

Utility Costs: How Schools Can Make Savings

by Donald Maclean

Ways to beat the price rises

Electricity and gas prices have risen by over 100 per cent in recent years, so it is crucial that headteachers and bursars investigate methods of minimising the impact of utility costs on their budgets.

People assume that utility bills are more or less accurate, but this is not necessarily so. From our experience, we estimate that more than 50 per cent of business utility bills may be inaccurate or contain errors. The majority of schools have small electricity supplies (under 100kW maximum demand), gas supplies and water meters. This means that, although they receive monthly bills, they are likely to be based on estimated readings. Once every 12 months or so, a meter reading is taken by the supplier and there is a reconciliation. Often this can produce a nasty surprise.

To negate this, you should take monthly meter readings (on the same day each month) and submit these to the utility supplier. Most suppliers are happy to accept your own meter readings. Hence, your estimated bills will be based on reasonably accurate monthly figures.

Taking out the guesswork

An alternative is to use a smart meter or smart data logger which, combined with sophisticated software, can provide precise readings on a daily basis. Armed with this data, bursars and school financial managers are in a better position to budget and negotiate better deals with suppliers. Analysis of the data can also reveal opportunities to minimise consumption and cut bills.

Schools are increasingly turning to independent utility consultants to advise on how to manage resources more effectively. For example, a consultant can advise on the little-publicised charity discounts available for schools that have charitable status. They can also give guidance on the timing of purchasing energy contracts. They receive daily intelligence on energy prices and can save considerable amounts by knowing when to purchase contracts, as well knowing which suppliers will be keen to supply your particular energy profile.

The key benefits of using a consultant are that you do not have to spend time researching the market to find the best deal and also they can deal with queries on bills which can save you considerable administrative time. Many utility consultants work on a contingency basis so that you only pay a percentage of any savings made. Therefore, if no savings can be achieved, there is no charge to the client.

The High School of Glasgow has saved tens of thousands of pounds on their utility bills by using a consultant. In addition, working with the consultant, the bursar, Gerry Simonis, has procured new telephone systems for both the junior and senior schools, negotiated energy contracts, acquired leading edge internet connections, dealt with dozens of supplier disputes, identified water leaks, recovered thousands of pounds in overcharges and helped provide accrual figures when utility bills were estimated and budget figures requested.

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