

Appendix A - financial modelling tables

Summary of financial benefits

	In-house	Social Enterprise	Three-way JV	Two-way JV
Service reductions				
Catering	£0	£0	£0	£0
School Improvement	£0	£0	£0	£0
Other Traded	£296,533	£148,266	£0	£0
Non-Traded	£394,373	£157,749	£0	£0
Total	£690,906	£306,015		
Efficiencies				
Catering	£208,305	£277,740	£347,175	£347,175
School Improvement	£26,320	£35,094	£43,867	£43,867
Other Traded	£74,698	£99,597	£124,496	£124,496
Non-Traded	£48,004	£64,005	£80,006	£80,006
Other services*	£115,704	£144,630	£173,556	£173,556
Total	£473,031	£621,066	£769,100	£769,100
Increased trade to schools				
Catering	£57,072	£57,072	£85,608	£85,608
School Improvement	£28,682	£43,024	£62,743	£62,743
Other Traded	£16,117	£30,218	£40,291	£40,291
Non-Traded	£0	£0	£0	£0
Total	£101,871	£130,314	£188,642	£188,642
Trade - outside the borough				
Catering	£142,679	£321,029	£963,086	£963,086
School Improvement	£33,612	£53,780	£129,072	£145,205
Other Traded	£50,363	£54,392	£181,307	£226,634
Non-Traded	£56,004	£67,205	£246,419	£280,021
Total	£282,658	£496,406	£1,519,884	£1,614,946
Trade - Additional Services				
Catering	£0	£9,524	£28,571	£28,571
School Improvement	£0	£0	£0	£0
Other Traded	£0	£1,226	£12,260	£12,260
Non-Traded	£0	£718	£2,870	£2,870
Total	£0	£11,468	£43,701	£43,701
Total from income	£384,529	£638,188	£1,752,227	£1,847,289
TOTALs	£1,548,466	£1,565,269	£2,521,327	£2,616,389

Summary by service cluster

Catering	£408,056	£665,365	£1,424,440	£1,424,440
School Improvement	£88,614	£131,898	£235,682	£251,815
Other Traded	£437,711	£333,699	£358,354	£403,681
Non-Traded	£498,381	£289,677	£329,295	£362,897
Other services*	£115,704	£144,630	£173,556	£173,556
Total	£1,548,466	£1,565,269	£2,521,327	£2,616,389

*DSG-funded services and SEN transport

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Catering

Levers applied to catering

Range

Individual % within range

	Lever	Effect	%	Margin	Applied to	In-house	Social Enterprise	Joint Venture	Joint Venture with Schools	Notes/assumptions
1	Service reductions	Cost reduction x%	0.0%		Net Budget	0.0%	0.0%	0.0%	0.0%	
2	Efficient processes	Cost reduction x%	5-10%		Gross Exp	3.0%	4.0%	5.0%	5.0%	Reduction in costs through more efficient processes, particularly around ordering and stock management, and generating a similar level of income. Some potential for procurement efficiencies.
3	Ability to trade freely beyond the borough	Income increase x% per year	2-15%	20.0%	Income	2.0%	5.0%	15.0%	15.0%	Assumes that income-related expenditure increases by 80% of new income. Growth potential through broader market than schools, due to nature of service.
4	Increased trade to current schools	Increased income by x%	2.0%	20.0%	Income	2.0%	2.0%	3.0%	3.0%	Assumes that income-related expenditure increases by 80% of new income. Limited scope for increasing trade of basic service to existing customers, but some scope for increasing trade in specialist advice and event catering.
5	Trading to more schools within the borough	Increased income by x%	1-3%	20.0%	Income	2.0%	2.0%	3.0%	3.0%	Assumes that income-related expenditure increases by 80% of new income. Limited scope for increasing customer base due to current high buy-back levels, but some scope for increasing customer base beyond schools and for specialist advice and event catering.
6	Ability to add services	Income increase x % per year greater control of new service costs increases the margin on this income	0-15%		Net Budget	0.0%	5.0%	15.0%	15.0%	Assumes that income-related expenditure increases by 70% of new income. Potential for increasing specialist catering services.

