecting professional stakeholders (eg around their legacy systems) can be minimised. Possible partnerships eg with 3rd sector organisations, may come at a charge to OPG to meet their resource costs. The costs of the programme will be met from the current increase in fee levels.

Other key non-monetised costs by ‘main affected groups’

Non-monetised costs include opportunity costs for the OPG during the transformation. There should be no non-monetised/ intangible costs for customers or business in complying with the reform.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0.7	Optional	Optional
High	2.7	Optional	Optional
Best Estimate	2.3	3.4	27.4

Description and scale of key monetised benefits by ‘main affected groups’ Monetised benefits are primarily the reduction in administration costs flowing from the quick and rapid capture of data from customers, removing the need for manual intervention. There are also possible estate savings. These lower costs will translate into reduced fees charged to customers. There will be less pressure on the justice system (Court of Protection) – although these costs have not been quantified for the purposes of this IA and any savings that may accrue would therefore be above and beyond the monetised benefits outlined in his section. Other benefits include lower IT running & upgrade costs. There will be environmental savings from significant reductions in printing. For the citizen the key monetised benefits are a reduction in fees and an reduction in error rates leading to less need to resubmit LPAs and pay an additional fee.

Other key non-monetised benefits by ‘main affected groups’ Increased numbers of citizens protected, especially the vulnerable. Improved customer experience – quicker, easier, with more guidance available. Ability to update guidance quickly. Online payments. Removal of the ‘burning platform’ IT risk. Robust and scaleable business system to accommodate increasing workloads. Better customer intelligence data, so services can be matched to needs & demand. Motivated, flexible workforce.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
The risks around costs have been mitigated by working in closely with MOJ ICT to understand the costs of the IT elements are currently being further tested with potential suppliers. Development of the web element is in partnership with the Government Digital Service, taking an agile approach, so as to maximise the delivered requirement and ensure there is tight control of cost. Risks exist around the rate of take-up of the digital channels – a slower rate would not impact the value to the customer of providing the channels but it would impact the financial business case; however, the most pessimistic assumption about customer behaviour still makes economic sense.		

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs:	Benefits:	Net:	NO	OUT

Evidence Base (for summary sheets)

Annual profile of monetised costs and benefits* - (£m) constant prices

Option 0

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs	2.9									
Annual recurring cost		0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4
Total annual costs	2.9	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4
Transition benefits	0	0	0	0	0	0	0	0	0	0
Annual recurring benefits	0	0	0	0	0	0	0	0	0	0
Total annual benefits	0	0	0	0	0	0	0	0	0	0

Option 1

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs	3.9	3.0								
Annual recurring cost			0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3
Total annual costs	3.9	3.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3
Transition benefits	0	0	0.5							
Annual recurring benefits				0.8	0.9	0.9	0.8	0.8	0.8	0.8
Total annual benefits	0	0	0.5	0.8	0.9	0.9	0.8	0.8	0.8	0.8

* For non-monetised benefits please see summary pages and main evidence base section

Option 2

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs	6.3	4.1	1.4							
Annual recurring cost				0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total annual costs	6.3	4.1	1.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Transition benefits	0	0.4	1.9							
Annual recurring benefits				2.5	3.0	3.5	3.9	4.0	4.1	4.1
Total annual benefits	0	0.4	1.9	2.5	3.0	3.5	3.9	4.0	4.1	4.1

* For non-monetised benefits please see summary pages and main evidence base section

1. Introduction

This Impact Assessment forms part of the consultation into the digitalisation of services provided by the Office of the Public Guardian (OPG). The OPG provides three main services, the registration of Lasting Powers of Attorney (LPA) and Enduring Powers of Attorney (EPAs, which were replaced by LPAs in October 2007), the supervision of deputies appointed by the Court of Protection and maintaining the Registers of LPAs, EPAs and Deputies.

Lasting Powers of Attorney and Enduring Powers of Attorney. In order to be used an LPA, or an EPA once the donor has lost capacity, must be registered with the OPG. Since 2007, the OPG has witnessed a year on year increase in the number of applications to register LPAs and EPAs (Table 1).

