

APPENDIX 2 – FINANCIAL SUMMARY

Here we compare the forecasted spend for Havering with both the ‘As-Is’ situation and the Proposed Project approach.

Both costs are based on expenditure during the 10 year period between the 1st of January 2019 and the 31st of December 2028.

‘As-Is’ forecasted spend – Scenario 1

	Jan 19 - 20	Jan 20 - 21	Jan 21 - 22	Jan 22 - 23	Jan 23 - 24	Jan 24 - 25	Jan 25 - 26	Jan 26 - 27	Jan 27 - 28	Jan 28 - 29	
Line Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
EBS Support	£ 339,472.56	£ 339,472.56	£ 346,262.01	£ 346,262.01	£ 346,262.01	£ 353,187.25	£ 353,187.25	£ 353,187.25	£ 360,251.00	£ 360,251.00	
Capgemini Hosting	£ 723,000.00	£ 723,000.00	£ 737,460.00	£ 737,460.00	£ 737,460.00	£ 752,209.20	£ 752,209.20	£ 752,209.20	£ 767,253.38	£ 767,253.38	
Shared Application Support	£ 168,000.00	£ 168,000.00	£ 171,360.00	£ 171,360.00	£ 171,360.00	£ 174,787.20	£ 174,787.20	£ 174,787.20	£ 178,282.94	£ 178,282.94	
Financial Planning Support	£ 20,000.00	£ 20,000.00	£ 20,400.00	£ 20,400.00	£ 20,400.00	£ 20,808.00	£ 20,808.00	£ 20,808.00	£ 21,224.16	£ 21,224.16	
Annual Change Costs	£ 15,000.00	£ 15,000.00	£ 15,300.00	£ 15,300.00	£ 15,300.00	£ 15,606.00	£ 15,606.00	£ 15,606.00	£ 15,918.12	£ 15,918.12	
Recruitment Support	£ 100,000.00	£ 100,000.00	£ 102,000.00	£ 102,000.00	£ 102,000.00	£ 104,040.00	£ 104,040.00	£ 104,040.00	£ 106,120.80	£ 106,120.80	
Archiving Costs	£ 30,000.00	£ 30,000.00	£ 30,600.00	£ 30,600.00	£ 30,600.00	£ 31,212.00	£ 31,212.00	£ 31,212.00	£ 31,836.24	£ 31,836.24	
EBS Upgrade Costs	£ -	£ -	£ -	£ -	£ 750,000.00	£ -	£ -	£ -	£ -	£ 750,000.00	
Recruitment Upgrade Costs	£ 150,000.00	£ -	£ -	£ -	£ 150,000.00	£ -	£ -	£ -	£ -	£ 150,000.00	
			Indexation of 2%			Indexation of 2%			Indexation of 2%		
TOTAL	£1,545,472.56	£1,395,472.56	£1,423,382.01	£1,423,382.01	£2,323,382.01	£1,451,849.65	£1,451,849.65	£1,451,849.65	£1,480,886.64	£2,380,886.64	£16,328,413.40

