

**OPPORTUNITIES FOR SUPPLY  
INTO THE  
SOCIAL HOUSING MARKET IN GB**

**FEBRUARY 2010**

# **OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB**

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## EXECUTIVE SUMMARY

### 1. INTRODUCTION

Social housing has been more buoyant than other areas of the construction sector throughout the recession. Although not invulnerable to the effects of recession, it has nevertheless been the third best performing sector in terms of value of starts in 2009. It is projected to be one of the main areas of growth over the short to medium term, as illustrated in the table below.

**Forecast Public Housing Output in Great Britain, 2009-2013, (£ Million at 2008 Prices and Completions)**

Year	Output £mn	% Change	Completions units	% Change
2009	4 293	+3%	29 239	+4%
2010	4 579	+7%	31 578	+8%
2011	4 982	+9%	34 735	+10%
2012	5 530	+11%	38 313	+10%
2013	5 807	+5%	40 535	+6%

*SOURCE: MBD forecasts*

Availability of funding will obviously be the main driver of growth in the sector, with the Homes and Communities Agency (HCA) committed to spending £1.5 billion on 20,000 new homes in England until the end of the current funding period in 2011.

Two key initiatives will also drive growth and standards in social housing, the Decent Homes Standard and the Code for Sustainable Homes.

The Decent Homes Standard requires all social landlords to ensure that social housing in England meets a minimum standard of decency in England by 2010. In Scotland the target is 2015 and in Wales 2012. This standard has driven much of the recent refurbishment activity in England, with over 90% of existing stock currently meeting standard. Both Scotland and Wales still have to meet their targets and both regions have set higher standards of energy efficiency for their stock than England.

Although England is likely to have met its targets in 2010, it seems likely that more stringent mandatory standards will be set for the future.

The Code for Sustainable Homes has now been incorporated into building regulations and provides target dates for moving from Level 3 to level 6. However, the government has set even higher targets for publicly funded projects. Since 2008 all social housing has had to be built to Code level 3. By 2015 all new homes funded under the National Affordable Homes Programme (the main HCA fund) should meet zero carbon and Code level 6.

### 2. SECTOR STRUCTURE AND FUNDING FOR SOCIAL HOUSING

Funding for the social housing sector is delivered through a number of core programmes:

- The National Affordable Housing Programme, administered by the Homes and Communities Agency;
- The Affordable Housing Investment Programme, administered through the Scottish Executive; and
- Social Housing Grants, through the Welsh Assembly.

The HCA's budget under the National Affordable Homes Programme was £8.4 billion from 2008-2011 and is the largest investment programme ever undertaken by the HCA.

Additional funding streams have also been made available to housing associations to encourage more environmentally aware practices in the building of new social housing, upgrading existing stock and to stimulate activity during the recession.

Housing associations are under increasing pressure to demonstrate local "buy-in" from a range of other agencies in order to provide evidence of local need. The HCA describes this as its "Single Conversation". For housing associations this inevitably means a lengthier process for gaining approval for funding for new build projects.

### 3. HOUSING ASSOCIATIONS

There are 1,900 housing associations in England, 676 in Scotland and 142 in Wales. In England only 400 housing associations have a stock of over 1,000 units and these account for approximately 95% of total social housing stock. Section 3.2.2 provides details of the top 30 housing association groups in England.

The top three are the Riverside Group (48,773 units), Places for People (47,369 units) and Affinity Sutton (47,211 units). The housing association ranking by size of stock changes on a regular basis, as the result of mergers and acquisitions within the sector.

There are over 400 housing associations in London alone, managing some 460,000 homes. Of these the G15 (a group of 15 large housing associations) manages over 250,000 units.

While Scotland has 676 housing associations the top 5 account for more than 37% of the social housing stock. Glasgow Housing Association alone accounts for over 27% of the Scottish social housing market. This housing association was set up specifically to manage what was known as the first stage transfer of stock from the local authority. Although currently the largest housing association in GB, this will gradually change, as GHA must now begin to transfer a significant portion of the stock it gained in the transfer from local authorities as part of the second stage transfer process.

Other significant housing associations in Scotland are Home Group (45,371 units), Places for People (43,401 units) and Sanctuary (40,669 units).

A detailed database of housing associations in GB is available at the Euro-Info Centre, based at Invest NI Headquarters in Bedford St in Belfast.

### 4. HOUSING ASSOCIATION PROCUREMENT CHANNELS

Housing associations use a number of channels to procure goods and services for construction related work:

- Directly from suppliers
- Through housing association procurement consortia, which have been set up provide housing associations with greater buying power and efficiencies
- Via frameworks / contracts with a Tier 1 contractor, who is then responsible for managing the supply chain thereafter on behalf of the housing association.

Housing associations still buy a number of goods and services **directly** through use of open tenders or frameworks. This is particularly true for existing housing stock, which is managed by the Asset Development team within the housing association. The Asset Development teams may have a range of suppliers on a framework for refurbishment and repair. Details of these suppliers are often available on the housing association website.

Increasingly however, housing associations are using **procurement groups** in refurbishment and, less frequently, for new build projects. This is being driven by the need for housing associations to adhere to EU compliant purchasing, which can be complex and time consuming. The other key driver is the need to demonstrate year on year efficiencies in procurement, which may be more achievable through a procurement group.

One of the first procurement groups was set up in the North West, Fusion 21. It has won a number of awards for innovation in purchasing and the government has set out guidelines for establishing new procurement consortia which are largely based on the success of the Fusion 21 model. Fusion 21 currently has 20 active framework lists, up from just 5 in 2006. This highlights the growth in procurement through these groups and suggests that their role is set to become increasingly important over the next few years.

CYNTRA, a London based consortium currently claims to be the largest procurement group, although GM Procure is set to merge with Impact Manchester, which they claim will make them the largest procurement group.

The government set up an Efficiency Challenge Fund in 2006, to support housing associations wishing to set up procurement groups to manage its Decent Homes investment. To date 14 groups have been established, which together have a membership with combined housing stock of 1.2 million. Their details are available at [www.ncahousing.org.uk](http://www.ncahousing.org.uk)

The other key route for housing association procurement is via their **primary contractors**. This is particularly the case in a new build situation. However, housing associations confirmed that they will often consider either the procurement route or the contractor supply chain route and their decision will be based on which organisation can get them the best deal.

Over the first six months of 2009, just 20 contractors won about £9.6 billion of social housing work between them. Section 4.3.2 of the report provides details of these contractors. Most are large national firms, although they generally have regional offices throughout GB, where there is a certain degree of autonomy in purchasing. Other contractors are very strong on a regional basis (Section 5 provides some insight into contractors in the North West of England).