Table 1: LPA/EPA registrations

Year	LPA and EPA Applications	Monthly Average
2007/2008 (6 months)	20,225	3,370
2008/2009	79,867	6,655
2009/2010	126,159	10,513
2010/2011	190,638	15,887
2011/2012	197,701	16,475

Supervision of Deputies. The OPG is responsible for the supervision of Court-Appointed Deputies. Part of the supervisory process includes receiving reports from deputies on how they have carried out their responsibilities. Currently, the reports are heavily paper based and have to be posted into the OPG. OPG wish to move to a process whereby the reports can be submitted online.

Vision for the Future

OPG's vision is to encourage everyone to prepare for a possible lack of mental capacity and to empower and safeguard those who lack mental capacity now. The current system with complex forms and guidance and the perceived need to engage legal advice can be seen as off putting to many people and hence they do not always prepare for the future in the most effective way. The policy objectives are to deliver excellent services to customers; to develop innovative ways of improving services; and to develop effective relationships with partner organisations in order to support delivery and increase the impact of the Mental Capacity Act.

OPG wishes to transform the way in which it delivers its services to customers in terms of the process for making and registering LPAs and the supervision of deputies. By providing digital channels to citizens, the OPG will improve customer service, enable business growth and reduce costs and thereby fees from their current levels over time. This closely aligns to the Government's Digital by Default Strategy which sees the use of digital technologies to drive the delivery of efficient, cost-effective public services responsive to the needs of the citizen and business. Government intervention is needed to reform the existing public service and citizen benefit will not otherwise be provided.

The intervention is intended to provide streamlined ways for customers (individuals, professionals, businesses) to engage with OPG so as to improve quality and speed and reduce cost. There will be a supported, staged transition to digital. The reforms should encourage individuals to plan ahead and result in less involvement by the Court of Protection.

This is in line with the Ministry of Justice's Transforming Justice Programme and the government's Digital by Default strategy. There has been considerable engagement and testing with customer groups ahead of the formal consultation proposed now.

Problem under consideration

Table 1 (above) illustrates the demand for LPAs. This has grown due to increased awareness of LPAs from media and press coverage and an increasingly aged population. OPG's existing IT systems are unreliable and at risk of critical failure and currently result in a loss of approximately 2000 man hours per month. New processes coupled with investment in an end-to-end digital service is needed in order to maintain and improve current processing times, improve levels of customer service and increase the capacity and flexibility to deal with higher volumes of applications in the future.

Rationale

The Government is intervening to improve efficiency in the OPG, provide better customer service and allow OPG to cope with increasing case volumes. The current computer system is unreliable and the OPG is losing on average around 2000 man hours per month. This means that the organisation finds it difficult to deal with increasing

workloads and means that applicants have to wait longer for their LPAs to be registered, often at a time when they need to be able to use them as soon as possible. This can, in some cases, mean that people have to apply to the Court of Protection for a judgment instead.

The current system is also heavily paper based with forms that are perceived as complex and often off putting levels of guidance. As a result, people often put off preparing for the future until a time when it is essential or in some cases unfortunately too late.

The digital service would allow easier interactions between the OPG and the customer and also with tailored guidance available at the point at which it is needed when filling in the form, and the whole process should appear less daunting. It is also envisaged that with a digital approach it should be easier to encourage people to prepare for the future at an earlier age, and the fact that the computer system has been replaced will enable the OPG to do far more marketing of our services. At the moment we are unable to do this as the current IT system cannot cope with current workloads let alone any increase through marketing.

Affected stakeholder groups

These changes will primarily affect (benefit) private individual users of the OPG. There may be greater involvement of partners eg 3rd sector in the service delivery. There may be some impact on solicitors and legal advisors should the availability of online services reduce the number of people seeking legal advice in completing LPAs. There is, however, no obligation for anyone to engage with a solicitor or a legal adviser in order to make an LPA under the current system so there is no way of quantifying what impact a digital service or the use of 3rd parties may have in this area. We will be approaching key stakeholder groups within the legal profession as part of this consultation.

Description of Options

This Impact Assessment focuses on two options

- Option 0 : “Do nothing”/ Base Case
- Option 1: Replacement of the IT System
- Option 2 : Digitalisation of services
 - Enable individuals to complete their LPAs online, accessing guidance
 - Enable individuals to submit the LPA or EPA for registration to the OPG via electronic means, paying fees online
 - Allow Deputies to record transactions in real time and submit their annual reports to the OPG via electronic means

Option 0 - Do Nothing/ Do Minimum

This does nothing to address the significant business risk of the ageing, unreliable IT platform which has no scalability scope. Without the development of the digitalisation of services to enable customers to access OPG services online, the OPG cannot reduce organisational costs which result from the heavy paper based manual processes. It cannot provide customers with greater service choice and cannot meet strategic requirements to provide services digitally.

