

‘Back local merchants’ housing sector urged

Following Alistair Darling’s Budget pledge to help SMEs win 30% of public sector contracts over the next five years, social landlords are being urged to back smaller local merchants and boost business sustainability in their area.

Social housing providers can play a key role in supporting their local economy, creating jobs and community investment by using independent suppliers when procuring products and services.

But is it possible to achieve nationally agreed terms including cost certainty and significant savings AND support your local merchant?

Case Study

Melin Homes in Newport, South Wales have been working with their local Unimer builders’ merchant, Robert Price Ltd to provide direct access for local SME contractors, Glanmor and AP Waters, through Procurement for Housing’s (PfH) Materials for Maintenance and Capital Works Agreement.

A unique relationship has been developed between PfH Member Melin Homes, their maintenance supply chain of local SMEs, local builders’ merchant Robert Price Ltd and national plumbing merchant PTS, to use PfH’s Materials Agreement and Account Cards. The Account Card – an e-payment system which guarantees low prices on a range of products and reduces admin costs - is currently being used by Melin’s contractors to purchase materials for property repairs, bathroom and kitchen improvement projects.

This PfH Agreement has allowed local merchants PTS and Robert Price Ltd to provide Melin Homes and SME contractors in the area with access to nationally negotiated PfH terms. The result is low price guarantees across a wide range of products, plus major savings to Melin Homes and its contractors, both in terms of products and reduced administration through PfH’s Account Card and Central Billing system.

PfH and their partners in Wales - Evolution-IP - have facilitated arrangements between the merchants, contractors and Melin Homes.

PfH and Unimer – supporting local businesses

Purchasing consortium, Procurement for Housing (PfH) is committed to ensuring that SMEs have the opportunity to benefit from its procurement agreements. PfH already beats the Government’s SME target – 61% of the consortium’s turnover goes through SMEs and over 53% of its suppliers are small and medium sized independent businesses.

In 2007 PfH announced that Unimer, a co-operative of over 1000 builders’ merchants, had been awarded the contract to supply Materials for Maintenance and Capital Works. The inclusion of Unimer has opened up hundreds of millions of pounds worth of annual business opportunities to thousands of SME companies across the UK.

Dave Cook, Director of Asset Management, Melin Homes, said: *“Our relationship with local merchants and contractors is already delivering real social sustainability benefits for Melin Homes and the communities we work*

within. Independent merchants play a key role in the distribution of building materials for local economic development. They generate local investment and provide local employment. By enabling smaller independent businesses into the market, housing organisations like Melin can help create thriving, sustainable communities. When it comes down to it, regeneration is not about bricks and mortar – a key means of ensuring meaningful regeneration is to invest in the local economy.”

Vassos Chrysostomou, Director of Evolution-IP said: *“PfH’s Materials Agreement gives housing organisations the opportunity to appoint local SME installers and still benefit from the buying power of a national procurement consortium dedicated to the sector. This provides a level playing field for large contractors and SMEs. If anything, it shifts power to the SMEs as they are local with direct labour, thus meeting the sustainability criteria of housing organisations.”*

Media enquiries: Rowan Atkins M: 07834 158 725 E: rowan@rowanatkins.co.uk

Editor’s Notes:

Find out how Melin Homes is supporting local contractors AND delivering nationally agreed terms at PfH's 3rd Annual Conference and Exhibition

Tuesday 13 May 2008, International Convention Centre, Birmingham.

PfH Conference sub-plenary session 5

Local Source: Is it possible to achieve nationally agreed terms and support your local merchant?

Speakers: Dave Cook, Melin Homes; Vassos Chrysostomou, Evolution IP; Malcolm Jones, Robert Price

Chair: Martin Cawthorn, Genesis Housing Group

To view the full conference programme and book your place visit:

<http://www.procurementforhousing.co.uk/events/annualconference.html>

The conference is open to all housing organisations including PfH Members and non-Members. To register call 01457 891 906 or email info@procurementforhousing.co.uk Book your delegate place at the Member rate of £185 / non-Member rate of £260 by emailing the PfH Team: info@procurementforhousing.co.uk

Unimer

Founded in 1935, Unimer is a Public Limited Company, with over 1,000 shareholding 'Builders Merchant' members, collectively operating in excess of 3,000 outlets throughout the UK. Unimer supports the local merchant and is an excellent supply chain solution where local business sustainability is at the top of the priorities.

www.unimer.co.uk

Evolution-IP

Evolution-IP Ltd was set up in 2004 by directors Tony McKernan and Vassos Chrysostomou to specialise in the delivery of Collaborative Working to clients in the Housing and Retail sectors. Evolution-IP are construction consultants who provide strategic and project advice and support to the public and private sector. The company provides a powerful combination of knowledge and expertise in collaborative working, supply chain management, lean construction techniques and continuous improvement. Evolution-IP has established itself working for Housing Associations and consortiums, retail clients, contractors, housebuilders and local government clients in England and Wales, implementing collaborative working frameworks.

www.evolution-ip.com Vassos Chrysostomou Tel: 02084687722 Email: vassos@evolution-ip.com

Procurement for Housing

PfH is the only national procurement organisation dedicated to the needs of the social housing sector. Following a successful two-year pilot, the National Housing Federation, Chartered Institute of Housing and HouseMark officially launched it in March 2004. The Housing Corporation also supports PfH.

PfH has been created as an essential business tool to generate substantial savings by harnessing the collective purchasing power of housing organisations. By reducing procurement costs, organisations can reinvest resources in front-line services, decent homes and vibrant neighbourhoods.

PfH currently has over 610 Members collectively managing over 2.7 million units, making PfH's purchasing power unparalleled in the sector. The consortium provides services in the following product areas: Office Supplies; Print Management & Design Services; Communication Services (Mobiles, Landline & Data), Personal Computers; Photocopying Equipment & Services; Energy; Vehicle Leasing; Central Heating Supplies; Janitorial Supplies; Bathrooms; Knowledge Based Services - Consultancy; Residential Furniture & Furnishings; Workwear & Personal Protective Equipment; Decorating Vouchers; Domestic Appliances; Kitchens; Knowledge Based Services – Workshops; Digital TV Reception Systems, Agency Labour and Postal Services.

PfH Membership

Any social housing organisation (including Housing Associations, LSVTs, ALMOs, and Local Authorities) can become a Member of PfH by paying a small fee based on the number of housing units they manage. HouseMark subscribers are eligible for free Membership.

Management of PfH

PfH is managed by specialist contractor Collective Enterprises Limited (CEL) – selected following an open tendering procedure through the Official Journal of the European Union. CEL has significant experience of collective purchasing in both the public and private sectors. The quality of the contractor's work is monitored and assured by HouseMark – the performance improvement subsidiary of the Chartered Institute of Housing. Further information can be obtained by visiting the website at: www.procurementforhousing.co.uk

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