Housing associations are increasingly using the contractor to manage the supply chain on their behalf. Whilst the housing associations will consult with architects and contractors with regard to the overall solutions they need, our feedback indicates that they will seldom get involved in the second tier purchasing process, except in the case of a highly innovative product. Housing associations, particularly within the Development teams (new build) consider that they do not have the resources or expertise to get involved in managing the supply chain and that they do not have the same buying power as their tier 1 contractors.

### **5. NORTH WEST REGION**

Some industry sources have suggested the North West as an attractive region for suppliers wishing to enter the social housing market. The region is logistically accessible for Northern Ireland suppliers and research suggests that the region has higher than average levels of social housing.

The number of households in the region is projected to grow by 265,600 to 2026. The Department of Communities has outlined plans to build 23,111 homes per annum until 2021. Existing social housing stock in the large cities is older than the average throughout the rest of England, suggesting that there will be good opportunity for refurbishment.

Housing associations in the North West also have a reputation for being very socially minded. Key considerations for them include demonstrating that investment made in the area brings additional benefits such as employment, better skills, training and creates additional impact in the communities where social housing is being built. They often require that installation teams are made up of local labour and work closely with tier 1 contractors to ensure that this is the case.

Northern Ireland companies seeking to establish themselves in the social housing market in this region then need to consider the opportunities for linking up with local installation teams if they wish to deliver a supply and installation package.

Whilst a number of the large nationwide contractors are very active in the North West, the housing association's focus on local delivery means that a number of mid-sized regional contractors also feature heavily on framework lists. Details of a number of contractors and architects who have recently completed projects on behalf of housing associations in the North West are provided in section 5.3 of the report.

### 6. PRODUCT AND PROCUREMENT ISSUES IN THE SOCIAL HOUSING SECTOR

Discussions with housing associations and contractors highlighted a number of product concerns that may affect future purchasing decision-making.

One of the key issues identified by all housing associations was that, with increasing reliance on products involving new technology, it is becoming more difficult for them to accurately assess the whole life cost of the product. This causes problems in terms of increased maintenance, dissatisfied tenants and delays and expense involved in replacing parts.

Products designed for communal living were mentioned a number of times in discussions with housing associations. The most problematic area appeared to be with accuracy of metering for individual energy use. Housing associations felt that there was not enough product choice available on the market.

Although all housing associations felt that they had solutions in place to meet Code level 4 building requirements, most were unsure about whether they had the right solutions in place and they did anticipate increased problems as a result.

The priority for housing associations with Code level 4 is to focus on the “quick wins”, which have limited risk, in particular the emphasis will be on the envelope of the house e.g. doors, windows, insulation.

Although products such as air source/ ground source heat pumps, solar panels, biomass boilers, warm air systems etc are being used, a number of housing associations were cautious about the impact of the technology. They also commented that as these products are not yet being used in scale, they are still expensive and anticipate that as volume starts to increase rapidly prices need to fall.

Most housing associations said they were some way off being able to achieve Code level 5.

Another issue raised frequently by housing associations was on-site waste management. Therefore supplier attention to packaging is essential.

Northern Ireland businesses wishing to pursue opportunities within social housing may also need to consider alternatives to targeting housing associations directly and look for ways to offer something different:

- If the framework route is not appropriate, due to size and scale, then frameworks will become a prospect list. Most procurement group list their framework suppliers on their website
- Team up with other suppliers to develop kits or packages, which offer a complete solution of components and save the buyer time in having to source these individually
- Establish local installer relationships, which involve product training. This should cut down on after-sales maintenance problems and delays
- Calculate examples of the whole life cost of product and provide case

- studies where this has been verified by the client.
- Carry out research into European suppliers currently supplying the social housing market and who may be interested in a more local distributor.
  - Products which contribute to the achievement of Code level 4 and beyond arguably have the best potential currently within the social housing market. There are fewer established suppliers of these products to the sector and the scale of demand is still relatively small, but set to grow quickly.

### 7. CONCLUSIONS

This is a complex and demanding sector of the market. The key players change frequently as a result of mergers and acquisitions. The emergence of procurement has added yet a further challenge for potential suppliers. Procurement group profiles will also change as new groups are set up and existing groups merge to achieve further efficiencies and help to off-set their own not inconsiderable administrative costs.

The key contractors in the social housing market however are less likely to change. Many have set up divisions which specialise purely in social housing work. A relatively small number of primary contractors dominate the social housing market, so are easily identified. However, this makes them more challenging in that they already have established supply chains in place. Unless a supplier can offer a differentiated or innovative product / service / package / approach / solution, they are unlikely to change supplier for any other reason than price.

An ad hoc approach to the market is unlikely to work. Success will require an investment of time and an honest assessment of the company's competitive advantage e.g. in terms of accreditations etc. Companies interested in following up on GB social housing opportunities do need to develop good internal systems for monitoring activity in the market, particularly for tracking tenders and opportunities to respond to new frameworks.

With the current HCA funding period coming to an end in 2011, many existing frameworks will also expire. Given the length of time required to get new frameworks in place a number of housing associations and procurement groups have indicated that they will begin to advertise in 2010. Therefore this is an important year for suppliers wishing to become more established in this market.

## 1. INTRODUCTION

### 1.1 Social Housing Targets and Drivers

1.1.1 It is generally acknowledged that the UK needs more houses to meet demand from a growing number of households, and the Government has set a number of targets to increase the number of new houses being built each year and to improve the standard of housing. These Government targets include:

- *To build 240,000 houses per annum until 2016.*
- *To have built 2 million new houses by 2016 and 3 million new homes by 2020.*
- *To reduce the environmental impact of housing*

1.1.2 One of the main areas of need is in the *social housing* sector. In fact, in 2004, the Barker Review was already arguing that an additional 17,000 new social housing homes would be needed per annum to meet demand from the flow of new households, and that up to 9000 a year above this rate was needed in order to make inroads into the backlog of need. Since that time, the demand for new social housing has risen even further, indeed in 2007 the Housing Green Paper included a target of at least 45,000 new social houses to be built per annum.