Catering detailed modelling

Model: In House							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile		50%	50%	0%	0%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	208,305	20,831	62,492	83,322	20,831	20,831	208,305
Profile		10%	30%	40%	10%	10%	100%
Percentage of budget		0.3%	0.9%	1.2%	0.3%	0.3%	3.0%
Trade outside the borough	28,536	28,536	28,536	28,536	28,536	28,536	142,679
Profile		100%	100%	100%	100%	100%	500%
Percentage of budget		0.4%	0.4%	0.4%	0.4%	0.4%	2.0%
Increased trade to current schools customers	28,536	2,854	5,707	8,561	11,414	-	28,536
Profile		10%	20%	30%	40%	0%	100%
Percentage of budget		0.04%	0.1%	0.1%	0.2%	0.0%	0.4%
Trading to more schools within the borough	28,536	-	2,854	5,707	8,561	11,414	28,536
Profile		0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.0%	0.1%	0.1%	0.2%	0.4%
Additional Services	0	-	-	-	-	-	-
Profile		0%	50%	50%	0%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	293,913	52,220	99,588	126,126	69,341	60,781	408,056
Cumulative effect		52,220	151,808	277,934	347,275	408,056	

Model: Social enterprise							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile		0%	0%	0%	0%	0%	0%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	277,740	27,774	55,548	83,322	55,548	55,548	277,740
Profile		10%	20%	30%	20%	20%	100%
Percentage of budget		0.4%	0.8%	1.2%	0.8%	0.8%	4.0%
Trade outside the borough	71,340	35,670	71,340	71,340	71,340	71,340	321,029
Profile		50%	100%	100%	100%	100%	450%
Percentage of budget		0.50%	1.0%	1.0%	1.0%	1.0%	4.50%
Increased trade to current schools customers	28,536	2,854	5,707	8,561	11,414	-	28,536
Profile		10%	20%	30%	40%	0%	100%
Percentage of budget		0.0%	0.1%	0.1%	0.2%	0.0%	0.4%
Trading to more schools within the borough	28,536	-	2,854	5,707	8,561	11,414	28,536
Profile		0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.0%	0.1%	0.1%	0.2%	0.4%
Additional Services	9,524	-	952	1,905	2,857	3,809	9,524
Profile		0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.5%	1.0%	1.5%	2.0%	5.0%
Total	415,675	66,297	136,401	170,834	149,720	142,111	665,364
Cumulative effect		66,297	202,698	373,533	523,252	665,364	

Model: Joint Venture							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile		0%	25%	50%	25%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	347,175	34,718	104,153	138,870	34,718	34,718	347,175
Profile		10%	30%	40%	10%	10%	100%
Percentage of budget		0.5%	1.5%	2.0%	0.5%	0.5%	5.0%
Trade outside the borough	214,019	107,010	214,019	214,019	214,019	214,019	963,086
Profile		50%	100%	100%	100%	100%	450%
Percentage of budget		1.5%	3.0%	3.0%	3.0%	3.0%	13.5%
Increased trade to current schools customers	42,804	4,280	8,561	12,841	17,122	-	42,804
Profile		10%	20%	30%	40%	0%	100%
Percentage of budget		0.1%	0.1%	0.2%	0.2%	0.0%	0.6%
Trading to more schools within the borough	42,804	-	4,280	8,561	12,841	17,122	42,804
Profile			10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.1%	0.1%	0.2%	0.2%	0.6%
Additional Services	28,571	-	2,857	5,714	8,571	11,428	28,571
Profile		0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	1.5%	3.0%	4.5%	6.0%	15.0%
Total	675,372	146,007	333,870	380,005	287,270	277,286	1,424,439
Cumulative effect		146,007	479,877	859,882	1,147,153	1,424,439	

Model: Joint Venture with Schools							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile		0%	25%	50%	25%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	347,175	34,718	104,153	138,870	34,718	34,718	347,175
Profile		10%	30%	40%	10%	10%	100%
Percentage of budget		0.5%	1.5%	2.0%	0.5%	0.5%	5.0%
Trade outside the borough	214,019	107,010	214,019	214,019	214,019	214,019	963,086
Profile		50%	100%	100%	100%	100%	450%
Percentage of budget		1.5%	3.0%	3.0%	3.0%	3.0%	13.5%
Increased trade to current schools customers	42,804	4,280	8,561	12,841	17,122	-	42,804
Profile		10%	20%	30%	40%	0%	100%
Percentage of budget		0.1%	0.1%	0.2%	0.2%	0.0%	0.6%
Trading to more schools within the borough	42,804	-	4,280	8,561	12,841	17,122	42,804
Profile			10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.1%	0.1%	0.2%	0.2%	0.6%
Additional Services	28,571	-	2,857	5,714	8,571	11,428	28,571
Profile		0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	1.5%	3.0%	4.5%	6.0%	15.0%
Total	675,372	146,007	333,870	380,005	287,270	277,286	1,424,439
Cumulative effect		146,007	479,877	859,882	1,147,153	1,424,439	

