

## **PRESS RELEASE**

Friday 9 December 2005

### **PfH signs up Buy4London on major materials deal**

Buy4London has agreed to purchase all materials through Procurement for Housing (PfH), potentially creating huge savings for the ten London RSLs that currently make up the efficiency consortium.

From April 2006 onwards, Buy4London will buy all materials for planned maintenance through national purchasing organisation, PfH. The London efficiency consortium currently manages 120,000 properties across the capital and anticipates spending £70m on materials by 2010.

Buy4London chose to work with PfH as all of its Members are existing Members of PfH. This means they can take advantage of PfH's deals at no extra cost. PfH can negotiate better terms on behalf of Buy4London because the consortium can commit such large volumes.

In addition to the central heating deal, PfH will soon have contracts in place for bathrooms, kitchens, windows and doors. Buy4London will purchase all materials through PfH and then employ contractors to fit the materials through an EU compliant process, encouraging smaller contractors into that market.

Buy4London will spend over £17.5m on boilers in the next five years. Through Procurement for Housing it expects to make significant savings on heating systems.

Over the next four years, Buy4London's spend on bathroom and kitchen materials will be over £8m. By working with PfH, the efficiency consortium hopes to make significant savings in this area.

Sean Gallagher, Chair of Buy4London said: *'We decided to work with PfH as they had readily available procurement expertise, a competitive offer and their approach fitted best with our ethos of partnership working. Housing providers shouldn't be afraid to make markets to fit their requirements, including quality and service, and will, with the efficiency agenda, need to do so.'*

Julie Craig, Director of Procurement for Housing said: *'Working with Buy4London fits perfectly with PfH's strategy for capital works procurement. The combination of national terms for materials and local procurement and management of labour is likely to give the best possible combination of efficiency gains. At the end of the day it is the tenant who stands to gain most.'*

**[www.procurementforhousing.co.uk](http://www.procurementforhousing.co.uk)**

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## **Notes to Editors:**

### **Buy4London**

Buy4London is currently a group of ten of the largest London RSLs. Catalyst Housing Group, Circle 33 Housing Group, East Thames Group Ltd., Genesis Housing Group Ltd., Horizon Housing Group Ltd., London & Quadrant Housing Trust, Metropolitan Housing Trust Ltd., Network Housing Group, Southern Housing Group and the Peabody Trust which between them have over 120,000 properties, have joined together to set up a buying and training consortium along the lines of the successful Fusion21 initiative based on Merseyside. Another large London-based RSL is currently considering joining Buy4London.

The key to the success of Buy4London will be the bargaining strength achieved by combining the purchasing power of the RSLs, as has been proved by the success of Fusion21 on Merseyside. Working with the member RSLs' property refurbishment programmes, smoothing the demand to avoid the peaks and troughs, giving contractors and their suppliers more certainty and enabling improved efficiency - Buy4London plans to make 15% net savings after investing in training initiatives in its first year. Through management and identification of further efficiencies, increased savings are expected to be identified as the contractual relationship matures.

Each of the current members has pledged funding to facilitate the setting up of the consortium. Buy4London worked with consultants appointed via competitive tender to prepare a feasibility study as the foundation for their bid for Government funding for the setting up of purchasing consortia throughout England.

### **Procurement for Housing**

PfH is the only national procurement organisation dedicated to the needs of the 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 320 Members collectively managing over 1.5 million units, making PfH's purchasing power unparalleled in the sector. The consortium provides services in the following product areas: Office Supplies; Print Management; Communications Services (Landline, Data and Mobile); Energy Management, Personal Computers; Photocopying Equipment and Services; Materials - Repairs & Maintenance; Vehicle Leasing & Insurance/Financial Services and will soon be launching services in the following areas: Office and Scheme furniture; Janitorial Supplies and Work Wear & Personal Protective Equipment.

### **PfH Membership**

Any social housing organisation (including Housing Associations, LSVTs, ALMOs, and Local Authorities) can become a Member of Procurement for Housing by paying a small refundable fee based on the number of housing units they manage. The fee is rebateable against purchases made through the scheme. HouseMark subscribers are eligible for free Membership.

### **Management of PfH**

Procurement for Housing (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](http://www.procurementforhousing.co.uk)

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