1.1.3 In response to these market pressures, there has been a wave of Government initiatives and policies designed to increase and improve the stock of housing; these have included:

- |  |
|--|
| <ul style="list-style-type: none"><li>• The under supply of housing has been a long standing challenge in the UK, with the Government's Sustainable Communities Plan (<i>launched in February 2003</i>) developed as a long-term £38bn spatial plan to address the under supply of housing in England to 2031. The Plan includes specific budget and targets for providing more affordable housing, improving the standard of social housing, and encouraging the use of modern construction methods and more sustainable building practices.</li></ul>      |
| <ul style="list-style-type: none"><li>• To complement the Sustainable Communities Plan, the New Growth Points initiative (<i>announced in December 2005</i>) provides support to local communities with large scale and sustainable growth projects, including new housing, through a partnership with Government. If all of the proposed growth is realised, the New Growth Points initiative will contribute around 100 000 additional dwellings by 2016. The Communities and Local Government website includes a map of the growth point areas.</li></ul> |
| <ul style="list-style-type: none"><li>• The Housing Green Paper (<i>launched July 2007</i>) reinforced the target of 2 million new homes to be built by 2016, including at least 45,000 new social homes to be built per annum. The Paper also made provision for a new "housing and planning delivery grant" to direct extra resources to those councils that build the most houses while penalising those who have not identified at least five years' worth of sites ready for development.</li></ul>   |
| <ul style="list-style-type: none"><li>• In September 2008, the Government announced a new housing package of measures, in response to the challenging conditions in the housing market. The £1 billion package was designed to help first time buyers struggling to get onto the housing ladder, support vulnerable homeowners at risk of repossession, and support the house-building industry. The package included provision for £400million of funding for social housing providers,</li></ul>   |

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

including registered social landlords and councils, to deliver more new social houses.

- The Government's Housing Pledge (*announced in 2009*) which committed an extra £1.5bn to build 20,000 new energy efficient homes over the next 2 years, including extra funding so councils and housing associations can build c15,500 new affordable homes (of which over 11,000 should be for social rental). The Pledge also extended the Kickstart Programme, and invested in the development of public sector land owned by the Homes and Communities Agency and other public sector bodies to deliver up to 1,250 additional units.

- The Government's Building Britain's Future plan (*published June 2009*) which committed an additional £1.5 billion to be invested over the next 2 years to deliver 20,000 new affordable homes, creating 45,000 jobs in the construction and related sectors.

- The Kickstart Housing Delivery programme was announced in the April 2009 Budget – as a £400mn package of funding designed to help to kickstart stalled housing developments, which have been unable to proceed due to market conditions. The package includes investment support for infrastructure and upfront development costs, complemented by support for new affordable housing for rent and sale in mixed-tenure housing developments. The programme is intended to facilitate developments starting on site in 2009-2010 and 2010-2011, and completing in 2010-11 or 2011-12.

Additional funding of up to £660mn for Kickstart was also announced as part of the Building Britain's Future Plan in June 2009.

The Kickstart programme is being allocated through two bidding rounds. The first round completed in 2009, and funding was approved for schemes across the following regions:

Region	Funding £m
East Midlands	50.2
East of England	12.1
London	52.6
North East	48.7
North West	48.2
South East	35.3
South West	23.9
West Midlands	53.4
Yorkshire and The Humber	35.4
Total	359.9

Bidding for Round 2 began in September 2009, with a shortlist was announced in December 2009. This shortlist is now being assessed. Appendix II contains a list of the shortlisted applications.

- A further Government Pledge (*announced January 2010*) to commit a further £22.7million for an extra 560 affordable homes across the East of England.

The Housing Minister also confirmed plans to give the green light to a second phase of the biggest council house building programme for two decades, approving more cash to get workers back on building sites of developments stalled by the recession, and signing off further funding for housing associations to build more low cost homes for rent or sale.

Clearly, there is a strong push to increase the number of new social houses being built each year, and the Government has set challenging targets. However, it is only prudent to acknowledge that the recent cuts in public spending could throw into question these targets and the Government's ability to fulfil the budget commitments made in its previous pledges and plans.

Indeed, the National Housing Federation has warned that the cuts on public spending could mean that housing budgets will be squeezed by almost 20%, and so the targets to build 240,000 new homes per annum and to have built 3million additional homes by 2020 are unlikely in the current market conditions.

Nevertheless, whilst new build activity and budgets may be lower than anticipated, there is still a drive for new affordable and social housing and, of all of the sectors within the construction market, social housing is expected to be one of the buoyant.

### 1.2 Social Housing Standards

The two initiatives which are driving standards in the quality of both existing and new social housing stock:

#### *The Decent Homes Standard*

1.2.1 Due to lack of investment, much of the social housing stock in the UK has been in poor condition. To address this situation, the Decent Homes Standard, was launched in July 2000.

The Decent Homes Standard requires local authorities and social landlords to ensure that *all social housing in England meets a minimum standard of 'decency' by 2010. In Scotland, the deadline for achieving the equivalent Scotland Housing Quality Standard has been set at 2015, and in Wales the deadline is 2012.*

A home is considered to be 'decent' if it meets a statutory minimum standard, is free from damp, weatherproof, in reasonable repair and provides an acceptable standard of thermal comfort as well as reasonably modern facilities and services.

1.2.2 To assist with the programme of refurbishment necessary to meet the Decent Homes standard, local authorities with housing stock have been empowered, with the consent of their tenants, to:

- Devolve management of their housing stock to an Arms Length Management Organisation ("ALMO") – *a company created by a local authority specifically for the day-to-day management of their housing stock, and ensuring that it meets the Decent Homes standard; or*
- Use Private Finance Initiatives to encourage extra private sector finance to fund the refurbishment necessary to raise the standard of their stock; or
- Transfer all or part of their stock to a Registered Social Landlord/Housing Association. To achieve the Decent Homes Standard, many local authorities have chosen to transfer their housing stock over to housing associations.

Whilst all of these options have been adopted, the most popular has been the transfer of stock to independent housing associations.

- 1.2.3 Although estimates vary between sources, it has been reported that c£3bn has already been invested annually in the Decent Homes Programme, with this figure increasing as each jurisdiction approaches its target date. Significant funding has been mobilised to improve kitchens, bathrooms and heating systems in order to meet the standard.

However, cavity wall insulation is not a requirement under the Decent Homes standard, and so the Homes and Communities Agency delivers a separate fund (the Energy Savings Programme) to support social landlords insulate hard to treat cavity walls that would not otherwise be filled under the Decent Homes Programme or the Carbon Emissions Reduction Target. The Energy Savings Programme aims to tackle 130,000 homes

The total budget for the programme is £83.8m; £54.5m in 2009/10 and £29.3m in 2010/11.

- 1.2.4 As England's target date is 2010, it is believed that much of the refurbishment required to comply with the Decent Homes standard in England has already been completed. By 2010, it is estimated that 95% of all social housing stock in England will satisfy the decent homes standard. However, as Scotland and Wales have later (but still imminent) dates, it is expected that there will be more refurbishment activity evident in these jurisdictions. In addition, both Scotland and Wales have set higher standards of energy efficiency for their stock.

