

**Annex**

**POL 'Costs' and Loss of benefits from Re-Baseline HNG-X  
Plan to V80 (from V60A40)**

The following items form the basis of the additional costs and loss of benefits as identified to date – inclusive of VAT where applicable –incurred by Post Office as a result of potential change in dates from the V60A40 plan (baselined as part of CCN1246) to a new proposed plan titled V80.

1. POL staff being covered by contractors (on the basis these resources should have been released):

£2.62m – based on 31 persons covered by contractors at an average day rate of £565.

2. External contractors employed on HNG-X extended to support the revised timescales.

£2.46m – based on 27 persons at an average day rate of £609.

3. Retention of trainers to support rollout. £2m based on retaining an average of 166 people for an additional 6 months. This is an example, as mentioned in our letter, where Post Office would seek to absorb some of this cost by utilising these resources elsewhere when possible.

4. Additional client and supplier costs – current estimate £300k. NB Fujitsu are requested to note that this is a minimum estimate as Post Office does not wish to push for exact costs as past experience has shown that additional costs are increased where a push approach is used. Should Fujitsu wish Post Office to push for exact costs at the current time, the total may increase.

5. £115k - Extension of lease for laptops and storage due to delayed rollout.

6. £200k - Other costs including maintenance of Online Help alongside existing manuals, support at Post Office Helpdesk (NBSC) and other incidentals.

7. Additional network costs incurred owing to delayed router rollout - £105k.
8. Loss of benefits from delays to other POL activities - we currently assess this to be a minimum of £500k. However we are undertaking further analysis of the impact of the delay on projects.