

Easingwold

Theme 6: Joint procurement savings from purchase or renegotiation of a contract (also see Oval)

As it was identified that one school had a contract that had been in place, with an annual price increase since 1988, it was essential that the cluster SBM carry out a full contract review to ensure the schools could achieve the best value for money.

The cluster is made up of 5 rural primary schools and 1 secondary school. The primary schools vary in size from 40 to over 250 pupils and the secondary school has approximately 1000 pupils. The Headteachers have been meeting regularly for some time and it was decided to explore the benefits of having a shared SBM. It was felt that the cluster approach would benefit all the schools as the smaller ones were not in a position to employ their own SBM.

As a result of the grant, the cluster SBM is taking the lead in reducing costs. As well as reviewing existing contracts and identifying areas for cost saving and improving efficiency, they are undertaking school based projects based on the specific needs of each of the individual schools. The SBM has been working closely with the existing staff and stakeholders, including the governing bodies, to ensure that they are addressing school priorities.

One of the first things they did was to look at the existing contracts. Whilst the big contracts, for example cleaning and grounds maintenance, are reviewed annually, the smaller contracts were reviewed much less often as nobody was in place prior to the grant who was taking full ownership of the task.

One of the main challenges was encouraging staff to look at the long-term implication of using the same contracts each year. There was a certain degree of reluctance on each one and there were a number of contracts that had been running for a long period and also had a number of years left to run. This meant that although the initial idea had been to bring them all together and in line across the cluster, in practice this wasn't going to be feasible in the short term. It was agreed that there needed to be a focus on the contracts that could be changed and that there would be further investigation of the long term contracts as they came to the ends of their minimum periods.

The first step was to identify the quick fixes; these were identified as washroom services and the water cooler contracts. The 5 primary schools use the same washroom service provider and it was discovered that each of the schools were being charged a different price. One school had 3 different small contracts, one of which had been running with an annual price increase since 1988. Although the decision was taken to keep all of the schools on an individual site contract, the cluster SBM renegotiated each contract and brought all the schools in line with each other. The water cooler usage was looked at and one of the schools decided to reduce the number in school to one. The contracts were also renegotiated and a new price approved for the existing users, an added benefit being that if any of the other schools in the cluster decided to add water coolers the supplier would match the price meaning an additional saving which could be realised in the future.

There have been cost savings as result of both of these exercises the water cooler contract renegotiation has saved £839, and the washroom renegotiation has saved approximately £1100 across

the cluster. Whilst the savings at this point are based on single contract renegotiations, it is anticipated that as the cluster SBM continues to review other contracts that other savings will follow.

The Cluster SBM shared their overall findings and learning points as follows:

'I have demonstrated to the school that no matter how small contracts may be, procuring successfully to achieve value for money has important implications for releasing funds to other projects. Being successful with the small contracts and seeing how pleased the staff were to be able to have a little extra money to go towards their classroom resources has meant that we will continue to examine all of the contracts within the school and challenge the prices.'