The costs and benefits of do the do nothing/ do minimum option are not low cost as we have to continue to keep the current system running and try to make updates where and when possible to address business needs but it has zero benefit.

Option 1: Replacement of the IT System

Under this option the OPG would replace the existing systems with a new core system which supports five of the OPG's six business functions but there would be no digital enabled services offered to customers. This would mean that the customer would still have to fill in multiple paper forms with all the risks that that entails in relation to incorrect transcription of data and the greater opportunity to make mistakes. If they cannot be corrected simply it means that the customer may need to resubmit the LPA and pay an additional fee. The OPG would also still have to scan and check all the data, as a direct feed from an electronic front end would not be available. Savings in productivity would occur due to the improved reliability of the system and the consequent reduction in down time but these would not be as great as they would be for a digital service as outlined above.

Option 2: Digitalisation of services

As a result of improving and developing its IT systems the OPG will be in a position to take a further step and digitalise their services. This includes online data capture and validation in relation to LPAs, online payments and in the long term identity assured customers and the use of digital signatures. This will allow the OPG to provide excellent customer service, grow its business in line with anticipated demand, move away from the current heavily manual process and provide customers with greater service choice. The single entry of data through a digital interface will also aid the customer by cutting down the errors caused by the current need to enter the same data multiple times across multiple forms. The majority of these business savings and significant improvements for the customer can be delivered in stage 1 (the basis of this consultation) but the remainder of the business benefits and the additional non-monetised benefits to the customer could only be delivered through stage 2. As stage 2 requires primary legislation, the timescales for delivery are therefore longer.

Stage 1 will allow the customer to fill in the LPA forms on line, but they will still need to print off a copy and sign and send to the OPG. However, data that is currently entered in multiple places on multiple forms will only need to be entered once – cutting down both time and opportunity for error on behalf of the person filling in the form. Although the OPG will still need to receive a paper copy (as wet signatures are still necessary) there will also be a direct electronic feed of the entered data to the OPG system, This will significantly reduce the amount of scanning and checking of data that the OPG currently has to undertake. Stage 1 will also give deputies the opportunity to interact with the OPG in a more digital fashion such as the ability to submit annual reports on line.

Stage 2 (which requires primary legislation) will allow the LPA to be submitted fully digitally without the need for any wet signatures or any paper to be received by the OPG.

This option also ensures that the OPG delivers on a key government commitment to deliver all Government services digitally. To replace the IT and not ensure that it delivers on key commitments would not make the full use of the opportunity to deliver the highest level of benefits to the most people.

Initial time savings analysis has identified savings in the range of 11,700 Man Days based on a take up of 30% online submission to 23,600 Man Days based on 80% take up of online submissions.

Based on the evidence in the following sections, this proposal is assumed not to have any direct impact on business or the third sector and thus it is considered out of scope the current One-in, One-out'.

Cost and Benefits

The table below summarises the costs and benefits for each of the 3 options¹.

Table 2

	Economic Analysis (2012/13 prices)		
Option	Total Costs £m (Present Value)	Total Benefits £m (Present Value)	NPV £m)
Option 0: Do Minimum	7.5	0.0	-7.5
Option 1: Replace Core System	10.0	6.2	-3.8
Option 2: Replace Core System and include digital services	14.6	27.4	12.8

The following assumptions have been made with respect to volume growth.

LPA's Volume Growth

Baseline Volumes (2011)	Go Live + 1 year	Go Live + 2 years	Go Live + 3 years	Go Live + 4 years	Go Live + 5 years
0%	16%	32%	47%	57%	67%
209,607	243,144	276,681	308,122	329,083	350,044

Deputyships Volume Growth

Baseline Volumes (2011)	Go Live + 1 year	Go Live + 2 years	Go Live + 3 years	Go Live + 4 years	Go Live + 5 years
0%	21%	34%	47%	57%	67%
39,545	47,849	52,990	58,131	62,086	66,040

The costs of options 1 and 2 are to be funded from the fee increases that were put in place in October 2011 for the period of 2 years.

