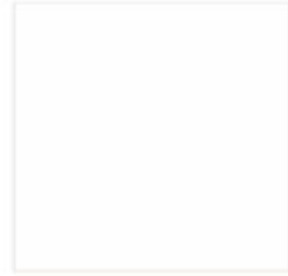
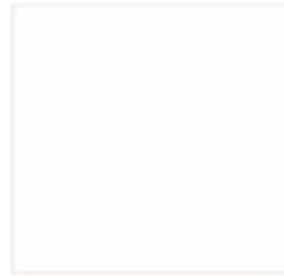
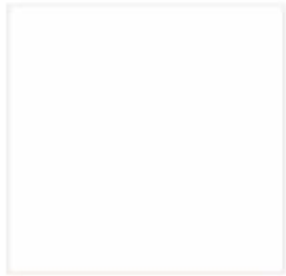




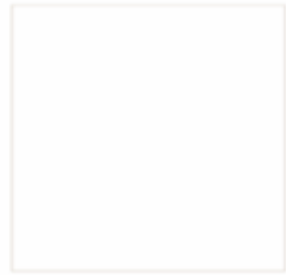
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Practical strategies for challenging times

Controlling costs

Simon Bevan Partner
Doug Locke Partner





Controlling costs

The bigger picture

- Cash flow
- Increase income
- Control costs





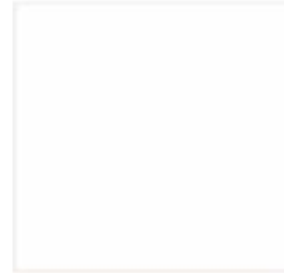
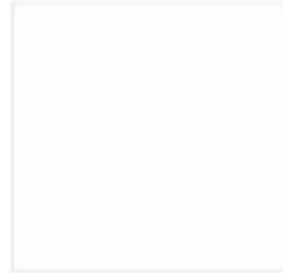
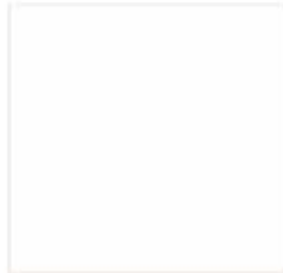
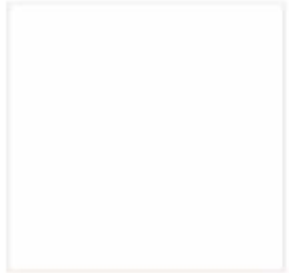
Strategic Review

The bigger picture

- **Single sex to co-education**
- **Opening or closing a junior or nursery school**
- **Review boarding**
- **Merging or entering into a joint venture**
- **Joining a group of charitable or commercial schools**
- **Converting to an academy**

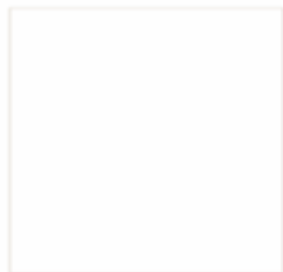


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Controlling costs

Doug Locke, Partner





Suppliers

- **Transport suppliers**
- **Catering suppliers**
- **High value**
- **Long term**
- **Significant risk of overcharging**
- **Legal advice essential**



Transport contracts

- High value and long term
- Safety
- Media interest in school bus accidents
- High visibility to parents and potential parents
- Operators' standard terms



Transport contracts

- **Benchmarking for good value**
- **Consider fixed deductions for minor breaches, and reimbursement of taxi fares**
- **What happens if children are badly behaved?**
- **Termination**
- **TUPE**
- **Contingency planning**



Catering contracts

- **High value**
- **Long term**
- **Bad practices**
 - **Overcharging**
 - **Dual price lists**
 - **Discounts**
 - **Fraud**



Catering contracts

- **Outsourcing**
- **Caterers' standard terms**
- **Transparency**
- **Payment provisions**
 - **Management fee**
 - **Goods**
 - **Labour**
- **Detailed list of responsibilities**

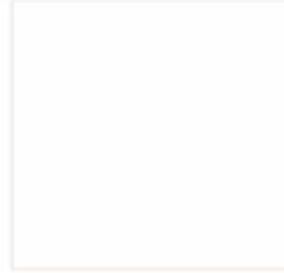
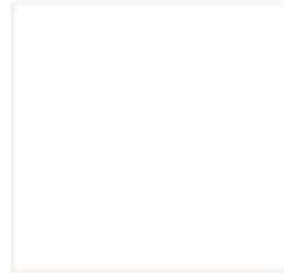
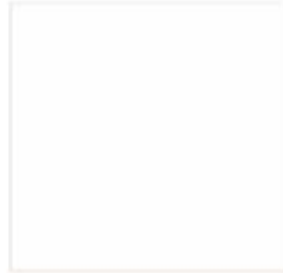
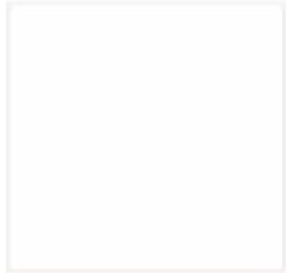