School Improvement

Levers applied to school improvement

Range

Individual % within range

	Lever	Effect	%	Margin	Applied to	In-house	Social Enterprise	Joint Venture	Joint Venture with Schools	Notes/assumptions
1	Service reductions	Cost reduction x%	0.0%		Net Budget	0.0%	0.0%	0.0%	0.0%	
2	Efficient processes	Cost reduction x%	3-10%		Gross Exp	3.0%	4.0%	5.0%	5.0%	Reduction in costs through efficient processes and generating a similar level of income. Potential for improved use of ICT and better use of administrative resources.
3	Ability to trade freely beyond the borough	Income increase x% per year	1-8%	20.0%	Income	5.0%	8.0%	18.0%	16.0%	Assumes that income-related expenditure increases by 80% of new income. BPSI is well-regarded with current customer base and in-house/social enterprise models should be in a position to build on this.
4	Increased trade to current schools	increased income by x%	6-12%	20.0%	Income	8.0%	12.0%	15.0%	15.0%	Assumes that income-related expenditure increases by 80% of new income. BPSI is well-regarded with current customer base and in-house/social enterprise models should be in a position to build on this.
5	Trading to more schools within the borough	increased income by x%	4-15%	20.0%	Income	8.0%	12.0%	20.0%	20.0%	Assumes that income-related expenditure increases by 80% of new income. BPSI is well-regarded with current customer base and in-house/social enterprise models should be in a position to build on this.
6	Ability to add services	Income increase x % per year greater control of new service costs increases the margin on this income	0-30%		Net Budget	0.0%	10.0%	30.0%	30.0%	Assumes that income-related expenditure increases by 70% of new income. Good base from which to build new services.

Total savings	63,966	92,459	138,878	135,293
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School Improvement detailed modelling

Model: In House							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile		60%	50%		0%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	26,320	2,632	5,264	5,264	6,580	6,580	26,320
Profile		10%	20%	20%	25%	25%	100%
Percentage of budget		0.3%	0.6%	0.6%	0.8%	0.8%	3.0%
Trade outside the borough	8,963	2,241	4,482	8,963	8,963	8,963	33,612
Profile		25%	50%	100%	100%	100%	375%
Percentage of budget		0.3%	0.5%	1.0%	1.0%	1.0%	3.8%
Increased trade to current schools customers	14,341	717	2,151	2,868	4,302	4,302	14,341
Profile		5%	15%	20%	30%	30%	100%
Percentage of budget		0.080%	0.240%	0.320%	0.480%	0.480%	1.600%
Trading to more schools within the borough	14,341	-	1,434	2,868	4,302	5,737	14,341
Profile		0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.16%	0.32%	0.48%	0.64%	1.60%
Additional Services	0	-	-	-	-	-	-
Profile		0%	50%	50%	0%	0%	100%
Percentage of budget							
Total	63,966	5,590	13,331	19,964	24,148	25,582	88,615
Cumulative effect		5,590	18,921	38,885	63,033	88,615	

Model: Social enterprise							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile		0%	0%	0%	0%	0%	0%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	35,094	3,509	7,019	8,773	8,773	7,019	35,094
Profile		10%	20%	25%	25%	20%	100%
Percentage of budget		0.4%	0.8%	1.0%	1.0%	0.8%	4.0%
Trade outside the borough	14,341	3,585	7,171	14,341	14,341	14,341	53,780
Profile		25%	50%	100%	100%	100%	375%
Percentage of budget		0.4%	0.8%	1.6%	1.6%	1.6%	6.0%
Increased trade to current schools customers	21,512	1,076	2,151	4,302	6,454	7,529	21,512
Profile		5%	10%	20%	30%	35%	100%
Percentage of budget		0.1%	0.2%	0.5%	0.7%	0.8%	2.4%
Trading to more schools within the borough	21,512	-	2,151	4,302	6,454	8,605	21,512
Profile		0.0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.2%	0.5%	0.7%	1.0%	2.4%
Additional Services	0	-	-	-	-	-	-
Profile			10%	20%	30%	40%	100%
Percentage of budget							
Total	92,459	8,170	18,492	31,719	36,022	37,494	131,897
Cumulative effect		8,170	26,662	58,381	94,403	131,897	

