

## It all adds up! Effective budget management – how do you know if you are spending too much and what can you do about?

In order to ensure that you're managing your budget effectively, there are a number of questions that you should be asking yourself. These five steps to effective budget management can help you to evaluate expenditure and give you some ideas on how to save money through your contracted services.

### Step 1: Do you have a choice as to whether or not you purchase these resources?

By resources, we mean anything that costs money. Often, costs can get overlooked when your first priority is to ensure a safe and productive working environment. You don't have a choice about whether to buy electricity, for example, but you do have a choice as to **how** you buy it. Using an energy broker is an efficient and effective way of getting the best deal without having to know anything about the energy markets. They are especially useful if you need help establishing how to exit your current contract, working out how many metres your school may have, finding a competitive new price plan and even managing the contract for you. The Department for Education launched School Switch last year to help schools purchase energy more effectively too.

### Step 2: How can you buy "smarter?"

Are you looking for an economically efficient printing strategy? Instead of buying toners for the printers that are in every classroom, move to Multi-Functional Devices (MFDs) located in prime locations around your school which can be used for printing and scanning. Install "Follow Me" printing which means that staff have an access card (which can double as their ID card) that they use to release their printing once they're at any MFD. You'll be saying goodbye to printing that never gets collected and you can also set the MFD to only print in black and white, reducing costs further.

### Step 3: How can you ensure maximum return on your contracts?

Ever wondered if you're spending too much on your school catering? Could your school actually be making money from its catering contract? By simply looking at how many meals a day are being served and what the staffing costs are for providing them, you can create a formula to find out whether there's potential to generate income for your school from your catering. (Or get us to do it for you through our catering procurement health checks!)

### Step 4: What evidence do you have that you're achieving best value by your current method of securing resources?

Start with a systematic review of your contracts register. Prioritise by choosing the highest value contracts and work your way through the list, no matter how long it takes – it will pay off in the long run! If you're a MAT, start aligning the start dates of your contracts across all your schools to gain economies of scale. Maintained schools can also benefit from this; schools that are geographically close to one another can aggregate their spend and enter into one multi-site contract.

### Step 5: Are you starting your contract renewal negotiations early?

The School Business Leadership role can be very wide ranging and it's impossible to be an expert in every area. However, you don't need to be if you've got a strategic partner who can help, and you start your procurement processes early enough. If you're looking to re-tender your cleaning contract, for example, you should allow between 6 and 9 months for a legally compliant tender process. Also, the more time there is to develop your procurement requirements, the greater

Schools' Buying Club

[contact@schoolsbuyingclub.com](mailto:contact@schoolsbuyingclub.com) | 0845 257 7050 | [www.schoolsbuyingclub.com](http://www.schoolsbuyingclub.com)

© Copyright Schools Buying Club, 2020. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, scanning, recording or by any information storage or retrieval system, without the prior written permission of the author.

level of competition you can drive from the supplier market and the better value solution your school will receive. Don't be caught out – make sure you've diarised when you need to start reviewing your major contracts.

Why not devise your own strategy for managing your budget more effectively based on these 5 steps? This isn't about a quick fix for saving money but rather a systematic approach to ensuring that your school is as financially efficient as possible. Start tracking the savings you make and see how it all adds up.



Schools' Buying Club

[contact@schoolsbuyingclub.com](mailto:contact@schoolsbuyingclub.com) | 0845 257 7050 | [www.schoolsbuyingclub.com](http://www.schoolsbuyingclub.com)

© Copyright Schools Buying Club, 2020. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, scanning, recording or by any information storage or retrieval system, without the prior written permission of the author.

Classification - Public