

Groundbreaking Digital TV Deal goes live

20% savings for social housing providers

Fusion21 and **Procurement for Housing (PfH)** have launched a new deal on Digital TV reception systems that is set to save social housing landlords millions on supply and installation costs.

Digital TV Switchover is a critical issue for the housing sector. Key digital industry bodies are predicting that social housing organisations are likely to be faced with rising costs as the Switchover deadlines loom and the demand for qualified, skilled installers dramatically outweighs the available supply.

Fusion21 and PfH's **Digital TV Reception Systems framework** agreements will provide housing organisations with highly competitive prices and a wide choice of highly experienced, accredited installers, all appointed via a rigorous, EU compliant selection process.

The agreements aim to guarantee quality contractors to complete installations within the Government's stated timetable. Starting in Whitehaven in 2007 and ending in 2012, current analogue transmitters will be replaced entirely by digital, TV region by TV region.

Properties that currently rely on analogue signals not converted to receive digital signals by the time the switchover takes place, will no longer receive TV programmes. Whilst many individual properties, already subscribed to satellite and cable services, will not be affected, the largest impact will be upon those properties with communal aerials.

By harnessing the buying power of the social housing sector as a whole, Fusion21 and PfH will enable housing providers to make up to 20% cost savings from now until 2012. Installers, selected across the 14 ITV Regions by Fusion21, will use an extensive catalogue of materials and equipment via PfH's supply chains, on a supply and fit basis.

Fusion21's web-enabled Project Management System is available for each installer, supplier and Client to plan and implement digital switchover projects. At the planning stage, both Clients and installers can develop outline strategies, choosing between digital solutions and material specifications, to suit individual budgets.

Strict cost control measures ensure both labour and materials costs are at pre-agreed prices and are ordered only in quantities approved by Clients. Both Fusion21 and PfH will maintain cost transparency and control installation and material costs during the lifecycle of the Agreements even in this new and technically challenging area of service delivery.

Dave Neilson, Managing Director of Fusion21 said: *'We wanted the frameworks to appeal to and be taken up by as many organisations as possible, regardless of the size or location of housing stock. By structuring*

the frameworks to cover TV regions across the whole of the UK, we are able to offer a single point solution for any organisation's digital upgrade or installation requirements.'

Julie Craig, Director of PfH said: '*PfH's Annual Conference in October 2006 was significant in raising awareness of the need to start planning for Switchover. Now the Digital TV deal is live it's time to start moving from planning to action. This deal is open to every single social housing organisation in the UK, including those that aren't current Members of PfH.'*

Fusion21 and PfH are now working with each of the installers within the framework, on behalf of housing organisations, to reserve installation capacity and plot requirements for the 2007/08 financial year and future years up to 2010.

www.procurementforhousing.co.uk

www.fusion21.co.uk/digitaltv

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Editor's Notes:

What does the Digital TV Reception Systems Agreement cover?

The agreement covers the materials and installation of digital reception systems including Master Antenna Television (MATV), Satellite Master Antenna Television (SMATV) and Integrated Reception Systems (IRS). For more details about each of the solutions please visit www.fusion21.co.uk/digitaltv/solutions.asp

What are the benefits of the Agreement?

- Competitive pricing – up to 20% below the market norms
- Access to guaranteed skilled labour from accredited organisations who have been through a rigorous selection process
- Single point solutions for organisations with stock dispersed across regions
- Use of Fusion21's web-enabled Project Management System
- Supply chain management & integration
- Monitoring of Performance Management across installers and suppliers
- Continuous improvement, cost management and cost reduction activities

Delivering Added Value

These Framework Agreements offer a number of additional elements guaranteed to add value in the planning and delivery of the programmes.

- Schedules of Cost

Rather than accepting the standard 'price per point' terminology used within the industry, Fusion21 has chosen to identify and price each task associated with the installation of digital reception systems. By taking a matrix approach we are ensuring both we and our Clients have complete transparency over what is and what is not included within the given price. Our research, conducted within the Housing Sector and during discussions with the installers themselves, concluded that no interpretation of 'price per point' was the same.

- Project Management System

Fusion21 has developed a state of the art, real-time, web-enabled Project Management System with comprehensive planning, transactional management and reporting functions which will be used by each installer, supplier and Client to plan and implement digital switchover projects.

At the planning stage, both Clients and installers can develop outline strategies, choosing between digital solutions and material specifications, to suit individual budgets.

Using a 'closed loop' ordering process our installers are only able to order materials from our approved catalogues, approved suppliers at our pre-agreed prices in quantities approved by Clients.

Full reporting functionality enables Client to see, in real-time, the progress of any given project; target versus actual completed, budget versus forecast versus actual by project, by dwelling, spend and volume.

- *Supply Chain Management and Integration (Work Smoothing)*
Both Digital UK and the Confederation of Aerial Industries (CAI) are predicting a shortage of fully qualified, skilled installers as the switchover deadlines come closer. Planning for the switchover now will reduce the impact of these super-inflationary pressures upon organisations whilst ensuring skilled labour is available.

Following its successful use during the implementation of the Decent Homes programme, the Fusion21 team will work closely with Clients and installers, balancing Client demand with available installer capacities.

- *Continuous improvement, cost management and cost reduction activities*
Fusion21, Procurement for Housing and their installer & supplier communities and representatives from a number of Client organisations will collectively identify opportunities to improve performance, deliver process improvements and control, manage and even reduce supply and installation costs.
- *Single point solutions for organisations with stock dispersed across regions*
The Fusion21 / PfH frameworks have been specifically structured and created to cover all TV regions across the UK, providing Clients with stock spread across the country with a potential single point solution for all digital upgrade and installation works.

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 and the ODPM also support 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 500 Members collectively managing over 2.3million 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; and Knowledge Based Services – Workshops.

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

Fusion21



Fusion21 is a not-for-profit organisation based on Merseyside. Fusion21's members are Riverside Housing, Knowsley Housing Trust, Arena Housing, Helena Housing, Plus Housing Group, Maritime Housing and South Liverpool Housing.

Fusion21's strategy is to promote "Intelligent Procurement" practices with its member social housing providers, which means:-

- Linking massive demand for housing repair and reinvestment with a programme to reduce the effect of construction skills shortages
- Creating solutions to super-inflation by building economies of scale equivalent to the largest social housing clients in the UK
- Creating demand-led solutions to skills shortage by offering contracts that support sustainable employment

As the first consortium of its kind, Fusion21 has been a trailblazer and its business model has evolved through the experience and learning accumulated over the last four years by delivering programmes to a value of £225m in key elemental works.

Fusion21 has made a significant impact at a local, regional and national level:

- In 2006 Fusion 21 Partners were awarded the Housing Corporations first ever Gold Award for 'Innovation in Procurement'
- Fusion21 has provided construction skills training for over 530 unemployed people, resulting in 324 people gaining permanent construction employment
- Fusion21 has also improved relationships with residents, achieving customer satisfaction ratings of 95% as a result of increasing resident consultation and applying Fusion21's innovative operating structures and procedures
- Fusion21 achieved efficiency average 9.6% efficiency gains in 2004/5, with efficiency gains of 11.3% (£5.4 million) in 2005/6
- The Office of the Deputy Prime Minister (ODPM) described the model as 'best practice', creating a £33M efficiency challenge fund to encourage the formation of new consortia using the same (or similar) procurement model
- Fusion21 is a Housing Forum model of good practice and was selected by the Construction Industries Training Board for its "Recognising Diversity Best Practice in Construction" Initiative
- Fusion21 has also won a string of major national awards from the social housing, procurement and construction sectors



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