Model: Joint Venture							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile	Total	0%	25%	50%	25%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	43,867	4,387	13,160	17,547	4,387	4,387	43,867
Profile	Total	10%	30%	40%	10%	10%	100%
Percentage of budget		0.5%	1.5%	2.0%	0.5%	0.5%	5.0%
Trade outside the borough	32,268	16,134	32,268	32,268	32,268	32,268	145,205
Profile	Year on Year	50%	100%	100%	100%	100%	450%
Percentage of budget		1.8%	3.6%	3.6%	3.6%	3.6%	16.2%
Increased trade to current schools customers	26,890	2,689	5,378	8,067	10,756	-	26,890
Profile	Total	10%	20%	30%	40%	0%	100%
Percentage of budget		0.3%	0.6%	0.9%	1.2%	0.0%	3.0%
Trading to more schools within the borough	35,853	-	3,585	7,171	10,756	14,341	35,853
Profile	Total		10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.4%	0.8%	1.2%	1.6%	4.0%
Additional Services	0	-	-	-	-	-	-
Profile	Total	0%	10%	20%	30%	40%	100%
Percentage of budget							
Total	138,878	23,210	54,391	65,052	58,167	50,996	251,816
Cumulative effect		23,210	77,601	142,663	200,820	251,816	

Model: Joint Venture with Schools							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile	Total	0%	25%	50%	25%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	43,867	4,387	13,160	17,547	4,387	4,387	43,867
Profile	Total	10%	30%	40%	10%	10%	100%
Percentage of budget		0.5%	1.5%	2.0%	0.5%	0.5%	5.0%
Trade outside the borough	28,683	14,341	28,683	28,683	28,683	28,683	129,072
Profile	Year on Year	50%	100%	100%	100%	100%	450%
Percentage of budget		1.6%	3.2%	3.2%	3.2%	3.2%	14.4%
Increased trade to current schools customers	26,890	2,689	5,378	8,067	10,756	-	26,890
Profile	Total	10%	20%	30%	40%	0%	100%
Percentage of budget		0.3%	0.6%	0.9%	1.2%	0.0%	3.0%
Trading to more schools within the borough	35,853	-	3,585	7,171	10,756	14,341	35,853
Profile	Total		10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.4%	0.8%	1.2%	1.6%	4.0%
Additional Services	0	-	-	-	-	-	-
Profile	Total	0%	10%	20%	30%	40%	100%
Percentage of budget							
Total	135,293	21,417	50,806	61,467	54,581	47,411	235,682
Cumulative effect		21,417	72,223	133,690	188,271	235,682	

Other Traded Services

Levers applied to other traded services

Range Individual % within range

	Lever	Effect	%	Margin	Applied to	In-house	Social Enterprise	Joint Venture	Joint Venture with Schools	Notes/assumptions
1	Service reductions	Cost reduction x%	0 - 15%		Net Budget	20.0%	10.0%	0.0%	0.0%	
2	Efficient processes	Cost reduction x%	3 - 10%		Gross Exp	3.0%	4.0%	5.0%	5.0%	Reduction in costs through more efficient processes and generating a similar level of income. Potential for improved use of ICT.
3	Ability to trade freely beyond the borough	Income increase x% per year	5 - 25%	20.0%	Income	5.0%	6.0%	25.0%	20.0%	Assumes that income related expenditure increases by 80% of new income. JV would be in better position to sell beyond the borough, but some scope for trading by other models.
4	Increased trade to current schools	increased income by x%	3 - 5%	20.0%	Income	3.0%	5.0%	5.0%	5.0%	Assumes that income-related expenditure increases by 80% of new income. Generally limited scope to increase provision of services to existing customers.
5	Trading to more schools within the borough	increased income by x%	5 - 15%	20.0%	Income	5.0%	10.0%	15.0%	15.0%	Assumes that income-related expenditure increases by 80% of new income. Reasonable scope for increasing customer base within the borough. Perceived independence from LBB expected to be a factor.
6	Ability to add services	Income increase x % per year greater control of new service costs increases the margin on this income	0 - 50%		Net Budget	0.0%	5.0%	50.0%	50.0%	Assumes that income-related expenditure increases by 70% of new income. Substantial scope for development of new services across spectrum of services currently provided. JV assumed to be in substantially better position to do this, due to broader customer base.

