

KEY HIGHLIGHTS FROM BT REPORT AND VARIATIONS APPENDIX ONE	Base case scenario	Minimum acceptable scenario	Best case scenario	Risk variation on base case - 10% error in cost and savings	Risk variation on best case - £35k ph redundancy cost
<u>Employees</u>					
Total FTE Workforce	14245	14245	14245		
less school based	4501	4501	4501		
less other not suited	4754	4754	4754		
Net employees in scope	4990	4990	4990		
less unchanged FTE's	2917	3393	2917		
Total affected	2073	1597	2073		
Impact rate (based on nos. affected)	42%	32%	42%		
<u>Adopters</u>					
Home	41	32	41		
Mobile	373	287	373		
Flexible spending 90% time in office	373	287	373		
Flexible spending 75% time in office	373	287	373		
Flexible spending 60% time in office	498	384	498		
Total adopting alternative workstyles	1658	1277	1658		
Adoption rate after 5 years	33%	26%	33%		
Fixed workers also affected	415	320	415		
Total affected	2073	1597	2073		
Indicative adoption rate from workshops	72%				
Estimated employee efficiency gain	7.5%	8%	9.50%		
Efficiency gain assessment from workshops	10.9%				
Desk occupancy from Space Study	60%				
Adoption Profile	20% Yr1 50% Yr2 75% Yr 3 100% Yr 4 100% Yr 5	20% Yr1 50% Yr2 75% Yr 3 100% Yr 4 100% Yr 5	25% Yr1 50% Yr2 100% Yr 3 100% Yr 4 100% Yr 5		
Productivity profile	30% Yr1 80% Yr2 100% Yr 3	30% Yr1 80% Yr2 100% Yr 3	30% Yr1 80% Yr2 100% Yr 3		
<u>Savings in £M</u>					
Employee efficiency gain	11.2	8.6	15.3		
Property	1.2	0.9	1.2		
Absence	0.5	0.4	0.5		
Other	0.3	0.2	0.3		
Total savings over 5 years	13.2	10.1	17.3		
Equivalent post savings	166	127	207		
Post saving rate (as propn of adopters)	10.0%	9.9%	12.5%		
<u>Costs in £M</u>					
Technology	6.1	5.0	6.5		
Property	2.5	1.9	2.0		

Project support	2.2	1.9	2.5		
Total costs over 5 years	10.8	8.8	11.0		
<u>Return on investment</u>					
Investment	10.8	8.8	11.0	11.9	18.2
Savings	13.2	10.1	17.3	11.9	17.3
Net return	2.4	1.3	6.35	0	-0.9
Return on investment	22%	15%	58%	0%	-5%

BT BASE BUSINESS CASE OVER FIVE YEARS OF PROGRAMME APPENDIX TWO

Summary	Y1	Y2	Y3	Y4	Y5	Total
Gross Benefit	£337,050	£1,251,562	£2,787,882	£4,030,145	£4,745,779	£13,152,418
Total Costs	£1,992,973	£2,367,473	£2,370,446	£2,528,558	£1,511,522	£10,770,971
Net Benefit	-£1,655,923	-£1,115,910	£417,437	£1,501,587	£3,234,256	£2,381,447
Rol	-83.09%	-47.14%	17.61%	59.39%	213.97%	22.11%
NPV	£1,766,568					

RISKS ASSOCIATED WITH ALTERNATIVE WORKSTYLES PROJECT APPENDIX THREE

Risk description	Inherent Evaluation
Error in estimated costs and savings	High
Post saving costs excluded and not affordable	High
Productivity gain not easily translated into posts	High
Potential for double count of savings for example mgt diagnostics	High
Management not skilled to manage by outputs and outcomes	High
Few convincing examples in other similar organisations	Medium
Reluctance to change	Medium
Difficulties with IT solutions	Medium
Property savings not realizable under this project	High
Poor communications	Low
High front end investment not affordable	Medium
OVERALL EVALUATION	HIGH

N.B Risk controls and actions also identified but residual risk still high.