

**Appendix 2 - Financial Analysis**

**Option 1 - Got to Market**

		<b>Contract Value</b>	<b>Indexation</b>	<b>Index Cost</b>	<b>Year End Contract Cost</b>
Year	2023/2024	1,700,000	15.90%	270,300	1,970,300
Year	2024/2025	NSL to June 2024 3 months 492,575	New Contract 9 months 1,669,829		2,162,404
		Prudent 13% uplift estimated on contract cost based on recent procurement awards			
Year	2025/2026	2,226,439.00 Full Year	3% Estimated June 2025	66,793	2,293,232
<b>Total Estimated to go to Market</b>					<b>6,425,936</b>

**Option 2 - Renegotiate Index and New Contract**

		<b>Contract Value</b>	<b>Indexation</b>	<b>Index Cost</b>	<b>Year End Contract Cost</b>
Year	2023/2024	1,700,000	7.51%	127,670	1,827,670
		Reduced indexation from 15.9% to 7.51%			
Year	2024/2025	1,827,670	4%	73,107	1,900,777
		*Indexation agreed for 2024/2025 due June 2024			
Year	2025/2026	1,900,776.80	3%	57,023	1,957,800
		*Indexation agreed for 2025/2026 due June 2025			
		* subject to being sufficient to fully fund any further increase in the National Minimum Wage			
<b>Total Estimated with reduced index</b>					<b>5,686,247</b>
<b>Identified 3 year cost reduction</b>					<b>739,689</b>