‘As-Is’ forecasted spend – Scenario 2

	Jan 19 - 20	Jan 20 - 21	Jan 21 - 22	Jan 22 - 23	Jan 23 - 24	Jan 24 - 25	Jan 25 - 26	Jan 26 - 27	Jan 27 - 28	Jan 28 - 29	
Line Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
EBS Support	£ 339,472.56	£ 339,472.56	£ 346,262.01	£ 346,262.01	£ 346,262.01	£ 353,187.25	£ 353,187.25	£ 353,187.25	£ 360,251.00	£ 360,251.00	
Capgemini Hosting	£ 723,000.00	£ 1,446,000.00	£ 1,474,920.00	£ 1,474,920.00	£ 1,474,920.00	£ 1,504,418.40	£ 1,504,418.40	£ 1,504,418.40	£ 1,534,506.77	£ 1,534,506.77	
Shared Application Support	£ 168,000.00	£ 168,000.00	£ 171,360.00	£ 171,360.00	£ 171,360.00	£ 174,787.20	£ 174,787.20	£ 174,787.20	£ 178,282.94	£ 178,282.94	
Financial Planning Support	£ 20,000.00	£ 20,000.00	£ 20,400.00	£ 20,400.00	£ 20,400.00	£ 20,808.00	£ 20,808.00	£ 20,808.00	£ 21,224.16	£ 21,224.16	
Annual Change Costs	£ 15,000.00	£ 15,000.00	£ 15,300.00	£ 15,300.00	£ 15,300.00	£ 15,606.00	£ 15,606.00	£ 15,606.00	£ 15,918.12	£ 15,918.12	
Recruitment Support	£ 100,000.00	£ 100,000.00	£ 102,000.00	£ 102,000.00	£ 102,000.00	£ 104,040.00	£ 104,040.00	£ 104,040.00	£ 106,120.80	£ 106,120.80	
Archiving Costs	£ 30,000.00	£ 30,000.00	£ 30,600.00	£ 30,600.00	£ 30,600.00	£ 31,212.00	£ 31,212.00	£ 31,212.00	£ 31,836.24	£ 31,836.24	
EBS Upgrade Costs	£ -	£ -	£ -	£ -	£ 750,000.00	£ -	£ -	£ -	£ -	£ 750,000.00	
Recruitment Upgrade Costs	£ 150,000.00	£ -	£ -	£ -	£ 150,000.00	£ -	£ -	£ -	£ -	£ 150,000.00	
			Indexation of 2%			Indexation of 2%			Indexation of 2%		
TOTAL	£1,545,472.56	£2,118,472.56	£2,160,842.01	£2,160,842.01	£3,060,842.01	£2,204,058.85	£2,204,058.85	£2,204,058.85	£2,248,140.03	£3,148,140.03	£23,054,927.76

Proposed Project forecasted spend

	Jan 19 - 20	Jan 20 - 21	Jan 21 - 22	Jan 22 - 23	Jan 23 - 24	Jan 24 - 25	Jan 25 - 26	Jan 26 - 27	Jan 27 - 28	Jan 28 - 29	
Line Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
EBS Support	£ 339,472.56	£ 24,544.91									
Capgemini Hosting	£ 723,000.00										
Shared Application Support	£ 168,000.00										
Financial Planning Support	£ 20,000.00										
Annual Change Costs	£ 15,000.00										
Recruitment Support	£ 100,000.00										
Archiving Costs	£ 30,000.00	£ 75,000.00	£ 75,000.00	£ 75,000.00	£ 75,000.00	£ 76,500.00	£ 76,500.00	£ 76,500.00	£ 78,030.00	£ 78,030.00	
EBS Upgrade Costs											
Recruitment Upgrade Costs											
Implementation Costs	£ 4,540,745.00										
Oracle Cloud Subscription		£ 430,000.00	£ 430,000.00	£ 430,000.00	£ 430,000.00	£ 438,600.00	£ 438,600.00	£ 438,600.00	£ 438,600.00	£ 438,600.00	
Support Services		£ 100,000.00	£ 100,000.00	£ 100,000.00	£ 100,000.00	£ 102,000.00	£ 102,000.00	£ 102,000.00	£ 102,000.00	£ 102,000.00	
						Indexation of 2%					
TOTAL	£5,936,217.56	£ 629,544.91	£ 605,000.00	£ 605,000.00	£ 605,000.00	£ 617,100.00	£ 617,100.00	£ 617,100.00	£ 618,630.00	£ 618,630.00	£11,469,322.47

The ‘as-is’ forecasted spend will be MIN / MAX:

MIN £16.5M – MAX £23M

The proposed project forecasted spend is:

£11.5M

The proposed project would deliver savings of approximately **£5M and £11.5M between January 2019 and January 2029.**