Other traded services detailed modelling

Model: In House							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	296,533	29,653	59,307	74,133	74,133	59,307	296,533
Profile		10%	20%	25%	25%	20%	100%
Percentage of budget		2.0%	4.0%	5.0%	5.0%	4.0%	20.0%
Transformation - Efficient processes	74,698	7,470	14,940	22,409	14,940	14,940	74,698
Profile		10%	20%	30%	20%	20%	100%
Percentage of budget		0.3%	0.6%	0.9%	0.6%	0.6%	3.0%
Trade outside the borough	10,073	10,073	10,073	10,073	10,073	10,073	50,363
Profile		100%	100%	100%	100%	100%	500%
Percentage of budget		1.0%	1.0%	1.0%	1.0%	1.0%	5.0%
Increased trade to current schools customers	6,044	604	1,209	1,813	2,417	-	6,044
Profile		10%	20%	30%	40%	0%	100%
Percentage of budget		0.1%	0.1%	0.2%	0.2%	0.0%	0.6%
Trading to more schools within the borough	10,073	-	1,007	2,015	3,022	4,029	10,073
Profile		0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.1%	0.2%	0.3%	0.4%	1.0%
Additional Services	0	-	-	-	-	-	-
Profile		0%	50%	50%	0%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	397,419	47,800	86,535	110,443	104,585	88,348	437,710
Cumulative effect		47,800	134,335	244,777	349,362	437,710	

Model: Social Enterprise							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	148,266	14,827	29,653	44,480	29,653	29,653	148,266
Profile		10%	20%	30%	20%	20%	100%
Percentage of budget		1.0%	2.0%	3.0%	2.0%	2.0%	10.0%
Transformation - Efficient processes	99,597	9,960	29,879	39,839	9,960	9,960	99,597
Profile		10%	30%	40%	10%	10%	100%
Percentage of budget		0.4%	1.2%	1.6%	0.4%	0.4%	4.0%
Trade outside the borough	12,087	6,044	12,087	12,087	12,087	12,087	54,392
Profile		50%	100%	100%	100%	100%	450%
Percentage of budget		0.6%	1.2%	1.2%	1.2%	1.2%	5.4%
Increased trade to current schools customers	10,073	1,007	2,015	3,022	4,029	-	10,073
Profile		10%	20%	30%	40%	0%	100%
Percentage of budget		0.1%	0.2%	0.3%	0.4%	0.0%	1.0%
Trading to more schools within the borough	20,145	-	2,015	4,029	6,044	8,058	20,145
Profile		0.0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.2%	0.4%	0.6%	0.8%	2.0%
Additional Services	1,226	-	123	245	368	490	1,226
Profile		0.0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.5%	1.0%	1.5%	2.0%	5.0%
Total	291,394	31,837	75,771	103,702	62,140	60,249	333,699
Cumulative effect		31,837	107,608	211,310	273,451	333,699	

Model: Joint Venture							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile	Total	0%	25%	50%	25%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	124,496	12,450	37,349	49,798	12,450	12,450	124,496
Profile	Total	10%	30%	40%	10%	10%	100%
Percentage of budget		0.5%	1.5%	2.0%	0.5%	0.5%	5.0%
Trade outside the borough	50,363	25,182	50,363	50,363	50,363	50,363	226,634
Profile	Year on Year	50%	100%	100%	100%	100%	450%
Percentage of budget		2.5%	5.0%	5.0%	5.0%	5.0%	22.5%
Increased trade to current schools customers	10,073	1,007	2,015	3,022	4,029	-	10,073
Profile	Total	10%	20%	30%	40%	0%	100%
Percentage of budget		0.1%	0.2%	0.3%	0.4%	0.0%	1.0%
Trading to more schools within the borough	30,218	-	3,022	6,044	9,065	12,087	30,218
Profile	Total		10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.3%	0.6%	0.9%	1.2%	3.0%
Additional Services	12,260	-	1,226	2,452	3,678	4,904	12,260
Profile	Total	0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	5.0%	10.0%	15.0%	20.0%	50.0%
Total	227,410	38,638	93,974	111,679	79,585	79,804	403,680
Cumulative effect		38,638	132,613	244,291	323,876	403,680	

