


SHARED SERVICES TEAM

Document Name: Business Case Financial Checklist

Usage Guidance

Toolkit materials should only be used with due consideration to the context and requirements of the programme in question. Materials should not be directly applied 'off the shelf.'

CATEGORY DESCRIPTION

<p><i>1. Example material</i> –The tool has been provided by a single public or private sector organisation, or an external forum that has not been moderated by the Shared Services Team. It represents one possible approach to a given shared service activity, and can be used by Toolkit users as an example / reference aid.</p>	
<p><i>2. Co-developed material</i> – The tool has been produced through the collaboration of the Shared Services Team and one or more public sector organisations and / or private sector organisations. This tool Provides a jointly developed approach to a given shared services activity, and can be used by Toolkit users as an example / reference aid.</p>	
<p><i>3. Output Templates</i> – These set out what is typically included in an output of this name. They have been created as part of the development of the toolkit based on experience and best practice from other programmes and project methodologies. However, your organisation may already have a set format and template for you to use.</p>	

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Business Case Financial Checklist

Baseline Costs

Have you identified the cost and performance of your current service? Check that you have included the following:

- People – including those that may be engaged in HR and Finance work but not labelled part of the HR and Finance function;
- Use of contractors, consultants;
- Contracts with suppliers;
- Technology including the costs of planned upgrades, cost of changes, cost of downtime;
- Accommodation, heating, lighting;
- Print and Distribution;
- Storage of paper;
- Recruitment and training;
- Performance – cost per transaction and volumes of transactions;
- Customer satisfaction.

Programme Costs

People:

- Staff engaged on the programme;
- Input of staff in the retained functions and existing SSC or HR and Finance operations to design and testing, e.g. workshop attendance, user testing;
- Input of staff in retained functions and existing SSC or HR and Finance operations to implementation, e.g. role of corporate communications team.
- Travel and expenses for programme staff;
- Training of programme staff;
- Redeployment of staff at the end of the programme;
- Use of contractors and consultants;
- backfill for SSC and retained functions training;
- TUPE costs;
- redeployment and early release of existing HR and finance staff;
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Supplier and Commercial:

- Solution development ;
- Business change partners;
- Existing IT system provider cost, e.g. do interfaces need to be changed for those systems that will remain, cost of data extract from systems that will be replaced by an ERP system;
- Cost of termination of any existing contracts;
- Legal services – e.g. advice on changing HR processes.

IT

- IT and telephony for programme staff;
- Test systems;
- New hardware for SSC staff;
- Existing servers and network upgrades;
- Software licenses;
- Decomposing of legacy systems;
- Legacy data retention solutions.

Accommodation

- Rent;
- Heating;
- Lighting;
- Disposal.

Ongoing Costs of SSC

People

- SSC Staff including user testing of software upgrades
- IT staff to test future software upgrades;
- Future recruitment – based on assumptions re turnover;
- Training – software upgrades, legislative changes;
- Use of contractors and consultants to address skill and resource gaps.

Suppliers

- Print, distribution and storage contracts;
- Solution operator costs –including bug resolution and upgrades;
- Infrastructure (network and hardware) operator costs;
- Contract for future application development.

IT

- Annual licence costs;
- Software Upgrades;
- Applications development;

- Test databases.

Accommodation

- Rent;
- Heating;
- Lighting;
- Upgrades.

Financial Benefits

People:

- Reductions in headcount through increased process efficiency;
- Changes in skill requirements and impact on training, turnover and recruitment costs;
- Reductions in salary costs.

Supplier:

- Rationalisation of contracts;
- Lower annual charges;
- Reduced cost for upgrades;
- Print, postage and storage (from rationalisation of buildings and migration to e transactions).

IT:

- System running costs;
- Upgrades.

Accommodation:

- Reduced number of buildings;
- Reduced heating and lighting.

Assumptions

List all assumptions that have been made in determining the costs. Including:

- Expected SSC performance;
- Expected customer compliance;
- Numbers of employees in customer base;
- Volumes of transactions by type;
- Salary levels including increases;

- Turnover;
- Level of expenses and travel;
- Level of training;
- Depreciation;
- Inflation;
- Number and cost of software upgrades.