

**Capital investment required:**

Appendix I

	2005/06 £	2006/07 £	2007/08 £	2008/09- 2011/12 £	Total £
<b><i>Schools Network</i></b>					
Secure Core Network for Schools	911,800	133,900			1,045,700
Connectivity for Schools	265,700	1,031,000			1,296,700
<b><i>IP Telephony</i></b>					
Software		163,484	54,495		217,979
Hardware		561,685	187,228		748,913
Installation		226,519	75,506		302,025
<b><i>Core Network and County Hall</i></b>					
Wireless	30,800	3,400			34,200
Network Management & Security	155,200	17,200			172,400
Internet Services	6,400	700			7,100
ICT Implementation Time	135,000	15,000			150,000
County Hall Network	403,900	44,900			448,800
<b>Total capital investment</b>	<b>1,908,800</b>	<b>2,197,788</b>	<b>317,229</b>	<b>0</b>	<b>4,423,817</b>
Less : Intranet replacement reserve	-731,300	-81,200			-812,500
Less: Contribution from County Telephones	-50,000	-50,000			-100,000
<b>Total net cost</b>	<b>1,127,500</b>	<b>2,066,588</b>	<b>317,229</b>	<b>0</b>	<b>3,511,317</b>
Less: Revenue savings (see annex)		227,414	741,595	3,374,380	4,343,389
Cost (saving) Cumulative	1,127,500	1,839,174	-424,366	-3,374,380	-832,072

## Revenue impact of proposed investment

Annex

	2006/07	2007/08	2008/09	2009/10	2010/2011	2011/2012	Total
	£	£	£	£	£	£	£
<b><u>IP Telephony</u></b>							
Phase 1 - main corporate buildings							
Existing costs - Line rentals and call charges	344,000	344,000	344,000	344,000	344,000	344,000	2,064,000
Phase 2 - 137 additional buildings							
Existing costs - Line rentals and call charges	595,000	595,000	595,000	595,000	595,000	595,000	3,570,000
<b><u>Schools solution</u></b>							
Existing RM solution costs	1,545,786	1,545,786	1,545,786	1,545,786	1,545,786	1,545,786	9,274,716
Annual installation / upgrade costs	446,000	446,000	446,000	446,000	446,000	446,000	2,676,000
<b>Option 1 : Do nothing - current costs</b>	<b>2,930,786</b>	<b>2,930,786</b>	<b>2,930,786</b>	<b>2,930,786</b>	<b>2,930,786</b>	<b>2,930,786</b>	<b>17,584,716</b>
<b><u>IP Telephony</u></b>							
Revised rental costs	738,000	639,000	537,000	537,000	537,000	537,000	3,525,000
New services	83,760	111,960	111,960	111,960	111,960	111,960	643,560
Additional staffing requirements	40,000	80,000	80,000	80,000	80,000	80,000	440,000
<b><u>Schools solution</u></b>							
Secondary schools	52,697						52,697
Primary schools	667,499						667,499
Additional WAN costs (Fixed costs)	508,464	508,464	508,464	508,464	508,464	508,464	3,050,784
Secondary school specific costs	376,137	376,137	376,137	376,137	376,137	376,137	2,256,822
Primary school specific costs	236,815	473,630	473,630	473,630	473,630	473,630	2,604,965
<b>Option 2: NGN solution</b>	<b>2,703,372</b>	<b>2,189,191</b>	<b>2,087,191</b>	<b>2,087,191</b>	<b>2,087,191</b>	<b>2,087,191</b>	<b>13,241,327</b>
<b>Saving</b>	<b>227,414</b>	<b>741,595</b>	<b>843,595</b>	<b>843,595</b>	<b>843,595</b>	<b>843,595</b>	<b>4,343,389</b>

### Key assumptions behind the appraisal

1. A detailed appraisal has been undertaken of 42 buildings, the results of this have been extrapolated to the full 145 buildings.
2. The assessment of the capital investment required an allowance for some upgrades to network links. A full survey, however, has not been undertaken of all the buildings and so the amount allowed within the budget may require some adjustment.
3. The capital cost are those currently quoted by the relevant supplier, however as the solution is for emerging technology, these may reduce as the implementation proceeds resulting in further savings.