- 1.2.5 Going forward, new social housing will have to continue to meet mandatory standards of decency, and it is anticipated that these standards will become more stringent. In August 2009, the Chartered Institute of Housing conducted a review of the Decent Homes standard on behalf of the Communities and Local Government Committee, and recommended that in the future the decent homes standard for new stock:

- Should place greater emphasis on energy efficiency;
- Is likely to be even more stringent; and
- Should include standards for the following specific products:
  - internal elements such as internal doors.
  - showers as well as baths.
  - water metering and fitting of low consumption water products in bathrooms.
  - addressing IT requirements for growing families.
  - provision of recycling storage, especially in flats.
  - higher standards of external lighting.
  - fire safety and passenger lift access standards.
  - much higher insulation levels, eg thermal cladding on solid wall properties.
  - renewable energy sources.
  - incentives for micro-generation of power.
  - minimum SAP levels depending on age of property.

- annual carbon reduction targets.
- energy advice training for front line staff.
- use of timber from renewable / sustainable forestry.
- annual fuel poverty reduction targets.

### *The Code for Sustainable Homes*

1.2.6 The Code for Sustainable Homes (“the Code”) provides a set of energy, carbon and other sustainability standards for new homes. It rates new houses on a scale of 1-6, according to their energy and water efficiency, sustainability features, carbon emissions and environmental standards.

There are nine categories within the Code:

- Energy and CO<sub>2</sub> Emissions;
- Pollution;
- Water;
- Health and Wellbeing;
- Materials;
- Management;
- Surface Water Run-off;
- Ecology; and
- Waste.

The standards set within each category is available on [http://www.planningportal.gov.uk/uploads/code\\_for\\_sust\\_homes.pdf](http://www.planningportal.gov.uk/uploads/code_for_sust_homes.pdf)

As explained, the rating ranges from 1 to 6 stars:

1* homes are 10% more energy efficient and 20% more water efficient than the standard embedded in 2006 building regulations. They may also have some of the other features in the Code such as providing office work space with communication links within the home, secure cycle storage or greater security features.
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3* homes will be 25% more energy efficient and have many more sustainable features than a 1* home.
--

6* homes will be highly sustainable and, over the course of the year, their net carbon emissions will be zero. This is a zero carbon house. Needing over 90% of the points available, a 6 home would include most of the sustainability features in the Code.
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1.2.7 It is intended that *the Code will become more and more engrained in building regulations*. In July 2007, the UK Government published a paper (“Building Regulations - Energy efficiency requirements for new dwellings - A forward look at what standards may be in 2010 and 2013”), which anticipated that the building regulations would reflect the Code within the following time frame:

<b>Date</b>	<b>2010</b>	<b>2013</b>	<b>2016</b>
Building Regulations Minimum Code rating	Level 3  (i.e. 25% improvement on energy efficiency compared to 2006)	Level 4  (i.e. 44% improvement)	Level 6  (i.e. zero carbon)

However, the Government intends to ‘lead by example’, and has set even tighter targets for publicly-funded building projects:

- *Since April 2008, all new social housing has had to be built to a minimum of Code level 3.*
- The Housing Corporation has announced its intention that *new homes funded under the National Affordable Homes Programme should meet zero carbon and level 6 of the Code for Sustainable Homes by 2015*, if the technology needed to achieve this cost-effectively is available.
- Government has also committed to achieving **BREEAM** ‘excellent’ rating on all new buildings and BREEAM ‘very good’ rating on all refurbishments; and
- Government has published mandatory minimum environmental standards for procurement of a wide range of commonly purchased products, and Dfra has identified a number of “Buy Sustainable – Quick Wins” **Government procurement specifications**. The current product specifications include:
  - sustainable as well as environmental criteria;
  - a wider range of product groups; and
  - voluntary “best practice”, as well as the mandatory minimum, specifications.

1.2.8 Through its various initiatives and funding packages, Government has made provision to support the social housing sector in undertaking measures to improve the energy efficiency and carbon footprint of existing and new stock.

The Energy Savings Programme (discussed in Section 1.2.3) is an example of such a fund, as is the Low Carbon Infrastructure fund which was announced as part of the 2009 Budget ‘Building Britain’s Future’ package. Through this initiative, £20.96mn of capital funding has been made available for low carbon infrastructure exemplars in Growth Point areas.

The 2009 Budget provided for over £1.4bn of extra targeted support in the low carbon sector, including £70mn for decentralise small-scale and community low-carbon energy.

### 1.3 Summary

- 1.3.1 In summary, the social housing sector has not been invulnerable to the effects of the recession, with levels of activity lower than in the pre-recession period, and the level of social housing built by private developers falling.

However, it has been more buoyant than many of the other areas of construction, and social housing has been the third best performing sector in terms of the value of starts in 2009. With continued investment by the Government in provision of social housing, it is projected to be one of the main areas of growth over the short-medium term

The following table provides a forecast of the growth in the social housing sector over the next 4 years:

**Forecast Public Housing Output in Great Britain, 2009-2013, (£ Million at 2008 Prices and Completions)**

Year	Output £mn	% Change	Completions units	% Change
2009	4 293	+3%	29 239	+4%
2010	4 579	+7%	31 578	+8%
2011	4 982	+9%	34 735	+10%
2012	5 530	+11%	38 313	+10%
2013	5 807	+5%	40 535	+6%

*SOURCE: MBD forecasts*

Whilst cuts in public spending may put a squeeze on some of the projected activity levels and new build targets, there are still major drivers for investment in new social housing and in refurbishing social housing stock.

- 1.3.2 It is anticipated that, by 2016, 70% of all housing stock will be from existing/current buildings. Therefore, if Government is to meet its energy and CO2 emission targets, it is essential that the existing housing stock can be refurbished economically to meet higher energy efficiency and sustainability standards, and the Decent Homes Standard.

Therefore, the opportunity in the social housing sector is for both new build and refurbishment. On one hand, growing demand for housing will drive the new build sector, whilst initiatives such as the Decent Homes Standard, will drive opportunities for refurbishment.

## **2. SECTOR STRUCTURE AND FUNDING FOR SOCIAL HOUSING**

### **2.1 Sector Structure**

The main organisations involved in managing and funding the social housing sector in GB are:

- The Homes and Communities Agency (“HCA”), which is the national housing and regeneration agency for England, and the main channel through which government funding for delivered to housing associations and local authorities.
- The individual Housing Associations, local authorities and ALMOs, which own and manage the social housing stock in their region. Housing associations now account for the majority of stock. Section 2.3 considers the housing associations in more detail.
- The Tenant Services Authority (“TSA”), which was launched in December 2008, taking over from the Housing Corporation as the new regulator for affordable housing.
- The National Housing Federation, Scottish Federation of Housing Associations, and Community Housing Cmru, which are the housing association federations in England, Scotland and Wales respectively. These are member-based organisations which lobby on behalf of housing associations in their respective regions.