Base Case / Option 0

Under the do nothing/ Do minimum, case there would be no strategic system replacement and no strategic development. Existing systems would continue to degrade and would not support the business, resulting in lost man days and poor service to customers. The OPG would not be able to deliver an on line service to customers as envisaged under 'Digital by Default'

Cost estimates for the Do Minimum option are based upon the current contractual operating costs and the estimated costs for the essential maintenance to stabilise the existing system. These are estimated at **£2.45m** total programme costs to stabilise the existing system and annual running costs of **£0.6m**.

Because the do-nothing option is compared against itself its costs and benefits are necessarily zero, as is its Net Present Value (NPV)."

¹ For the NPV analysis expected Programme costs have been used and for the Economic Analysis, the incremental costs over and above the do minimum baseline are considered.

Option 1

Under Option 1 the OPG would just replace its current IT systems.

Costs of Option 1

Cost estimates for the replacement of the core system functionality are based upon estimates from MOJ ICT and external consultants. Costs include the solution costs, programme team, business improvement and change costs and termination costs. Optimism bias of 20% has been included. These costs are given in Table 2 above

Benefits of Option 1

Replacing the case management system will eliminate the existing risk associated with the current systems. Coupled with updating the scanning solution, there are time savings to be had by reducing elements of current manual work and automating data validation, standard repeatable supervision activities and letter generation and signing generally.

There will be no benefits for the citizen under this option as they will still need to fill in paper based forms and will still need to enter data multiple times in multiple places – meaning that transcription errors will continue to occur. If this leads to a mistake that cannot be rectified it will also lead to additional cost via a resubmission fee for the LPA. So for an expected cost of £10m, this option would give benefits of £6.2m and hence have a negative NPV.

Option 2

Under Option 2 the OPG would replace its existing IT with a new core system, which would be capable of allowing the OPG to offer online service to customers

Costs of Option 2

Cost estimates for the replacement of the IT core system functionality and delivery of line services are based upon estimates from Ministry of Justice ICT and external consultants. Programme cost estimates include the solution costs, entire programme team, business improvement and change costs and termination costs. Cost estimates will vary depending upon the procurement route and have been estimated as a range. Optimism bias of 20% has been included... The costs of option 2 are given in Table 2 above.

Benefits of Option 2

With the move to online services the OPG's long term aim, post 2015 is that the making and registration of Lasting Powers of Attorney will be a completely digital service including the use of digital signatures. This, however, requires primary legislation. However, the stage of the programme to which this consultation relates will allow significant benefits to accrue to the OPG from 2013 onwards through the reduction in scanning and checking necessary. The benefits of the fully digital service will take longer to realise.

Predicted take up rates of Online submissions year on year as a percentage of total submissions are as follows. Predictions are based on Lasting Power of Attorney "typed" applications currently being submitted.

- Year 1 20%
- Year 2 40%
- Year 3 50%
- Year 4 60%
- Year 5 70%
- Year 6 80%

The most significant cashable benefits are in the form of Time Savings to be realised by the elimination of currently labour intensive manual work in the processing of LPA applications (currently in the region of 209,000 submissions per year and predicted to grow by up to 32% over the coming 3 years).

For an expected spend of just under £15m this option would realise benefits of £27.4m with a positive NPV of £12.8m. So for an additional £5m spend over and above option 1 it would realise an additional £21m in benefits over the life time of the programme.

Benefits to the Customer

Providing on line services will provide the following benefits to OPG customers

- Easy access to information regarding how to apply for an LPA online
- Flexibility - ability to complete the LPA application at their pace
- Easy payment of fees via the on line facility
- Reduced fees in the future

Organisational Benefits

The digitalisation of OPG's business systems and process will drive a cultural change within the organisation. The following benefits have been identified:-

- Staff with a wider range of skills
- Organisational flexibility to deploy staff according to business priorities
- Updated and improved staff recruitment, training and development processes
- Staff actively engaged in continuous improvement processes
- Staff making decisions about customer service issues and solving problems
- A credible and well utilised reward and recognition scheme
- Improved engagement levels
- Staff competent at delivering services through the digital medium

Net Impact of Option 2

This section demonstrates the robustness of the Economic case for the changes to IT and the digitalisation of services, by looking at the sensitivity of the NPV to key drivers of costs and benefits. The drivers tested are:

