



**BALANCE THE BOOKS:**  
**VALUE FOR MONEY IN SCHOOL**  
**PREMISES MANAGEMENT**



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# BALANCE THE BOOKS: VALUE FOR MONEY IN PREMISES MANAGEMENT

**Do you regularly review costs on complying with health and safety? Where would you seek up to-date information on reducing energy bills? Have you considered the benefits of having a planned preventative building maintenance regime in place?**

‘Value for money’ is defined as achieving the optimum use of resources comprising of money, staff, time and materials. At a time of increasing choice in procuring services and products, access to good information and knowledge is key to understanding what options exist. This guidance paper explores areas for saving money through:

- Re-appraising your approach to health and safety
- Securing the energy efficiency of school buildings
- The efficient management of contracts
- The efficient procurement of building work and maintenance



## HOW DOES BUDGET APPLY TO HEALTH AND SAFETY?

The government is seeking to restore a simpler, more sensible, proportionate and practical approach to health and safety regulation. Fervent advisers and enforcers may have over-complicated compliance with health and safety statutory regulation which has often added unnecessary costs to the process. When managing compliance with statutory regulations you must distinguish between those relating to building standards (E.g. The School Premises Regulations), from those which address climate change, energy conservation and those expressly related to health and safety.

Effective management of health and safety compliance means:

- Understanding exactly what is required
- Knowing when to carry out actions
- Prioritising essential work
- Knowing where to source readily available information and assistance to help you save time, cost and effort

The costs for managing statutory compliance should be kept under annual review. Increasingly there are opportunities to negotiate with suppliers or pursue alternative procurement routes such as training site staff or outsourcing as a cluster to gain the benefits of bulk purchase.

Learn how to distinguish between statutory requirements and what local authorities, diocese and other organisations may have adopted as policy and/or recommended good practice. Contradictory advice from different companies and organisations and a lack of consistency in the required frequency for reviewing risk assessments and timespan for keeping records only adds to the confusion. However, remember that you can challenge the recommendations and actions of advisers and enforcement officials. For example, follow **Health and Safety Executive** (HSE) current guidance on PAT testing and water hygiene and safety, rather than the guidance issued by most local authorities and you will save money and be compliant. The guidance in the **Every** guidance library adopts the HSE line for this reason.

Actively managing fire safety and asbestos will ensure that risks and damaging consequential costs are minimised. Seek independent and professional risk assessors. Choose a chartered building surveyor who is qualified and experienced to carry out reviews of all key risk assessments cost effectively in **one visit**. Ensure that your risk assessments come with comprehensible recommendations on what improvements are needed, estimated costs and clear unambiguous priorities. **Every** customers can download dozens of template risk assessments on a range of topics, from the guidance library.





## VALUE FOR MONEY IN THE USE AND COST OF ENERGY

Reducing the use and cost of energy in running school buildings is imperative as it tends to be the second highest cost behind staffing costs.

### Energy Contracts

Energy contracts are incredibly complex. Issues to consider include:

- Volume tolerances
- Exclusions
- “Pass-through” charges such as renewables obligation charges
- Feed in tariff charges
- Distribution & transmission network charges

For this reason, many schools (including Academies) choose to purchase through the LA. Others are using specialist brokers, who are more customer orientated, providing more information and a greater degree of choice to the school. **Zenergi** is one such broker, specialising in the education sector.

Fixed contracts offer budgetary certainty for the duration of your choice and the opportunity to benefit from fixing for longer terms when the energy wholesale markets are at a relative low. A good broker/ consultancy will help you by advising on market trends well in advance of your contract end dates, whilst flexible contracts offer a more variable approach to price, aimed at ironing out the peaks and troughs within the electricity and gas wholesale markets.

Be aware of climate change levy discounts available to schools that are classed as a foundation, academy, voluntary controlled or voluntary aided; these schools are seen by HMRC as charities for the purposes of VAT therefore receive 5% VAT and a climate levy exemption.

A government programme introduced in 2015 will ensure smart meters are installed in all schools. This will help ensure that estimated billing is eliminated and that consumption trends are no longer skewed by poor supplier estimates.

Remember that you can call upon the services of the Ombudsman Services if needs be. This is a not-for-profit private company, founded in 2002 to provide independent dispute resolution for the energy sector.

## Energy Funding

Take advantage of funds and initiatives that are available to meet government policies on energy efficiency/ conservation. These include feed-in-tariffs and renewable heat incentive, loans and other funding from utility suppliers such as British Gas, together with organisations such as Salix, Solar 4 Schools and Eco Schools.

