

Top Marks for Expense Reduction Analysts: Optimising Costs at The Primary First Trust

CLIENT: The Primary First Trust

SECTOR: Education

COST CATEGORIES: Catering, Cleaning, Classroom & Office Supplies, Photocopiers, Utilities (electricity and gas), Water & Wastewater



THE CLIENT

Established in 2013, The Primary First Trust is a growing network of 10 individual primary schools across Bexley, Gravesham and Medway in Kent. In the words of CEO Andrew Moorhouse, the Trust aims to 'shape bold risk-takers, champion ambition, embrace new ideas and inspire innovation.' Their objective, put simply, is to be first for primary education.

THE CHALLENGE

To achieve its impressive objective, the Trust strives for excellence in all areas. That includes procurement. As you might imagine, however, managing procurement for 10 schools is complex and demanding - both in terms of time and resources. Hence one of the Trust's key reasons for engaging ERA was its scale; its cost optimisation specialists could run multiple projects simultaneously, enabling the Trust and its schools to free up scarce resources to allocate elsewhere.

ERA Principal Consultant Julian Mobbs, who began the engagement back in 2019, outlines why the partnership was so successful: "Our work with the Trust illustrates what ERA does very well. As a network of specialists dedicated to many areas of spend, our team of experts can cover several categories simultaneously to find solutions that work for the client in a timely manner. That's exactly what we have done here, ultimately becoming the Trust's trusted advisor for cost and supplier management."

After several meetings, CFO Malcolm Gray was confident enough to proceed with eight cost categories (as detailed below). After preliminary data analysis, one of these cost areas, waste & recycling, was not reviewed any further as the spend levels were very low and fragmented across different waste streams and suppliers (mostly with local councils), making the project unviable.

THE SOLUTION

ERA was able to futureproof the Trust and its schools - critical in today's challenging climate - by securing best value pricing and improved service levels for catering, cleaning, classroom & office supplies, managed print, water and wastewater contracts.

SUMMARY OF SAVINGS

- * Plus one-off savings of £34k from negotiating early end to an incumbent's contract.
 - ** Plus savings of over £40k from recovery of VAT and Climate.
 - *** Plus savings of £78k from identifying a water leak, proving it was a problem with the supplier's infrastructure and recovering charges.
- Catering: £68,474 (13.8%)
 Cleaning: £25,074 (7.3%)
 Classroom & Office Supplies: £25,101 (22.4%)
 Managed Print: £19,142 (43.5%) *
 Utilities - Electricity: £11,485 (6.7%) **
 Utilities - Gas: £12,793 (18.1%) **
 Water & Wastewater: £2,665 (5%) ***



"We are very pleased with the work that ERA has done for us. Julian and his team of specialists have found significant savings, provided valuable insights and streamlined our procurement in ways that we didn't have time to consider. They did so unobtrusively, equipping us with the information necessary to make decisions autonomously. We now see them as a trusted advisor for our cost needs and look forward to entrusting them with further projects in the future."

**MALCOLM GRAY, CHIEF FINANCIAL OFFICER,
THE PRIMARY FIRST TRUST**

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Other examples of adding value include:

- ERA discovered that one of the Trust's schools was being significantly overcharged on its managed print services. Through a trusted partner, ERA were able to end the contract early with the supplier without penalties and with resulting savings of £34,000.
- ERA has replaced complicated shift and attendance profiles for cleaning with more efficient profiles, underpinned by an accountable time and attendance system.
- Recovered VAT and Climate Change Levy on energy invoices from three previous energy suppliers, with refunds in excess of £40,000.
- Assisted the Trust with the installation of electricity and gas meters at their new school, Springhead Park.
- Achieved the Silver Food for Life catering accreditation by enhancing menus and revitalising the food and beverage offerings.
- Analysis of complex supplier contracts has given the Trust a full picture of actual liabilities and notice periods in all cost areas.
- Identified, negotiated and recovered £78,000 for a water leak caused by the supplier's infrastructure.

In each of their specialist areas, ERA consultants provide a little more detail:

"The Primary First Trust has approximately 30 electricity and gas meters. When we started working with the Trust back in 2019, the meters had various contract end dates and suppliers. Our work aligned the contract end dates and suppliers for all gas meters. Electricity has been a little trickier due to contract end dates, but we aim to have all of the end dates aligned by late 2023. Also significant was the discovery that, before ERA's involvement, the Trust was being charged VAT at 20%, alongside the Climate Change Levy on invoices. Having clarified that the Trust meets the criteria to pay VAT at 5% and no Climate Change Levy on energy invoices, and therefore were eligible to make a claim, we worked with three previous energy suppliers to recover refunds in excess of £40,000."

STEVE LETLEY, UTILITIES SPECIALIST

"The Trust had a scattered portfolio of cleaning services. The majority of sites used in-house cleaners, but three were serviced by external companies. That sourcing disparity resulted in inconsistent standards across the multi-academy trust and varying standards of satisfaction. Our comprehensive tender provided suppliers with the opportunity to tender for all or selected sites and included a detailed questionnaire. Through which the supplier could establish their credentials, quality and safety certificates. Their proposals also included details of how each school should be cleaned in the most efficient and effective ways – all whilst adhering to a detailed specification that I'd written. Once the tenders were received, I distilled the information into a report that showed The Primary First Trust the benefits, risks and rewards for different service solutions. The Trust then selected their preferred solution, which was a single source, and I assisted with a phased implementation across four months."

STEVE CLAMP, CLEANING SERVICES SPECIALIST

"Before engaging ERA's services, the Trust used two main outsourced catering suppliers and also used internal resources at one of the schools. Initial analysis showed that each school was being charged differently for their meal service, the difference ranging up to 16p per meal. It was also clear that they needed to improve the quality of their meal offer as pupils and staff had complained about previous menus. After an extensive review and analysis of the menus, costs, volume requirements and individual school requirements, ERA approached a wide selection of national and regional contract caterers as part of the tender process. The shortlist of suppliers was presented to the Trust for review, interview, questions, and, ultimately, a new, single supplier was selected. Cost savings of over 10% were achieved and implemented, with significant improvement in the quality and service of the catering offer. The selected supplier, Chartwells, has since been received very positively by the Trust's schools, implementing consistent pricing across all sites. The significant savings can be invested elsewhere in equipment, branding, uniforms and training."

CRAIG WARHURST, CATERING SPECIALIST

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"ERA undertook a forensic audit of the Trust's water and wastewater accounts. In doing so we identified a saving in both administration and costs by consolidating them under a single supplier contract. The supplier provides a consolidated Excel spreadsheet invoice monthly, providing regular spending details.

ERA's work also identified high consumption at one of the schools. Following further investigation, the cause was revealed to be due to an issue with the water company's infrastructure, that - due to ERA's persistence - has resulted in the recognition of an overcharge against 27,853m³ of water. The recognition resulted in £60,000 being credited to the account."

PHIL HOWARTH, WATER SPECIALIST

"I think the main benefit was that the Trust's consumables spend was fragmented across multiple suppliers. ERA introduced a one-supplier solution using our extensive knowledge of the supplier market. The selected supplier was an educational specialist who could provide the full range of products (stationery, paper, janitorial products and educational materials such as books and art & craft items). Not only did this show good savings, but it made the procurement process much more efficient, adhering to an agreed contract list, providing fixed prices, consolidating invoices and communicating with a single account manager."

ANTHONY KINDER, OFFICE SUPPLIES AND STATIONERY SPECIALIST