### **2.2 Funding for Social Housing**

#### **2.2.1 *England***

As noted above, the Homes and Communities Agency (“HCA”) is the main channel for administering public sector funding for social and affordable housing stock in England. Indeed, approximately half of all the new homes projected to be built in England in 2009 and 2010 will have been directly funded through the HCA.

HCA’s target for housing completions 2009-2011 is as follows:

<b>Housing completion target summary</b>				
	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2009-11</b>
	<b>Outturn</b>	<b>Target</b>	<b>Target</b>	<b>Total</b>
Affordable: Social Rent	27,501	27,500	35,825	63,325
Affordable: Low Cost Home Ownership	19,775	25,000	17,575	42,575
Open market: Housing Kickstart (Budget 2009)	-	-	5,000	5,000
Open market: Property & Regeneration	6,261	3,125	3,100	6,225
<b>TOTAL</b>	<b>53,537</b>	<b>55,625</b>	<b>61,500</b>	<b>117,125</b>
Open market: Housing Kickstart (Housing Pledge)	A further 9,000 open market houses to be completed by the end of 2011/12; many of these will actually be completed by the end of 2010/11.			

The HCA budget for the two years 2009/10 and 2010/11 totals £13.7bn; £7.6bn in 2009/10 and £6.1bn in 2010/11. The budget is spread across a number of different funding programmes, the largest of which is the *National Affordable Housing Programme*, which accounts for 47% of HCA's total two year budget and almost two thirds of the budget under HCA's direct control; £3.6bn in 2009/10 and £2.9bn in 2010/11.

The Kickstart Housing Programme accounts for a further 7% of the budget, £572mn in 2009/10 and £332mn in 2010/11.

As noted, the HCA's principal investment fund is the National Affordable Housing Programme ("NAHP"). In 2006-08, £3.9 billion was invested in 84,000 new affordable homes throughout England. For the period 2008 - 2011, this budget has increased to £8.4 billion to build and renovate homes and deliver at least 155,000 new homes, with a further 50,000 units to be built for sale through the Government's Homebuy initiatives.

This is the largest investment programme ever undertaken by the HCA. However, while the government has provided extra funding (compared to the previous 2 year period), it is expecting the sector to deliver 52% more homes. Clearly then, even with decreasing land and construction costs, housing associations need to find opportunities for greater efficiencies.

The HCA website details quarterly allocations of funding to housing developers and housing associations towards new build and refurbishment of social housing in each of its nine regions (e.g. <http://www.homesandcommunities.co.uk/eastmidlands>):

- North West;
- North East;
- Yorkshire & Humberside;
- West Midlands;
- East Midlands;
- East of England;
- South West; v
- South East;
- London.

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

The following table summarises the total funding allocation through the NAHP to each region from 2008 up to end Sept 2009:

Cumulative NAHP Allocations 2008 to end Sept 2009, by Region								
	Social Rent		Low Cost Home Ownership		Other		TOTAL	
	£mn	homes	£mn	homes	£mn	homes	£mn	Homes
<b>East Midlands</b>	216.4	4462	£88.4	3650	2.4	127	307.2	8239
<b>East of England</b>	384.8	8086	187.2	6280	2.7	274	574.7	14,640
<b>London</b>	2464.1	19,914	752.2	14,637	24.6	2,103	3240.9	36,654
<b>North East</b>	91.8	1945	52.0	2,208	1.0	168	144.8	4,321
<b>North West</b>	377.7	7,055	109.0	3,901	7.0	661	493.7	11,617
<b>South East</b>	717.0	11,052	288.2	9,536	5.6	269	1,010.8	20,857
<b>South West</b>	421.4	8,124	140.4	4,670	5.1	466	566.9	13,260
<b>West Midlands</b>	388.7	7,121	113.8	4,483	3.3	223	505.8	11,827
<b>Yorkshire and the Humber</b>	235.8	4,643	99.0	3,909	0.9	224	335.7	8,776

As shown, to date, London and the South East have accounted for by far the largest proportions of the NAHP allocation – 45% and 14% respectively of the total funding allocation, and 28% and 16% of total houses funded.

Outside of London and the South East, the East, South West, West Midland and North West have accounted for the most housing starts.

### 2.2.2 *Scotland*

There already is a considerable level of investment and activity in the sector. Indeed, social housing has been one of the best performing construction sectors in Scotland, with £312mn of project starts over the first 6 months of 2009. In June 2009, the Scottish Government announced that 1,343 social homes would be built in 2009, with £26mn of funding. The main areas for investment in social housing were highlighted as being in Edinburgh, Aberdeen, East Lothian, Midlothian, West Lothian and North Lanarkshire.

However, the Scottish Federation of Housing Associations has stated that Scotland needs 10,000 new homes in the social sector to cope with demand, and has launched a campaign to lobby government to provide more support in this area.

In November 2008 the Scottish Executive announced that it would bring forward up to £100 million of spending through the £1.5 billion Affordable Housing Investment Programme. In 2009/10, a total budget of £644mn was allocated through the Affordable Housing Investment Programme, with Glasgow accounting for by far the largest allocation of £83mn (of which £78mn went to the Glasgow Housing Association) followed by the City of Edinburgh with £41.5mn.

However, looking forward, the Scottish Government's draft Budget Bill 2010-11 (published in January 2010) shows a drop in the funding available for affordable housing. As budget had been brought forward into 2008-09 and 2009-10 to stimulate construction during the recession, the 2010-11 budget for affordable housing is now £120 million lower than was initially planned, dropping to £471m for 2010-11 from £675m in 2009-10.

The budget and forward commitments have still to be finalised for 2010/11, and stakeholders within the housing sector are lobbying to see the budget allocation for housing increased.

### 2.2.3 *Wales*

About 20% of Welsh households live in social housing. However, in spite of demand for more social housing, over the first 6 months of 2009, there was little new build activity in the social housing sector.

The Welsh Assembly recognises that more needs to be done in this area and, in May 2009, it announced that it was looking at a new model for housing associations to access private funding, with £200mn available through a variety of sources, £42mn from the Strategic Investment Fund for 500 new homes by 2011, and £40mn to support Registered Social Landlord/Housing Associations.

In December 2009, the Welsh Assembly also announced a £24million funding boost for local authorities to support activity in housing renewal areas. This money will add to funding which the local authorities and partner organisations are already investing in housing renewal areas in Wales in 2010-2011.

