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## **Social housing sector joins national cost-saving crusade with collective procurement initiative**

Hot on the heels of the Government's drive to reduce the costs of administering public services and shift resources to the front-line, the social housing sector has set up its own collective procurement initiative. A new national service, Procurement for Housing (PFH), has just been launched, run for the social housing sector by the social housing sector.

The service – backed by the National Housing Federation and the Chartered Institute of Housing and co-ordinated by their joint subsidiary, HouseMark – was launched following a successful two-year pilot.

The pilot, involving 35 social housing organisations, proved that, by buying collectively, organisations could gain discounts of up to 75 per cent.

Participants also secured service improvements from suppliers of a range of commodities including energy, office supplies and telecommunications.

Early successes include:

\*40 per cent saving on stationery for Johnnie Johnson Housing

\*15 per cent savings on telephone bills for Home Group

\*25 per cent savings on energy costs for Harvest Housing Group

Procurement for Housing plans to roll out these deals on a national basis and to secure new deals on materials for repairs and refurbishments, IT hardware and other essential commodities and services.

Currently, the country's social housing organisations spend around £300 million a year on commodity goods and services. Procurement for Housing estimates that annual savings of up to £40 million could be achieved if only half of the nation's 2,000 housing associations join the scheme.

Even greater savings could be possible if the sector is willing to collaborate on the procurement of refurbishment and repairs. For example, next year, housing associations are set to spend no less than £5 billion on housing repairs. Procurement for Housing estimates that collective purchasing could cut 30 per cent from that bill.

Releasing resources on this scale will transform the impact that social housing organisations could have on the neighbourhoods that they serve. Any social housing organisation 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.

National Housing Federation Chief Executive Jim Coulter said:

“Procurement for Housing shows how working together as a unified sector we can begin to fulfil our commitment to neighbourhoods, customers and

excellence. It's at the core of our iN business for neighbourhoods programme.”

Julie Craig, Director of Procurement for Housing, said:

“Procurement for Housing provides an opportunity for housing organisations to significantly reduce service costs through pooling the significant purchasing power of the sector and obtaining better terms than would be possible if they purchased as separate organisations.”

HouseMark Chief Executive Ross Fraser said:

“This new initiative demonstrates the massive commitment within housing organisations to shift resources to the front line by using the power of collective buying. I urge organisations not presently involved in Procurement for Housing to join us and not get left behind.”

**Ends**

**Notes to editors:**

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 National Housing Federation and the Chartered Institute of Housing.

Further information can be obtained by visiting the website at [www.procurementforhousing.co.uk](http://www.procurementforhousing.co.uk)

**For further information, please contact**

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