

Haberdashers' Monmouth Schools gain real benefit from ERA Reviews

CLIENT	Haberdashers' Monmouth Schools
SECTOR	Education
ADDED VALUE	Resource and expertise brings added benefit to Haberdasher's Monmouth Schools

THE CLIENT

Haberdashers' Monmouth Schools is one of the oldest and most prestigious independent schools in the UK. Founded with a legacy from William Jones in 1614 as a boys' grammar school, by the late 19th Century the benefit of the legacy was able to support an additional girls' school, an elementary school in Monmouth and another school for West Monmouthshire. The independent schools now educate nearly 1,400 boarding and day pupils, from 2-18.

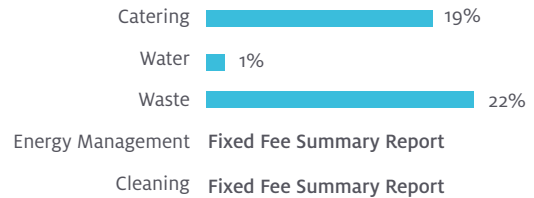
Like all independent schools, Haberdashers' Monmouth Schools can not rest on its laurels. In 2017 the Schools embarked on a significant reorganisation of their administration, bringing both the boys and girls schools together as a family of schools, culminating in 2020 with the appointment of the first Principal of Haberdashers' Monmouth Schools. At the same time the continued upgrading and improvement to the facilities, at the same time as the combining of various administrative roles and departments stretched the resources available for strategic financial reviews of certain cost areas. After discussion with Jonathan Jackson, the Expense Reduction Analysts account manager, Tessa Norgrove, the Bursar to Haberdashers' Monmouth Schools realised that the resources and expertise of ERA would enable her to address more of the challenges she was facing than her own internal team were able to do.

CATERING

The first category ERA looked at was Catering Supplies. This consisted of both fresh meat and vegetables supplies, generally sourced locally, as well as the 'store-cupboard' grocery supplies usually provided by a national supplier. Chris Wardle, Chair of ERA's Hospitality & Leisure Group, quickly identified that the quality of provision and the position of Haberdashers' Monmouth Schools as a significant customer in the town meant that a review of fresh produce would be to ensure that the Schools were getting fair value from their local suppliers. This was indeed the case but there was a significant opportunity to reduce the spend on general groceries.

An in-depth analysis of the spend by Haberdashers' Monmouth Schools and then a detailed market tender produced encouraging results from both incumbent suppliers and others. Haberdashers' Monmouth Schools chose to consolidate the majority of their requirement to a single supplier and over the next 2 years benefited from a 22% saving, focused account management and detailed audited spend. These demonstrated not only the direct financial benefit but improved procurement control.

RESULTS



ERA's ongoing supplier management included annual reviews with the supplier and the negotiation of improved contract terms at renewal. This ensured that even when the initial period of ERA's involvement ended the Haberdashers' Monmouth Schools catering manager was able to fully manage control of her spend, at enhanced value for money.

At the same time as ERA were reviewing the spend on Catering, Tessa asked that other categories were also reviewed. ERA's extensive resources enables them to draw on expertise across a number of categories and to run additional reviews concurrently – something most clients just do not have the resource to do themselves. ERA also considered the supply of Water, Waste, Cleaning service and Energy Management.

WATER

The review of Water was undertaken by specialist Phil Howarth. He undertook a detailed analysis of spend using data from invoices collected by ERA from the Schools, supplemented by data direct from the supplier. This enabled him to identify an issue with, and negotiate an increase in the non-return-to-sewer allowance for the swimming pool, and also remove from charge redundant meters, eliminating both the potential cost risk (from burst) and the standing charges. While the financial benefits were not large, the thorough audit process gave Tessa comfort that all was in order.

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CLEANING

Cleaning of Haberdashers' Monmouth Schools is undertaken by their own staff. However the combination of old buildings, boarding provision and extra curricular activities means the cleaning often has to be done at particularly anti-social hours and in a short time frame, requiring a large workforce. Management of this workforce was a challenge with significant absenteeism and a lack of structured performance reviews. Tessa asked ERA to undertake a review of the cleaning provision to enable her to address these issues. Tessa was looking more for improved performance and management than direct financial benefits and so this review was undertaken on a fixed-fee basis. Steve Clamp, one of ERA's facilities management specialists arranged a 3day on-site visit to understand the current working patterns of the staff and supported this with desk based analysis of the total costs, including all taxes, pension contributions etc. While the review identified that cleaning was to a very high standard it also identified opportunities to improve absenteeism and management control. Haberdashers' Monmouth Schools utilised the report, combining it with their own personnel management initiatives to improve the overall service.

WASTE

Waste collection, including recycling, was provided by a single supplier, but Tessa was concerned that the good service they received was at an unacceptably high cost. Analysis by ERA Waste specialist Dan Howells indicated that as a relatively small spend client, Haberdashers' Monmouth Schools were not only penalised at each annual price review, but that there was a lack of account management and access to support infrastructure when things go wrong. Therefore savings were available, but ERA also advised that improvements could be made to the level of account support offered. Due to the size of spend, Dan felt the use of a Waste Broker, rather than direct collector, would bring maximum benefit to Haberdashers' Monmouth Schools. The Framework agreement that ERA has in place for such clients enables clients to benefit from the collective procurement power of ERA while usually retaining the incumbent waste collector resulting in financial benefits with minimum implementation issues. This also means that ERA clients benefit from levels of account management that clients of this scale would not otherwise have been able to obtain themselves. Tessa agreed with this option and Haberdashers' Monmouth Schools are benefiting from above forecast savings of 22%.

These savings have been possible not only from use of the Framework Agreement but also the continued supplier management by Dan who has worked with the supplier and Haberdashers' Monmouth Schools to reorganise the waste and recycling bins to reduce overweight charges.

ENERGY MANAGEMENT

Haberdashers' Monmouth Schools has continued to develop its estate and has some very modern buildings but also has buildings dating back to its foundation and all ages in between. This combination of age of building (with many restricted by a Listed status) and age of boiler, lighting and insulation within those buildings means there is a wide variety of energy efficiency across the estate. ERA's Energy Management specialist Ian Morrison conducted a survey of the Estate, producing an initial report that highlights where the School can reduce energy use, so both saving cost and helping the environment, and improving the estate. Haberdashers' Monmouth Schools have been able to use these recommendations, coupled with the reactive work they were already undertaking, to target those areas that would represent best value for money.