Model: Joint Venture with Schools							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile	Total	0%	25%	50%	25%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	124,496	12,450	37,349	49,798	12,450	12,450	124,496
Profile	Total	10%	30%	40%	10%	10%	100%
Percentage of budget		0.5%	1.5%	2.0%	0.5%	0.5%	5.0%
Trade outside the borough	40,290	20,145	40,290	40,290	40,290	40,290	181,307
Profile	Year on Year	50%	100%	100%	100%	100%	450%
Percentage of budget		2.0%	4.0%	4.0%	4.0%	4.0%	18.0%
Increased trade to current schools customers	10,073	1,007	2,015	3,022	4,029	-	10,073
Profile	Total	10%	20%	30%	40%	0%	100%
Percentage of budget		0.1%	0.2%	0.3%	0.4%	0.0%	1.0%
Trading to more schools within the borough	30,218	-	3,022	6,044	9,065	12,087	30,218
Profile	Total		10%	20%	30%	40%	100%
Percentage of budget		0.0%	0.3%	0.6%	0.9%	1.2%	3.0%
Additional Services	12,260	-	1,226	2,452	3,678	4,904	12,260
Profile	Total	0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	5.0%	10.0%	15.0%	20.0%	50.0%
Total	217,337	33,602	83,902	101,606	69,512	69,731	358,353
Cumulative effect		33,602	117,504	219,110	288,622	358,353	

Non-traded Services

Levers applied to non-traded services

Range Individual % within range

	Lever	Effect	%	Margin	Applied to	In-house	Social Enterprise	Joint Venture	Joint Venture with Schools	Notes/assumptions
1	Service Reductions	Cost reduction x%	0 - 20%		Net Budget	25.0%	10.0%	0.0%	0.0%	
2	Efficient processes	Cost reduction x%	7.5 - 10%		Gross Exp	3.0%	4.0%	5.0%	5.0%	Reduction in costs through more efficient processes
3	Ability to trade freely beyond the borough	Income increase x% per year	5 - 25%	20.0%	Gross Exp	5.0%	6.0%	25.0%	22.0%	Assumes that Gross Exp used at an 80% margin. JV would be in a better position to sell these services to other LAs, which other models are less likely to be in a position to do
4	Increased trade to current schools	increased income by x%	0.0%	20.0%	Income	0.0%	0.0%	0.0%	0.0%	These services are not sold to schools
5	Trading to more schools within the borough	increased income by x%	0.0%	20.0%	Income	0.0%	0.0%	0.0%	0.0%	These services are not sold to schools
6	Ability to Add services easily.	Income increase x % per year greater control of new service costs increases the margin on this income	0 - 20%		Net Budget	0.0%	5.0%	20.0%	20.0%	Assumes that income-related expenditure increases by 70% of new income. Broader commercial network would enable JVs to identify and develop new services.

Non-traded services detailed modelling

Model: In House									
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total		
Service Reductions	394,373	39,437	78,875	78,875	98,593	98,593	394,373		
Profile		10%	20%	20%	25%	25%	100%		
Percentage of budget		2.5%	5.0%	5.0%	6.3%	6.3%	25.0%		
Transformation - Efficient processes	48,004	4,800	9,601	14,401	9,601	9,601	48,004		
Profile		10%	20%	30%	20%	20%	100%		
Percentage of budget		0.3%	0.6%	0.9%	0.6%	0.6%	3.0%		
Trade outside the borough	16,001	-	8,001	16,001	16,001	16,001	56,004		
Profile		0%	50%	100%	100%	100%	350%		
Percentage of budget		0.0%	0.5%	1.0%	1.0%	1.0%	3.5%		
Increased trade to current schools customers	0	-	-	-	-	-	-		
Profile		10%	20%	30%	40%	0%	100%		
Percentage of budget									
Trading to more schools within the borough	0	-	-	-	-	-	-		
Profile		0%	10%	20%	30%	40%	100%		
Percentage of budget									
Additional Services	0	-	-	-	-	-	-		
Profile		0%	50%	50%	0%	0%	100%		
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total	458,378	44,238	96,476	109,277	124,195	124,195	498,381		
Cumulative effect		44,238	140,714	249,991	374,186	498,381			