## Energy Conservation Improvements

Consult the advice and videos available on the pros and cons of renewable and low carbon energy sources at [www.cse.org.uk](http://www.cse.org.uk). Prior to installing PV panels and other renewable technologies, undertake due diligence – ensure insurance cover, structural stability and weather proofing of roofs is not compromised for example – and understand all contract terms and conditions.

The Carbon Trust provides numerous advice guides on how to reduce your carbon footprint and increase energy saving awareness in schools. There are excellent good practice publications available and the Trust provides an online training tool in the form of a selection of short videos which guide you through from where to start to how to develop an action plan, which involves the whole school community.

The building fabric plays a key role in the thermal efficiency of premises and in the reduction of our carbon footprint as heat is lost and gained through roofs, external walls, windows and floors. One of the key objectives of any refurbishment project should be to stem the heat loss through the building fabric by insulation and preventing air leakage wherever possible. The above mentioned funding options such as the Salix funding routes can be used to cover the cost and be paid back at the same rate as the modelled savings from the energy conservation improvement (hence a net zero effect until the item is fully paid off). Insulating pitched roof spaces or retro-filling cavity walls are one of the cheapest, quickest and most beneficial ways to reduce energy losses and payback times as a result are generally less than five years.

Defective rainwater pipes and gutters are a common sight on buildings, which cause damp external walls, reducing the insulating properties of walls. Thorough and regular maintenance of the building fabric can improve energy efficiency. Refurbishment provides the opportunity to reduce heat loss through full height window screens or curtain walls, as glazing and wall panels are a major source of heat loss. Other related solutions include double glazing, window blinds, external shading and the application of solar film.

## Energy Awareness & Management

We recommend that an energy policy is developed and published so that all staff, students and the wider community can see that there is commitment from senior management to reduce consumption, achieving financial and environmental benefits.

A staffing structure around energy management should be generated, with specific responsibility of energy management allocated to individuals within each department, year group etc. by appointing energy wardens, preferably with both staff and student representatives. This should ultimately form the basis of a sustainability group.

Often, building occupants have little appreciation of the costs of running a school building and sometimes need to be reminded of the benefits of switching off appliances and reducing wastage. Every small contribution can make a difference!

Ensure all central heating and hot water pipes, pumps, valves and hot water calorifiers are fully insulated. Regularly serviced boilers, air conditioning and other equipment will run more efficiently and effectively. With recent advances in the quality of LED lighting fittings, the payback period for the investment has been reduced to two-three years. **Every** customers will find further tips on energy management and efficiency measures for catering, electrical equipment and swimming pools in their online Guidance Library.

Try to ensure that the insulation and energy management techniques are implemented before considering the installation of solar panels and other sources of renewable energy.

## Display Energy Certification (DEC)

In public buildings frequently visited by members of the public, over 1,000m<sup>2</sup> in gross internal floor area have required DEC's since 2008, and the government have recently reduced the thresholds to properties over 500m<sup>2</sup>. The former are valid for one year, whilst the latter are valid for 10 years.

DECs compare a building's energy consumption over the 12 months prior to the certificate date to the energy consumption of other similar properties. Schools are compared to a schools benchmark generated by the **Chartered Institute of Building Services Engineers**.

The intention of DEC's is to help sites monitor consumption trends and identify the less efficient buildings, where ultimately the taxpayer's money could be wasted and the environment negatively affected.

Reducing the use and cost of energy in running school buildings is imperative. Review energy sourcing annually, negotiate with utility suppliers and either use comparison sites, an energy consultant/broker or purchase through a cluster or regional procurement body. A government programme introduced in 2015 ensures that smart meters are installed in all schools. These meters provide a profile of energy use based on readings taken every half an hour. This output helps identify when and where most energy is used and thus where to investigate the changes needed to reduce the energy consumed and cut your energy costs.

Take advantage of funds and initiatives that are available to meet government policies on energy efficiency. These include feed-in-tariffs and renewable heat incentive, and loans and other funding from utility suppliers such as British Gas, together with organisations such as Salix, Solar 4 Schools and Eco Schools. Consult the advice and videos available on the pros and cons of renewable and low carbon energy sources at [www.cse.org.uk](http://www.cse.org.uk). Prior to installing PV panels and other technologies, undertake **due diligence** (ensure structural stability and weather proofing of roofs is not compromised for example) and understand all contract terms and conditions.



