

Description	Notes	2013/14	2014/15	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18	Year 4 2018/19	Year 5 2019/20	Inflation assumptions/ other
		actuals outturn £000	budget (before 2014/15 savings) £000						
Income									
BHCC block contract				19,264	19,264	19,264	19,264	19,264	Based on the 2014/15 budgets for the services to be transferred before savings
BHCC support services				1,842	1,842	1,842	1,474	1,474	Assumes funding from LA to cover support service charges
BHCC client contributions		1,124	1,435						Assume income retained by Local Authority
BHCC grants & reimbursements		2,800	2,566						Assume income retained by Local Authority
subtotal BHCC contract & support services				21,106	21,106	21,106	20,738	20,738	
Self funders					24	60	119	238	Assume 10% of potential year 2, 25% yr 3, 50% yr4, 100% yr 5
Other New services							193	482	New business @ 1% of contract sum yr 4, 2.5% year 5
BHCC new business-'provider of choice'						193	193	193	New business @ 1% of contract sum yr 3,4,5
Total Income		3,924	4,001	21,106	21,130	21,358	21,242	21,650	
Expenditure									
Staff Costs									
Staff pay at beginning of year		17,613	17,312	17,659	17,483	16,591	15,583	15,752	Inflationary Increase by 1% pa year 1, incremental increase 1% years 1 & 2
Staff costs- predicted cost reductions-agency costs and absence management				-181	-35	-25	-17	-11	
productivity/ rotas/ increasing utilisation turnover				0	-525	-830	0	0	Assumes 3%reduction year 2 and a further 5% year 3
Additional cost of delivering new business				-168	-333	-326	-160	-159	Assumes new staff of different terms & conditions
Additional cost of delivering new BHCC business				0	0	0	173	433	Assumes a 10% margin on new business
One off cost of service reviews				0	0	173	173	173	Assumes a 10% margin on new business
subtotal staff				17,360	16,791	15,683	15,752	16,189	
Rent for Properties & other property costs		447	540	551	562	545	528	539	Inflation at 2% pa
Predicted cost reductions					-28	-27			Reduce by 5% years 2 & 3& 4
Transport-		354	397	405	414	401	389	396	Inflation at 2% pa
transport-predicted cost reductions					-20	-20			Reduce by 5% years 2 & 3
Supplies & Services-		690	723	723	693	659	626	626	Assume no inflationary increase
supplies-predicted cost reductions- catering other consumables cost reductions				-30					
Third party payments(CSTS)- current costs		199	232	232	232	232	232	232	Reduce by 5% years 2 & 3& 4 Services provided by SCT- reflect within
Capital financing costs-2013/14		32	60	60	60	60	60	60	Assume reflected within block contract
Total Service Expenditure		19,335	19,264	19,302	18,669	17,499	17,555	18,042	
Net direct contribution (income less expenditure)		-15,411	-15,263	1,805	2,461	3,859	3,687	3,608	
Support, set up and other costs									
Board costs				300	300	300	300	300	Say MD,FD and other Board costs
Property, insurance, legal etc				150	100	100	100	100	Assumes £50k one off set up costs, £100k ongoing
Support services		1,769	1,769	1,415	1,415	1,415	1,132	1,132	Assume 20% reduction year 1, further 20% year 4
Management & Admin Charges		534	534	427	427	427	342	342	Assume 20% reduction year 1, further 20% year 4
Irrecoverable VAT				225	214	203	193	183	
Total Support Costs		2,303	2,303	2,517	2,456	2,445	2,067	2,057	
Potential profit/loss(-) which represents contribution to BHCC				-713	5	1,414	1,621	1,551	
Total over 5 years								3,879	
Percentage of income				-3%	0%	7%	8%	7%	