- **Initial set-up and ongoing costs** – Cost estimates are underpinned by assumptions and optimism bias is included. Until bidder costs are received, there remains uncertainty in initial estimates. To illustrate the impact of higher costs across the range of estimates, a sensitivity analysis has been performed to show the impact of a 20% increase to all initial set-up and ongoing operating costs.
- **Level of benefits realised** – Conservative assumptions have been made to the level of benefits expected from the project. A reduction in benefits accessible to the project is tested.
- **Timing of benefits realisation** – Conservative assumptions have been made to the timing of expected benefits. A number of factors could potentially delay benefits (e.g. slower than expected solution delivery). A delay in benefits realisation to the project is tested.
- **Online take-up** – Assumptions have been made to the take-up of online submissions. A gradual ramp-up to 80% is assumed for the basecase. A case where percentage of online submissions only reaches 60% is tested.
- **Timing of delivery** – Delivery delays could adversely impact the realisation of benefits. As a proxy, the timing of benefits realisation has been used.
- **Volumes** – Assumptions have been made to the expected product volumes for OPG. Work is ongoing to refine these estimates. To illustrate the impact of lower than expected volumes, a sensitivity analysis has been conducted where volumes remain at 2011/12 levels. This case is considered unlikely and previous experience has shown that there is growing demand for OPG products.

Worst case – To test the impact on the NPV, a worst case is tested in which costs are higher than expected, benefits lower and later than expected and volumes remain at 2011/12 levels. This case is considered extremely unlikely

Sensitivity Analysis for Option 2

			Pessimistic	Expected	Optimistic
Risk Tested	Description of Risk	Change variable in	NPV £m	NPV £m	NPV £m
Base case	Base case	Base case	29	12.8	18.4
Costs	Set-up and ongoing Higher Costs than Expected	20%	-2.3	8.5	15.1

Benefits	Benefits lower than expected	-20%	-1.6	7.3	12.8
	Benefits later than expected	Realisation delayed 1 year used as a proxy	-1.7	7.8	13.4
	Take up of on line submissions	Maximum take-up 60%	0.3	9.2	14.8
Delivery	Delivery later than expected	Benefits realisation delayed 1 year used as proxy	-1.7	7.8	13.4
Volume	No growth in volumes	Flat-lined at 2011/12 volumes	-4.8	2.8	8.5
Worst case*	Costs higher than expected, Benefits lower and later than expected	Costs +20%, Benefits - 20% Benefits +1 year, Volumes flat, Max60% move to online	-15.9	-8.3	-1.7

* The worst case NPV represents the total impact of all risks occurring. The table is not cumulative but is a discrete measure of each individual effect

These sensitivity tests have shown that for the expected and optimistic range of estimates, the economic case is robust, with a positive NPV being returned in all but the worst case. For pessimistic estimates, the sensitivity analysis demonstrates the NPV is at risk if further adverse risks occur, however the already pessimistic estimates make this unlikely.

Summary of Options

From a benefits point of view Option 2 delivers the most extensive range of benefits

Benefit	Option 0	Option 1	Option 2
Time savings	√	√	√
Citizen benefits	x	x	√
Organisational Development	x	x	√

2. Specific Impact Tests

Competition Assessment

We do not envisage any impact on competition. The proposals will not directly or indirectly limit the number or range of suppliers (or providers), they will not limit the ability of suppliers to compete or limit suppliers' incentives to compete vigorously.

Small Firms Impact Test

Law firms and legal professionals who advise private individuals on LPAs/EPAs may see a reduction in business over time following the online facilities going live and individuals choose not to seek legal assistance in completing the LPA forms and submitting them for registration. Evidence is that this work is marginal for almost all law firms.

Carbon Assessment and Environmental Assessment

The online proposal will, over time, reduce the amount of printing related to LPAs and Deputyships. On 2011/12 volumes (around 200,000 LPAs, and the trend is upward), this could at best case be 3 million pages.

Other Environment

Not relevant.

Health Impact Assessment

The proposals will have a beneficial impact on health protection and preparedness.

Human Rights

The policy is compliant with the Human Rights Act.

Justice Impact Test

The beneficial impact on the Justice System (reduced case pressure on the Court of Protection) has been assessed as part of the options analysis.

Rural proofing

The reforms do not require any change in the position of individuals or businesses in rural communities.