Social Housing Grants (SHG) are given to Registered Social Landlords (housing associations) by the Assembly Government, to provide new affordable housing for rent or low cost home ownership. In 2008/09, a total of £98mn Social Housing Grant was allocated across Wales; Cardiff was by far the major region receiving grant, accounting for 16% of the total allocation.

In September 2009 Community Housing Cymru (the Welsh housing association Federation) announced that it had secured £75mn of funding from the European Investment Bank for the Welsh social housing sector, along with an additional £30mn from the Principality Building Society. This extra funding is in addition to repleted Social Housing Grant of £28m from 2009/10, £42m from the Welsh Assembly Government's strategic capital investment fund and the reprofiling of resources from 2010 in order to ensure a fiscal stimulus. By increasing leverage, the housing association sector is showing its willingness to play their part in taking Wales out of the recession.

## 2.3 **Summary**

In summary, the funding for the social housing sector is delivered through a number of core programmes:

- The National Affordable Housing Programme, administered by the Homes and Communities Agency;
- The Affordable Housing Investment Programme, administered through the Scottish Executive; and
- Social Housing Grants, through the Welsh Assembly.

In addition to these core programmes, there have been other additional programmes and funding streams designed to encourage more environmentally aware practices in the building of new social houses, upgrade additional stock, and stimulate activity during recession.

In many cases, additional funding and budget were brought forward to help to stimulate the sector during 2008 and 2009 and, as a result and with cuts in public sector spending, budgets going forward are tightening.

Nevertheless, there is still a pressing need for new and improved social housing and, whilst budget may have tightened, this is still a priority area for Government. The emphasis going forward will be to ensure that best value is achieved from the available budgets, and housing associations and those applying for funding will have to show that they have efficient procurement practices in place to ensure that they are getting best value from their suppliers.

There is particular emphasis on repairs and maintenance of existing stock, to bring it up to standard, and so there are particular opportunities for retrofit and refurb products. Closely linked to these refurbishment projects is the growing demand for more 'green' products, to enable stock to meet the growing sustainability and carbon friendly standards; this is a trend in both the refurbishment and new build sectors.

Most housing stock is now owned by housing associations, and this is a growing trend as more and more local authorities transfer their stock over to housing associations. The following section provides an overview of housing associations across England, Scotland and Wales, highlighting the main associations in terms of stock and/or funding. It is followed by a section which looks specifically at the main procurement channels used by associations when building or refurbishing stock, which is an area which will become increasingly important as budgets tighten but demand continues to rise.

Discussions with housing associations highlighted that in order to obtain funding from HCA for new build projects they are required to have what is known as a "Single Conversation" with HCA. This means that any new proposals put forward must include evidence of involvement of all relevant local authorities e.g. the local council and evidence that the new build proposals are in line with local plans in order to demonstrate need at a local level. This requirement for housing associations to have "buy-in" from a range of other organisations means that new build social housing projects are developed within a strategic context, but its effect can also be to slow down the process for gaining approval for new build projects.

### 3.0 HOUSING ASSOCIATIONS

#### 3.1 Introduction

3.1.1 Social housing stock may be developed by:

- Housing Associations (which are not-for-profit organisations responsible for developing social housing stock; can also be known as ‘Registered Social Landlords’ (RSLs), are independent housing organisations registered with the TSA under the Housing Act 1996);
- Local Authorities (although they are transferring a lot of their involvement and stock over to the Housing associations); and
- Private sector developers.

As noted previously, Housing Associations are responsible for most of the stock and, with the impact of the recession on private sector developers, it is anticipated that their role will become even greater.

In England, Scotland and Wales, Housing Associations account for an estimated 2.27million existing housing stock, and 48,000 new build per annum.

3.1.2 The housing association sector is quite fragmented, with associations varying in size from 50 houses in stock to over 10,000 houses in stock. Whilst the sector has a very large number of small associations, the larger associations account for the majority of the sector’s stock.

There are 1,900 individual housing associations in England, 676 housing associations in Scotland and 142 housing associations in Wales.

Each jurisdiction within the UK has its own member-based housing association federation, which lobbies on behalf of the individual housing associations within the region:

- England: National Housing Federation;
- Scotland: Scottish Federation of Housing Associations;
- Wales: Community Housing Cymru

#### 3.2 England

3.2.1 As noted previously, there are almost 2,000 housing associations in England, although only 400 have stock of more than 1,000 units and these associations account for c95% of total stock.

The National Housing Federation has 1,200 housing association members. The 60 largest member associations account for just over half of all housing association stock in England, and 30 of the members account for most of the new build activity in the sector.

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

3.2.2 The following table lists the top 30 housing association groups in England, in terms of total stock owned. These 30 groups represent just over a third of the total stock owned by housing associations.

<b>Top 30 Housing Association Groups in England, by total stock owned (2007)</b>		
<b>Housing Association</b>	<b>Number of Units Owned</b>	<b>Share of Total Stock</b>
Riverside Group	48,773	2.3
Places For People	47,369	2.2
Affinity Sutton	47,211	2.2
London & Quadrant Ht	46,569	2.2
Home Group Limited	43,566	2.0
Sanctuary	41,708	2.0
Guinness Trust	31,876	1.5
Wakefield	31,162	1.5
Midland Heart	30,558	1.4
Sunderland	30,112	1.4
Anchor Trust	30,096	1.4
Circle Anglia	26,990	1.3
Metropolitan Ht	24,773	1.2
Amicushorizon	24,767	1.2
Hyde	24,478	1.1
Orbit Housing Group	23,745	1.1
Bromford Hg	22,680	1.1
Southern Hg	22,486	1.1
Bradford Community Housing	21,996	1.0
Sovereign Hg	21,176	1.0
Walsall Ht	20,215	0.9
Flagship Housing	19,757	0.9
Peabody Trust	18,918	0.9
Family Mosaic Housing	18,849	0.9
Accent Group	18,488	0.9
Northern Counties	18,457	0.9
Genesis	17,222	0.8
White Friars Hg Ltd	16,732	0.8
Contour Housing	16,622	0.8
Trans-Pennine Housing Ltd	16,321	0.8
<b>Total</b>	<b>823,672</b>	<b>38.5</b>

(Source: Housing Corporation/AMA Research)

It should be noted that the above table is based upon 2007 statistics and, whilst the top associations will have remained largely the same, their ranking relative to each other may have changed due to several mergers and acquisitions within the sector:

The Sanctuary Group is now considered to be the largest group, following its acquisition of Shaftesbury HA and Charter HG, with around 63,500 units now owned and managed.

