

Appendix 1 – Outline Business Case (Financial)

Corporate Systems Improvement	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	Total
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Capital Investment:

Capital Investment - Staffing and Backfill	70,000	875,000	850,000	105,000	0	0	0	0	0	0	1,900,000
Capital Investment - Technical and Consultancy	0	400,000	350,000	100,000	0	0	0	0	0	0	850,000
Total Capital Costs	70,000	1,275,000	1,200,000	205,000	0	0	0	0	0	0	2,750,000

New Systems Licencing & Financing Costs:

Total Revenue Costs	500,600	807,600	879,800	1,027,700	1,053,000	1,053,000	1,053,000	1,053,000	1,053,000	1,053,000	9,533,700
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Existing Revenue Budgets:

Financial System and Associated Licences	269,300	269,300	269,300	269,300	269,300	269,300	269,300	269,300	269,300	269,300	2,693,000
HR/Payroll and Associated Licences	262,100	262,100	262,100	262,100	262,100	262,100	262,100	262,100	262,100	262,100	2,621,000
Total Licensing Budgets	531,400	531,400	531,400	531,400	531,400	531,400	531,400	531,400	531,400	531,400	5,314,000

Cashable Benefits (Efficiency Savings)

Procurement Service efficiencies	0	0	11,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	242,000
WRBS efficiencies	0	0	13,000	37,500	37,500	37,500	37,500	37,500	37,500	37,500	275,500
Financial Services efficiencies	0	0	25,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	543,000
Reduced Audit Fee Variations	0	0	4,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	81,000
HR/Recruitment efficiencies	0	0	38,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	829,000
Council-wide - Administrative Support	0	0	9,000	26,500	26,500	26,500	26,500	26,500	26,500	26,500	194,500
Council-wide - Contract Management	0	0	6,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	139,000
Council-wide - Management Tasks (MSA)	0	0	86,000	258,000	258,000	258,000	258,000	258,000	258,000	258,000	1,892,000
Total Cashable Benefits (Savings)	0	0	192,000	572,000	572,000	572,000	572,000	572,000	572,000	572,000	4,196,000

Net Revenue Change (incl. Financing)	-30,800	276,200	348,400	496,300	521,600	521,600	521,600	521,600	521,600	521,600	4,219,700
Cashable Benefits	0	0	-192,000	-572,000	-572,000	-572,000	-572,000	-572,000	-572,000	-572,000	-4,196,000
Cumulative Net Cashflow	-30,800	245,400	401,800	326,100	275,700	225,300	174,900	124,500	74,100	23,700	

Non-Cashable Benefits:

- Linked and better quality data, reporting and decision-making;
- Improved ease of use for service users;
- Improved productivity and efficiency through automation and new technologies;
- Greater security and resilience of systems and data;
- Improved ability to collaborate and innovate across services.

Cashable Benefits (Savings)

- Reduced cost of maintaining and supporting systems and data;
- Efficiencies across corporate services and support teams through process redesign, automation, web-forms and AI;
- Efficiencies across the organisation through reduced administrative burden, streamlined management tasks, and ease of access to data and management information (e.g. dashboards).

Notes and Assumptions:

- All figures (budgets and estimated costs) are at current prices and are not inflated.
- All figures (except current budgets, capital costs and capital financing) are illustrative best estimates. Exact contract costs and prices will not be known until re-procurements are completed. Similarly, detailed licencing costs for other modules or products, or expansion of licences will not be known in detail until the detailed review of processes and requirements is completed as part of the Phase One programme. Savings and efficiencies will also need to be identified and allocated in detail.
- Borrowing costs are based on forecast PWLB rates at 4%. A 10-year loan period is assumed as this is the standard financing period for major IT&D investments.
- New system licencing and financing costs are aggregated to avoid disclosing commercially sensitive information. The figure includes a wide range of estimated costs for re-procurement of current systems (but with new requirements) together with potential new modules, extended licence numbers for other applications (e.g. PowerBI), and procurement of other software or intermediary products.
- Cashable benefits are based on industry standard efficiencies pro rata to the level of investment provided and taking into account the very narrow product market for local authorities, particularly payroll.
- Costs for replacement of CareFirst Financials (which manages social care contracts and income) are not included. Eclipse Financials (the replacement product) is still in development.
- The cumulative net cashflow indicates that the council may need to internally borrow up to a maximum of £401,800 (Year 3) from overall cash reserves. However, this sum is relatively small and would not present cashflow challenges.