Sustainable Development

The proposals ensure that the OPG continues to run in a sustainable manner. Digitalisation of services will ensure that the OPG can continue to meet demands for the registration of LPAs and provide the OPG with a faster method of delivering their supervisory role to deputies

Equalities Impact Assessment (EIA)

An Equalities Impact Assessment has been completed and is attached at Annex A.

Annex A: Equality Impact Assessment Initial Screening Relevance to Equality Duties

1. Name of the proposed new or changed legislation, policy, strategy, project or service being assessed.

Consultation on 'Transforming the Services of the Office of the Public Guardian': The Office of the Public Guardian (OPG) wishes to transform the way in which it delivers its services to customers in terms of the process for making and registering Lasting Powers of Attorney (LPA) and the supervision of deputies. By providing digital channels to citizens, the OPG will improve customer service, enable business growth and reduce costs and thereby fees from their current levels over time. This closely aligns to the Government's Digital by Default Strategy which sees the use of digital technologies to drive the delivery of efficient, cost-effective public services responsive to the needs of the citizen and business. Government intervention is needed to reform the existing public service and citizen benefit will not otherwise be provided.

2. Individual Officer(s) & unit responsible for completing the Equality Impact Assessment.

Jayne Bowman, Public Law and Mental Capacity Act Policy Lead, Ministry of Justice

3. What is the main aim or purpose of the proposed new or changed legislation, policy, strategy, project or service and what are the intended outcomes?

Aims/objectives	Outcomes
<ul style="list-style-type: none"> • Enable the OPG to better handle an increasing volume of LPA applications, particularly in the context of an ageing population. • To meet the needs of a wider demographic and encourage greater take-up of LPAs across all age groups. • Reduce the number of paper based applications through e-enablement of services. • Replacement of the OPG's current IT platform, in line with World Wide Web Consortium (W3C) AA web standards, Ministry of Justice (MOJ) Accessibility standards, the MoJ Transforming Justice Programme and Government's vision for service delivery to be 'Digital by Default'. • Develop process for online LPA form completion and application to register. • Develop process for online submission of Deputy report forms. • To identify any adverse Equality Impacts. • To create an online register of LPAs to facilitate 24x7 access to critical information for basic information, ensuring the existence of an LPA or deputyship can be quickly confirmed in urgent situation 	<ul style="list-style-type: none"> • A reduction in the number of errors on LPA forms, enabling the OPG to register LPAs faster and providing customers with greater service choice and a reduction in LPAs returned to customers, which will reduce the potential impact of delays in registering when there is a finite time for a customer to get an LPA sorted before capacity is lost. • A continued increase in LPA volumes resulting in less Government intervention through applications to the Court of Protection. • Improvement in mechanisms for building knowledge of customers and their needs and using that knowledge to proactively deliver better customer services. • Reduction in (staff) time spent on manual inputting activities. Could also lead to reductions in operational costs. • In the longer-term, could also lead to a reduction in fees for OPG services. • The mitigation of any adverse Equality Impacts where appropriate. • A reduction in the amount of duplicate information a customer is required to provide to register an LPA, reducing the time and complexity a customer faces in completing the process. • Faster, secure access to a donor's wishes, as and when required, by people who have to act upon them. • Less time-consuming processes for Deputies in fulfilling their obligations to report on how they

	<p>execute their role</p> <ul style="list-style-type: none"> • Provision of online guidance for Deputies.
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4. What existing sources of information will you use to help you identify the likely equality impacts on different groups of people?

(For example statistics, survey results, complaints analysis, consultation documents, customer feedback, existing briefings, submissions or business reports, comparative policies from external sources and other Government Departments).

Demand for OPGs LPA service has continued to grow, due to increased awareness of LPAs, media and press coverage, and an increasingly aged population. New processes, coupled with increased investment in infrastructure, are needed to maintain and improve current processing times, improve levels of customer service and increase the capacity and flexibility to deal with higher volumes of applications in the future. The creation of a digital service will enable the OPG to ensure it has sufficient capacity and flexibility to deal with high volumes of work whilst also radically transforming the customer experience across the whole range of OPG services including the registration of LPAs and EPAs, and the supervision of deputies. A digital service offers greater choice across the whole population, and may encourage much younger audience groups who are not currently engaged.