Catering contracts

- **Child protection**
- **Confidentiality and data protection**
- **Immediate Termination for serious breaches**
- **Termination without breach**
- **TUPE**
- **Handover to new provider**

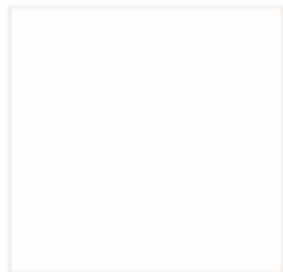
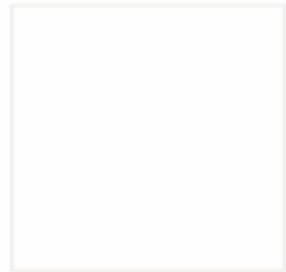
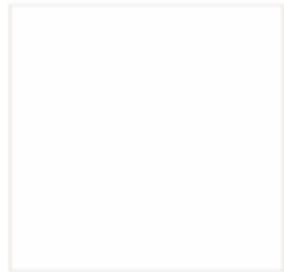


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Strategic HR

Simon Bevan, Partner





Strategic HR

- **Staff audit**
- **Act early**
- **“Know your staff”**
- **Sound financial management**



Strategic HR

Timing

- Review
- Procedure
- Notice periods
- Early?



Controlling costs

Cutting staffing costs

- Reducing hours
- Agreeing a pay freeze (or even reduction)
- Compulsory retirement: before 2011
- Terminating employment during the first year of service
- Addressing the issue of long-term sickness absence



Strategic HR

Restructure

- **Headcount**
- **Changing roles**
- **Business objectives**
- **Procedures**



Redundancy test:

- **Closure – “ceasing or intending to cease to carry on the business (or close the workplace) in which the employee is employed”**

OR

- **Reduced requirement – reduced “requirement for employees to carry out work of a particular kind”**



Controlling costs

Redundancy

- **Identify the staffing structure that you want**
- **Selection criteria need to fit the remaining jobs**
- **Avoid issuing a redundancy policy**
- **Should volunteers be accepted?**
- **Will enhanced terms be offered? Cost the exercise**
- **Decision-makers**



Controlling costs

Basic timescale for small scale redundancies

- **Day 1:** Meeting 1 – warning
- **Day 5:** Meeting 2 – provisional selection
- **Day 12:** Meeting 3 – further individual consultation
- **Day 15:** Dismissal with notice
- **(Day 22:** Appeals)



Controlling costs

Other considerations

- **Compromise agreements**
- **If 20 or more employees to be made redundant, additional obligations apply**
- **Pension arrangements**



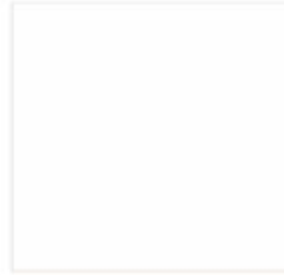
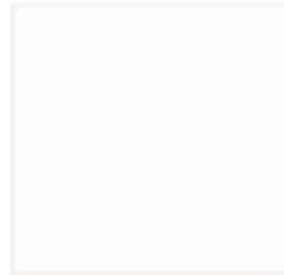
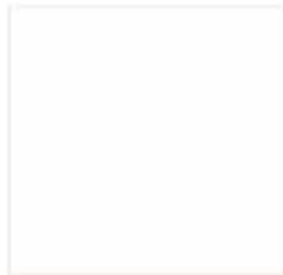
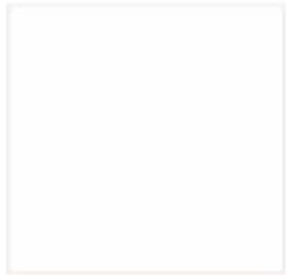
Strategic HR

Conclusion

- **Start planning now**
- **Address concerns**
- **Quick wins**
- **Contingency planning**



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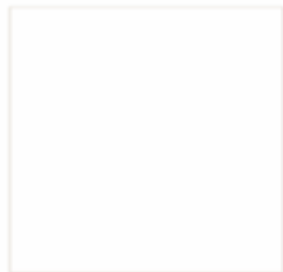


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