## VALUE FOR MONEY IN CONTRACT MANAGEMENT

The cost effective **management of contracts** and squeezing value out of budgets for waste and refuse disposal, cleaning, grounds maintenance and other facilities and services requires a regular review of procurement options. Consider the following tips for managing the operation of school premises:

- Review building insurance every three years including reinstatement cost for rebuilding
- Review contents insurance and all other policies annually
- Adopt a more commercial approach to letting space and facilities on the premises-use business opportunities to your advantage!

- Mitigate exposure to accidents – injury and/or damage need not automatically result in compensation
- See tips for managing contracts from Department for Education
- Unlock value in land and property such as playing fields
- Negotiate tips on acquisition, renewal and disposal of leases: [www.communitymatters.org.uk](http://www.communitymatters.org.uk)
- Dispose of partially surplus sites
- Investigate funding from Community Land Charge, through Localism Act initiatives and Local Enterprise
- Collaborate and share, eg buying equipment such as a scissor lift for high access
- Share SBM and premises staff and/or selling SBM services/consultancy
- Train site staff to offer services; sell to GP premises and buy in services from local housing associations



## VALUE FOR MONEY IN PREMISES MANAGEMENT

One further area where value for money initiatives can be explored is that of planned preventative maintenance management. Essentially this involves identifying and taking remedial action before undesirable and costly outcomes can occur. Good maintenance practice extends the life of building components – such as the roof and windows – avoids the need for early replacement and saves money. A maintenance or asset plan enables you to keep control of expenditure and helps protect the value of your property assets.

- **Be proactive** in building maintenance. You should put in place a planned maintenance regime. The first step is to carry out a building condition/statutory compliance/functional suitability survey. This can be commissioned from a chartered surveyor, and should take place every five years. Based on your survey, and the advice of the surveyor, you should produce a 10-year projection of repairs and replacements based on whole life costs.

- Proactive building maintenance requires **accurate data**, and good access to reporting facilities and data sharing capabilities. You should investigate software, systems and suppliers that have experience in this area.
- Annual maintenance inspection by premises staff will identify additional repairs and identify and deal with the early signs of failure, by effective temporary repairs if necessary. **Every** customers will find a guide to conducting your own annual maintenance inspection in the guidance library.
- Planned maintenance programmes help you to predict the repair bill, allows better control, prioritising and scheduling of work; you choose the timing of expenditure and stay in control.
- If you are thinking of outsourcing maintenance, this needs to be based on a business case. A survey and a plan will help you evaluate different procurement options for meeting the ongoing repair needs of your building.
- **Every's** business case to schools is based largely on the savings in premises maintenance and contract costs our customers see. You may wish to trial the system for free to see if you are able to achieve similar savings.
- Procure and share bundled services with clusters and gain from economies of scale, or use framework agreements.
- Review purchasing annually.
- Log electronically all floor and roof plans, layout of services, location of valves and switches, operation manuals and CDM files. **Every** customers have unlimited document storage, as well as access from any internet-enabled device to support this.
- Use professional support judiciously. If you are not used to responsibility for premises it can be tempting to outsource a lot of work either to the private sector or to the LA. This is expensive. As you build your confidence and make use of free resources or training such as with the CSBM or DSBM. You may find it offers better value for money to out-source the preparation of specification of works or independent defect report externally, but for the school to actually administer the contract for remedial work.
- Procurement options: day-to-day repairs use a local trusted small builder; for servicing M&E and FM services use a one-stop medium size regional contractor.
- Always seek a minimum three fee quotations or tenders based on a clear specification of your needs.
- Enter into a written contract, however simple.
- When dealing with building defects act on early signs of failure, take appropriate preventative and mitigation measures; treat the cause not symptom; getting the

repair right first time; appoint a Chartered Building Surveyor to investigate and report on more complicated building defects.

- Have in place an annual maintenance inspection of the entire site to identify and deal with the early signs of failure.
- Appoint and/or train site staff with an aptitude for undertaking DIY.



## FURTHER INFORMATION

**“Health and Safety in Education Guide”**: NASBM Oct 2012

**The Carbon Trust**: [www.carbontrust.com](http://www.carbontrust.com)

**The Department of Energy & Climate Change (DECC)**: [www.gov.uk/government](http://www.gov.uk/government)

**Every** customers will find guidance on managing building alterations, carrying out maintenance inspections, awareness of causes and remedies of common building defects and procuring the servicing of mechanical and electrical equipment within their Guidance Library.