

Auditel go top of the class for cost and purchase management at Christ College Brecon

Medieval buildings, facilities in constant use and an uncertain economy make expert cost management an essential exercise.

In common with many such institutions, Christ College Brecon, faces the constant twin challenges of controlling overhead expenditure, whilst ensuring that it can still meet the requirements of its pupils and the expectations of their parents. At a time when it is especially difficult to raise revenues, this becomes an overriding necessity.

Having identified the need to take a closer look at the school's costs and impressed by Auditel's free business health check, Christ College's Bursar, Kieran Dempsey, invited Auditel consultant Denis Brennan to carry out a review of the School's utilities expenditure and propose possible ways of lowering their costs.

"For a number of years, we have outsourced our utilities management. We're not a very large school and don't have the time, funds or personnel to dedicate to analysing overheads ourselves," explains Kieran. "I had felt for a while that we could probably do better, so Auditel's offer of a free business review was very timely – and too good to ignore!"

Concentrating on immediate opportunities for cost reduction first, Denis quickly identified the chance to negotiate lower fixed-line telecoms costs, resulting in savings of £5,000 or 34%.

He then turned his attention to the School's energy expenditure. When he was engaged,

their energy spend had still been in contract with suppliers who had been engaged by a broker previously employed by the college. But as the gas contract was approaching its end date, Denis began to analyse their expenditure. He soon discovered that a number of gas meters were being charged at out of contract rates, even though the remainder had been transferred into a fixed term, fixed price contract with another supplier. This gave him the opportunity to negotiate a revised fixed-price contract which saved the College a very significant £55,000, or 56% in the first full year.

By constantly monitoring the contracts and markets, Denis continued to reduce the School's overhead costs, saving a further 21% on the gas supply in the following year.

A number of small electricity supplies were also renegotiated producing a 16% saving in year one. These supplies, consolidated with a single supplier in year two, produced a further 16% saving.

Most recently, the College's main electricity supply, in the fiercely competitive half-hourly market came up for renewal and a 5% saving was achieved.

Delighted by these initial Auditel successes, Kieran has now asked Denis to examine the School's spend on office consumables and cleaning and janitorial supplies, with a view to reviewing other categories in due course.



SAVINGS BREAKDOWN

CATEGORY	SAVINGS
Landline	34%
Gas	
- Year 1	56%
- Year 2	21%
Electricity	
- Year 1	16%
- Year 2	16%

"Auditel understood our business needs quickly, identified what we wanted and provided all the assistance we needed to get the best possible deal in a number of areas."

Kieran Dempsey, Bursar