Places for People is now estimated to be the second largest, with an estimated 59,000 units in ownership or management.

Riverside Group has also grown and is estimated to have around 54,000 units.

Circle Anglia has received 2 LSVTs and is now estimated to have around

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

34,000 units.

A proposed merger between A2 Housing Group and the Dominion Group is set to create a housing group of significant size, with a stock of over 30,000 units.

The Guinness Partnership has been created through a merger between the Guinness Housing Trust and Northern Counties Housing Association. The group also includes a number of smaller associations and the combined stock is reported to be in excess of 50,000.

3.2.3 The following table lists the top 30 housing associations in England, according to their NAHP funding allocations 2008-11:

<b>Top 30 Housing Association</b>	
<b>Housing Association</b>	<b>New Allocation NAHP 2008-11</b>
London & Quadrant Housing Trust	£120,552,591
Accent Group Limited	£65,477,664
Riverside Housing Association	£63,358,947
Affinity Sutton Group Limited	£58,056,311
Swan Housing Association Limited	£52,919,731
Metropolitan Housing Trust Limited	£47,305,693
Hyde Housing Association Limited	£46,635,480
Manchester Methodist Housing Association	£46,325,065
Housing 21	£41,243,791
Sanctuary Housing Association	£39,769,881
Acton Housing Association Limited	£39,774,000
Plus Housing Group Limited	£38,921,155
Sentinel Housing Association Limited	£37,912,507
Paddington Churches Housing Association	£37,551,314
Bromford Carinthia Housing Association	£34,421,656
Yorkshire Housing Limited	£32,880,842
Moat Homes Limited	£31,964,500
Devon & Cornwall Housing Association	£30,500,681
Arena Housing Group Limited	£30,472,627
West Mercia Housing Group	£30,275,704
Chevin Housing Association	£29,535,166
Family Mosaic Housing	£29,517,288
Octavia Housing and Care	£29,705,800
Willow Park Housing Trust Limited	£28,494,700
Tees Valley Housing Group	£27,191,435
One Housing Group	£25,369,250
Wandle Housing Association Limited	£24,388,500
Southern Housing Group Limited	£22,212,046
Islington and Shoreditch HA	£21,941,040
Home Group Limited	£21,279,334
<b>Total</b>	<b>£1,185m</b>

(Source: Housing Corporation/AMA Research)

It should be noted that the above table only lists the lead partner in any development partnership.

Traditionally, housing associations holding large stocks in urban areas, such as London & Quadrant, Riverside and Affinity Sutton, will have a continuous need for

new development as well as regeneration, and may receive consistently high allocations from the Housing Corporation.

Appendix II contains a brief profile of the leading Housing Association Groups.

There are over 400 housing associations operating in London, managing some 460,000 homes. Of these, the G15, (a group of 15 large housing associations), manage over 250,000. The G15 comprises:

- Affinity Group
- Catalyst Housing Group
- Circle Anglia
- East Thames Group
- Family Housing Group
- Genesis Housing Group
- Horizon Housing Group
- The Hyde Group
- The L&Q Group
- Metropolitan Housing Trust
- Mosaic Homes
- Network Housing Group
- Notting Hill Housing Group
- Peabody Trust
- Southern Housing Group

In the five years from 2003 to 2008 the G15 should have delivered 53,000 new homes. The G15 are engaged in volume programmes and award winning, large schemes including the creation of complete neighbourhoods of over 500 homes.

### 3.3 Scotland

- 3.3.1 The Scottish Federation of Housing Associations has a membership of 132 housing associations and 59 Local Housing Organisations, accounting for 95% of the housing association sector.

However, a limited number of associations control the majority of the stock, with the top 5 associations accounting for more than 37% of total housing association stock and Glasgow Housing Association alone accounting for over 27% of the Scottish social housing market. Indeed, Glasgow Housing Association is the largest housing association in GB

The following table lists the largest housing associations in Scotland and gives an indication of their stock levels:

Housing Association	Current stock
Glasgow Housing Association	65,000
Home Group Ltd	45,371
Places for people	43,401
Sanctuary	40,669
Wakefield	31,294
Midland Heart	30,815

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

Anchor Trust	30,588
London & Quadrant Ht	27,467
Riverside	27,003
Hyde	26,346
Guinness Trust	22,257
Bradford Comm Ltd	21,996
Metropolitan Ht	19,761
Pathmeads	19,553
Family Mosaic Housing	18,922
Northern Counties	18,276
Peabody Trust	17,496
White Friars Housing Org	16,732
Servite	15,858
Orbit Ha	15,461
Southern Housing Group Ltd	15,386

A number of these groups have already been profiled in Appendix II, with the exception of:

### GLASGOW HOUSING ASSOCIATION

[www.gha.org.uk](http://www.gha.org.uk)

Glasgow Housing Association is a private not-for-profit company created by the Scottish Executive for the purpose of owning and managing Glasgow's housing stock. This housing stock was, prior to 2003, owned by Glasgow City Council, before being transferred to Glasgow Housing Association. The transfer was initially going to be to one landlord (i.e. Glasgow Housing Association), however, the Scottish Executive intervened and produced a Framework Document which introduced the concept of second stage transfer to smaller Housing Associations over time.

It is a key part of the GHA's business plan and original mandate that, at a later point, the housing stock should be transferred further from GHA, to a number of smaller housing associations. The reason given for this transfer is that social housing should be under the control of communities local to the houses they are controlling.

Currently, GHA is taking part in a trial of the Secondary Stage Transfer (SST) process, along with several of the smaller housing associations. GHA is currently running several months behind schedule and has released a thirty-year business plan.

Glasgow Housing Association currently has 60,000 tenants and 26,000 factored homeowners. Its corporate offices are based in Glasgow's city centre, with a citywide network of 57 local housing organisations delivering front-line services and strategically located Local Shared Services centres.

### WAKEFIELD AND DISTRICT HOUSING

[www.wdh.co.uk](http://www.wdh.co.uk)

Wakefield and District Housing (WDH) became the largest single housing stock transfer organisation in 2005, taking responsibility for over 31,000 homes in the Wakefield District.

In April 2009, WDH launched four new programmes taking it forward to 2015.

WDH has secured one of the largest investment funds in the country to bring all homes up to

the 'Wakefield Standard', which is a higher specification than the Government's Decent Homes Standard.

### MIDLAND HEART

[www.midlandheart.org.uk](http://www.midlandheart.org.uk)

Midland Heart is one of the leading housing and regeneration groups and the largest based in the Midlands. Each year, it claims to invest more than £100 million in improving homes and building new ones.

With a stock of 32,000 homes Midland Heart's annual turnover is £140mn.