Model: Social Enterprise									
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total		
Service Reductions	157,749	15,775	31,550	31,550	39,437	39,437	157,749		
Profile		10%	20%	20%	25%	25%	100%		
Percentage of budget		1.0%	2.0%	2.0%	2.5%	2.5%	10.0%		
Transformation - Efficient processes	64,005	6,400	12,801	19,201	12,801	12,801	64,005		
Profile		10%	20%	30%	20%	20%	100%		
Percentage of budget		0.4%	0.8%	1.2%	0.8%	0.8%	4.0%		
Trade outside the borough	19,201	-	9,601	19,201	19,201	19,201	67,205		
Profile		0%	50%	100%	100%	100%	350%		
Percentage of budget		0.00%	0.60%	1.20%	1.20%	1.20%	4.20%		
Increased trade to current schools customers	0	-	-	-	-	-	-		
Profile		10%	20%	30%	40%	0%	100%		
Percentage of budget									
Trading to more schools within the borough	0	-	-	-	-	-	-		
Profile			10%	20%	30%	40%	100%		
Percentage of budget									
Additional Services	718	-	72	144	215	287	718		
Profile			10%	20%	30%	40%	100%		
Percentage of budget		0.0%	0.5%	1.0%	1.5%	2.0%	5.0%		
Total	241,673	22,175	54,023	70,096	71,655	71,727	289,677		
Cumulative effect		22,175	76,199	146,295	217,950	289,677			

Model: Joint Venture							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile	Total	0%	25%	50%	25%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	80,006	8,001	24,002	32,002	8,001	8,001	80,006
Profile	Total	10%	30%	40%	10%	10%	100%
Percentage of budget		0.5%	1.5%	2.0%	0.5%	0.5%	5.0%
Trade outside the borough	80,006	-	40,003	80,006	80,006	80,006	280,021
Profile	Year on Year	0%	50%	100%	100%	100%	350%
Percentage of budget		0.0%	2.5%	5.0%	5.0%	5.0%	17.5%
Increased trade to current schools customers	0	-	-	-	-	-	-
Profile	Total	10%	20%	30%	40%	0%	100%
Percentage of budget							
Trading to more schools within the borough	0	-	-	-	-	-	-
Profile	Total		10%	20%	30%	40%	100%
Percentage of budget							
Additional Services	2,870	-	287	574	861	1,148	2,870
Profile	Total	0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	2.0%	4.0%	6.0%	8.0%	20.0%
Total	162,882	8,001	64,292	112,583	88,868	89,155	362,898
Cumulative effect		8,001	72,293	184,875	273,743	362,898	

Model: Joint Venture with Schools							
Lever	Full effect	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Reductions	0	-	-	-	-	-	-
Profile	Total	0%	25%	50%	25%	0%	100%
Percentage of budget		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transformation - Efficient processes	80,006	8,001	24,002	32,002	8,001	8,001	80,006
Profile	Total	10%	30%	40%	10%	10%	100%
Percentage of budget		0.5%	1.5%	2.0%	0.5%	0.5%	5.0%
Trade outside the borough	70,405	-	35,203	70,405	70,405	70,405	246,419
Profile	Year on Year	0%	50%	100%	100%	100%	350%
Percentage of budget		0.0%	2.2%	4.4%	4.4%	4.4%	15.4%
Increased trade to current schools customers	0	-	-	-	-	-	-
Profile	Total	10%	20%	30%	40%	0%	100%
Percentage of budget							
Trading to more schools within the borough	0	-	-	-	-	-	-
Profile	Total		10%	20%	30%	40%	100%
Percentage of budget							
Additional Services	2,870	-	287	574	861	1,148	2,870
Profile	Total	0%	10%	20%	30%	40%	100%
Percentage of budget		0.0%	2.0%	4.0%	6.0%	8.0%	20.0%
Total	153,282	8,001	59,492	102,982	79,267	79,554	329,295
Cumulative effect		8,001	67,492	170,474	249,741	329,295	