

Three housing consortia create 'social value' buying alliance

A new procurement alliance which will generate social outcomes as well as cost savings for over 1,000 social landlords is being set up by Fusion21, the Northern Housing Consortium and Procurement for Housing.

The new alliance aims to overcome the duplication and complexity created by the range of consortia options available to the housing sector. It will also link procurement spend to wider community benefits such as job creation, training for disadvantaged groups and supporting local SME suppliers.

With a combined membership of 1,170 housing providers, this strategic alliance will form the largest grouping of social landlords in the UK, representing over 70 per cent of the UK sector's stock. The alliance's total of 65 frameworks are currently worth £400 million per year.

Initially, the alliance will provide one central procurement point for two frameworks – Retrofit and Gas Servicing. Social landlords buying through these agreements will help to secure employment and training opportunities within framework suppliers for local people. The alliance will also support a range of small local suppliers to offer their services on each framework rather than appointing one large company as the main contractor.

As it develops, the alliance will aim to offer further joint frameworks and a range of additional services for its members.

Fusion21, the Northern Housing Consortium and Procurement for Housing have come together after research showed that some housing providers find the UK's range of buying groups confusing, making the marketplace difficult to navigate and disaggregating demand.

This new alliance aims to simplify the market without removing choice. Housing organisations will ultimately have a single point of access to agreements. The scale of the initiative will allow the group to achieve significant efficiencies through aggregated purchasing power, supporting housing providers to tackle key social agendas such as fuel poverty by achieving lower costs.

Dave Neilson, chief executive of Fusion21 said: *"We wanted to replace the traditional focus on lowest price with a 'triple bottom line', ensuring the procurement muscle of the social housing sector is used to meet social, economic and environmental outcomes."*

Jo Boaden, chief executive of the Northern Housing Consortium (NHC), commented: *“Given the crucial nature of the efficiency agenda, it was apparent to us that any initiative that could increase our capacity to help members make savings had to be worthwhile. I think it’s the savings already achieved by the three partners, combined with the unique mix of skills and experience that the alliance creates, which will really transform procurement in the housing sector.”*

Steve Malone, managing director of Procurement for Housing (PfH) said: *“Over the last 10 years many housing buying consortia have been created to generate efficiencies by combining sector demand. Whilst the drivers behind this have been positive, the marketplace has become convoluted. Our alliance aims to cut through this, offering providers a co-ordinated resource through which they can generate the biggest savings and influence policy and the market as a whole.”*

The first alliance framework, Retrofit, is now live. Gas Servicing is expected to be available to all 1,170 members in April 2012.

NOTES TO EDITORS

- This strategic alliance is made up of Fusion21 www.fusion21.co.uk , the Northern Housing Consortium www.northern-consortium.org.uk and Procurement for Housing www.procurementforhousing.co.uk
- The alliance is not a merger of the three businesses; each will continue to operate as a business in its own right.
- Members of Fusion21, the NHC and PfH will automatically benefit from the alliance.
- Members can begin buying through the alliance’s Retrofit framework from now onwards. The Gas Servicing framework will launch in April 2012.
- For more information about the alliance contact Tracy Harrison at the Northern Housing Consortium tracy.harrison@northern-consortium.org.uk or call 0191 5661000

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