

Estimated Contract Value

The contract values split below show implementation cost (in the first year) as well as the ongoing support and maintenance costs. The Housing Transformation Programme (HTP) costs are included in the approved Housing Revenue Account (HRA) Budget.

Cost of New Contract

Year 1: Initial system cost = £716,315 (approximate market cost).

Future Years: Annual maintenance = £307,622 per annum (approximate market cost).

Total Year 1 system cost: £716,315 (included within HRA Budget 2016/17)

Total Year 2-5 Support and Maintenance Contract cost: £1,230,488

Summary of Expected Savings

The cost estimate table below indicates a net saving of £73k per annum as a result of this exercise. During the first five-years (the initial term of the contract) the total net saving is estimated as £294k.

Projected Savings (excluding implementation costs)

Component	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	Yr 1 ¹	Yr 2	Yr 3	Yr 4	Yr 5	
Baseline Costs	£381,000	£381,000	£381,000	£381,000	£381,000	£1,905,000
Total	£381,000	£381,000	£381,000	£381,000	£381,000	£1,905,000
Cost (Old System)	£381,000	-	-	-	-	£381,000
Cost (New System) ²	-	£307,622	£307,622	£307,622	£307,622	£1,230,488
Total	£381,000	£307,622	£307,622	£307,622	£307,622	£1,611,488
Net (Savings)	£0	(£73,378)	(£73,378)	(£73,378)	(£73,378)	(£293,512)

The table above does not include the Year 1 system costs of approximately £716k. This has been secured within the Housing Transformation Programme and funded from the Housing Revenue Account.

¹ Full revenue Savings would be realised from Year 2 as the existing licence would need to be paid in Year 1 during the implementation phase of the new system.

² The 'new' cost figures are based on the average (mean) of all the figures collated during the Elevate and Housing Transformation Programme market analysis.