There is limited information available on OPG's client base, but we do know, by virtue of clients covered by the Mental Capacity Act, that the vast majority of clients are likely to have some form of disability. However, some conclusions can also be drawn from available data and recent research carried out by the OPG on the age groupings of our clients / customers and the apparent 'availability' of IT to these individuals in order to determine what impact might occur from introducing a digital solution.

Although evidence is limited, it is consistent with messages from staff and stakeholders and indicates that:

LPAs:

- 94% of those making them are over 60 (with 45% over 80), and;
- 80% of all the manually received LPAs are completed non-manually and those completing them are likely to have some form of electronic access, or support.

Court appointed Deputies:

- Around 70% of Deputies (subject to OPG supervision regimes) are over 55 years of age, and;
- A recent OPG survey found around a quarter of deputies use OPGs website to assist them in their role (at the time of the survey).

These figures indicate that there is potential for some protected groups to be impacted by the project. In mitigation, current assumptions are that a paper based service will be retained and radically simplified. In addition, the OPG is working closely with the Government Digital Service (GDS) in Cabinet Office to develop options for assisted digital methods to support those customers for whom digital is not their natural preferred channel (see below).

5. Are there gaps in information that make it difficult or impossible to form an opinion on how your proposals might affect different groups of people? If so what are the gaps in the information and how and when do you plan to collect additional information?

Note this information will help you to identify potential equality stakeholders and specific issues that affect them - essential information if you are planning to consult as you can raise specific issues with particular groups as part of the consultation process. EIAs often pause at this stage while additional information is obtained.

With only limited customer demographic data currently available, further work is required to determine the extent to which any of the protected groups may be affected. During the consultation process, and as the work developing the digital channels progresses, the OPG will be gathering further data and refining the Equality

Impact Assessment in the light of the evidence gained. OPG is also working in partnership with GDS who are leading Government work on 'assisted digital' strategies and how best to support those individuals who currently lack access to digital services. As this work develops the evidence gained will also be used to inform further iterations of the EIA.

Current evidence suggests there are an estimated 8.12 million adults in the UK who have never used the internet, which represents 16.1% of the UK population. Many of these are among the more vulnerable and disadvantaged in our society including:

- 6.9% of those earning less than £10,400 per annum
- 72.5% of those aged over 75
- 34.6% of those who are disabled

Whilst it is anticipated that a move to digital will have minimal impact on our current customer base, in order for OPG to expand services, particularly to the more vulnerable in society, we will have to mitigate our move to digital delivery by scoping options for assisted digital and finding ways to make the use of the digital channel as widely accessible as possible.

Assisted digital is a key part of the digital by default approach to transactional service delivery. Assisted digital will provide services for people who can't ever use digital channels or who could use digital channels but currently face barriers to doing so. It will involve providing assistance for people to use digital channels and providing alternative channels where necessary. Alternative channels may be trusted third parties or intermediaries, face to face services, telephone or other channels. The approach to assisted digital will be based on the needs of service users.

For those customers making a paper based LPA, the transformation programme will also be ensuring the LPA forms are as simple and accessible to complete as possible and so the user experience for those not adopting the digital channel will still be of a simpler, less complex and more user-friendly process.

Alongside the development of the digital and paper based channels the transformation programme will include the development of accessible communications/ guidance regarding digitalisation of LPA applications and paper-based alternatives

As outlined above, this EIA is a living document which will be updated in line with the development of the project and the responses received to the consultation.

6. Having analysed the initial and additional sources of information including feedback from consultation, is there any evidence that the proposed changes will have a **positive impact** on any of these different groups of people and/or promote equality of opportunity?

Please provide details of which benefits from the positive impacts and the evidence and analysis used to identify them.

A significant benefit derived from creating a digital LPA will be the automatic correction or 'flagging' of potential mistakes that, if they were to be included in the form submitted to the OPG for registration, may render the power invalid. Currently, even relatively simple errors can result in an LPA needing to be rejected as invalid and a fresh application with an additional fee is then required. Even where mistakes can be rectified, registration may be delayed or even rendered impossible if the donor of the power has lost capacity in the interim. In addition, an attorney may find that the power is unusable if the errors are not sufficient to reject it but that 3rd parties will not accept it. Many of these pitfalls would be avoided as a result of the automatic correction of mistakes built into the digital LPA.

Based on the early evidence cited (at Q.4) and our initial Impact Assessment analysis, it is believed that the introduction of digital services will significantly reduce the processing times within a number of OPG's core work areas. In time, this will lead to an improved service to all OPGs customers. Additionally, it is expected that the programme will lead to efficiency savings that could result in lower costs to customers; for instance, as Digital LPAs would require minimal processing compared to paper-based models, this allows the possibility of offering differential fees to reflect the difference in processing costs at the OPG between paper based and digital applications.

Although many of the benefits will apply specifically to digital LPAs, the improvements generally in efficiencies in processing and the introduction of simplified paper forms for those still using non-digital channels, will mean that

some benefits should accrue to all users not just those using digital channels. Improvements to back office systems as a result of digital transformation will enhance this further.

7. Is there any feedback or evidence that additional work could be done to promote equality of opportunity?

If the answer is yes, please provide details of whether or not you plan to undertake this work. If not, please say why.

In order for us to promote further equality of opportunity and to assist the OPG in further understanding the demographic of our customers, the digital system will also include an online equality questionnaire.

However it is likely that such an option will be integrated within the digital LPA, as this will advance OPG's understanding of its customer base with minimal disruption and inconvenience to the customer. Once the digital LPA is launched, the data that is collected will then be used to improve services and support greater equality of opportunity.

The iterative approach to building the digital service will involve significant and continued user testing with people who represent users of OPG and wider Government services. This user testing will continue beyond the development stage and into live running to ensure that continued improvements are made to the digital service.

Our consultation paper asks respondents to provide any relevant equality data that they may be aware of, or to suggest any potential equality impacts that have not been identified in this assessment.

8. Is there any evidence that proposed changes will have **an adverse equality impact** on any of these different groups of people?

Please provide details of who the proposals affect, what the adverse impacts are and the evidence and analysis used to identify them.

Early evidence does not indicate that any significant adverse equality impacts will occur as a result of the introduction of an OPG digital service. Moreover, it should be remembered that current assumptions are that a paper based application route will remain for those who choose to use it, with processing times also likely to improve through this route with staff resources and capability having been freed-up and refocused in line with the introduction of digitised services.

9. Is there any evidence that the proposed changes have **no equality impacts**?

Please provide details of the evidence and analysis used to reach the conclusion that the proposed changes have no impact on any of these different groups of people.

Digital transformation is developing a new and more accessible digital service to generate LPA instruments. Using an agile methodology, the project is building this product iteratively with extensive user testing factored in at each stage. Out of this design process will also fall a set of shorter and more user-friendly paper forms that mirror the digital product.

While it is too early to fully identify potential equality impacts, our initial Impact Assessment analysis suggests that digital transformation will lead to an improved service for all, regardless of background or characteristics.

10. Is a full Equality Impact Assessment Required?

Yes No

If you answered 'No', please explain below why not?

NOTE – You will need to complete a full EIA if:

- the proposals are likely to have equality impacts and you will need to provide details about how the impacts will be mitigated or justified
- there are likely to be equality impacts plus negative public opinion or media coverage about the proposed changes
- you have missed an opportunity to promote equality of opportunity and need to provide further details of action that can be taken to remedy this

If your proposed new or changed legislation, policy, strategy, project or service involves an Information and Communication Technology (ICT) system and you have identified equality impacts of that system, a focused full EIA for ICT specific impacts should be completed. The ICT Specific Impacts template is available from MoJ ICT or can be downloaded from the Intranet at: <http://intranet.justice.gsi.gov.uk/justice/equdiv/equal-impact.htm>, and should be referenced here.

A full Equality Impact Assessment will be conducted as an integral part of this project. Potential impacts (whether positive or adverse) will be regularly reviewed in line with key stages of the project development allowing this document to evolve and adapt.

Initial review triggers will include:

- Responses to the Consultation
- End user testing.
- Stakeholder feedback.
- Further customer insight work.

11. Even if a full EIA is not required, you are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts. Please provide details of how you will monitor evaluate or review your proposals and when the review will take place.

We will analyse any feedback on the proposals at the end of the consultation period.

We will analyse LPA application data and use of the online reporting facility by deputies as part of the review of the implementation of online services, which is due to take place in 2016(?)

12. Name of Senior Manager and date approved

Jillian Kay

Name (must be grade 5 or above): Jillian Kay

Department: Ministry of Justice

Date 22 May 2012