The Midland Heart website includes a procurement portal to inform suppliers of new business opportunities and give access to tender for opportunities. Midland Heart uses BIP Solutions Delta-ets for all EU procurement opportunities from advert to award.

The Development department at Midland Heart operates with many partners. Through a Joint Procurement Initiative, it partners with several other housing associations to produce homes using modern methods of construction, and has frameworks for select contractors and consultants.

To access funding, Midland Heart leads the Midlands consortium which includes Brighter Futures, Festival, Carr Gomm and Family Housing Association. It is also a lead partner with Urban Living and Renew North Staffordshire in the Birmingham and Sandwell and North Staffordshire pathfinder areas.

### ANCHOR TRUST

[www.anchor.org.uk](http://www.anchor.org.uk)

Anchor Trust specialises in providing housing for the elderly; both self-funders and publicly funded.

Anchor Trust's main business areas are divided into housing services and care services:

#### Housing Services

- Anchor Retirement Housing: more than 24,000 people live in Anchor's sheltered housing for rent.
- Guardian Management Services: Guardian is England's largest not-for-profit provider of services in leasehold sheltered housing.
- Denham Garden Village: a retirement development in Buckinghamshire including more than 300 houses, bungalows and apartments together with a range of leisure facilities including a café bar, health spa and winter garden.
- The Laureates: Opened late 2009, The Laureates in West Yorkshire has 62 apartments and a range of leisure and health facilities.

#### Care Services

- Anchor Homes: One of the largest not-for-profit providers of care homes in GB.
- Anchor Care: Domiciliary care business.
- Integrated Care and Housing: Housing and care/support services.
- Anchor Staying Put: A home improvement agency business which helps older and disabled home owners with repairs, adaptations and improvements to their properties
- At Home Services: delivers an integrated range of home improvement and care services into the homes of older private paying customers.

### 3.4 Wales

Housing associations in Wales provide over 107,000 affordable homes, representing about 8% of all homes in Wales. There are c140 housing associations in Wales, as listed at [www.clickhousingassociations.co.uk](http://www.clickhousingassociations.co.uk).

Community Housing Cymru has over 70 housing associations and community mutuals as members; these are listed by Count area on their website [www.chcymru.org.uk](http://www.chcymru.org.uk)

### 4 HOUSING ASSOCIATION PROCUREMENT CHANNELS

#### 4.1 Introduction

4.1.1 Housing associations tend to adopt one of more of the following channels for procuring materials and services for new build or refurbishment of their housing stock:

- Procuring directly from product suppliers (this would now tend to be for lower value orders and contracts, which are advertised directly by the housing associations);
- Through housing association procurement consortia (ie. housing associations joining together into housing groups and consortia, for the purposes of procurement and to raise funding); and
- Through partnerships with major house builders and contractors, who will generally handle the procurement of second and third tier suppliers.

4.1.2 The preceding section details the main individual housing associations and housing association groups in GB. It is a complex industry, which can be in a constant state of flux as a result of mergers and ongoing transfer of stock. If targeting housing associations directly, it is important to have an up to date understanding of the ownership and responsibilities of the individual associations. For example, whilst a smaller housing association may manage and even own its housing stock, additional capital investment in new build or refurbishment may come about through the parent Association. Therefore, it is important that suppliers have an up to date awareness of the housing associations in their target areas, so that they can monitor future development plans and track the publication of framework tenders.

4.1.3 However, the use of housing association procurement consortia is becoming more and more popular and, with Government pushing for more efficient procurement by housing associations and the Office of the Deputy Prime Minister stating that housing associations and public bodies should create more efficient purchasing partnerships, it is anticipated that consortia will be the main procurement channel for the housing association sector in the future. Section 4.2 looks in more detail at the GB Housing Procurement Consortia and their procurement procedures.

4.1.4 Major house builders and contractors are also an important procurement route for second and third tier suppliers. Whilst some associations and procurement consortia will purchase second and third tier supplies directly, others will leave this to their appointed primary contractor. Section 4.3 looks in more detail at this procurement route.

4.1.5 Finally, specifiers such as architects and M&E consultants, can be important influencers on the procurement process. It is obviously desirable for a supplier to have their product specified on a tender by the project architect or consultant. Architects are more likely to specify a particular supplier if they can demonstrate that products have achieved independent accreditations e.g. SBD. However, getting specified by an architect does not necessarily mean that orders will follow.

Contractors can circumvent this by using products which are equal and approved and which they may be able to purchase more cheaply.

### 4.2 Procurement Consortia/Groups

4.2.1 As noted, procurement consortia/groups will be an increasingly important channel for issuing tenders and managing procurement on behalf of housing associations. They help individual housing associations to ensure transparency and efficiency through the public procurement process, and ensure that their procurement procedures are as required under EU legislation.

The housing consortia tend to adopt a number of best practice principles:

- Partnering with a preferred house builder;
- Early stage involvement of the contractor, to reduce on-site problems at the building phase;
- Contractor responsible for managing his sub-contractors and suppliers;
- Development of factory based production (MMC below);
- Establish KPIs by which changes are monitored;
- More accurate measurement of whole life costs;
- *Setting up and managing a house building supply chain.*

Selection of partners and suppliers is usually on a two-stage basis, the first involving an assessment of quality and price criteria. Only successful applicants will be invited to move on to stage two, where technical specifications are taken into account and a price submitted.

4.2.2 The consortia/groups of relevance to the social housing sector may be summarised into two categories:

- Those which focus on social housing and on housing associations as members; and
- Much broader procurement organisations, which offer procurement services for the public sector as a whole and therefore source a very diverse portfolio of products. For example, North Eastern Purchasing Organisation, OGC Buying Solutions and Yorkshire Purchasing Organisation.

<b>North Eastern Purchasing Organisation</b>
<a href="http://www.qtegov.com">www.qtegov.com</a>
NEPO has 12 full member local authorities and 12 associate members, providing services to a range of public sector bodies. NEPO covers the area from the Scottish border through to Tyneside, Wearside, County Durham and Teesside.
<b>OGC Buying Solutions</b>
<a href="http://www.ogc.gov.uk">www.ogc.gov.uk</a> <a href="http://www.buyingsolutions.gov.uk">www.buyingsolutions.gov.uk</a>
The Office of Government Commerce (OGC) is an independent office of HM Treasury, established to help Government deliver best value from its spending. The OGC works with central Government departments and other public sector organisations, and one of its goals is delivery value for money from third party spend, promoting collaborative procurement across the public sector .

OGC has an executive agency, "Buying Solutions", which is the national procurement partner for UK public services. Buying Solutions is the largest of over 40 Professional Buying Organisations in the wider public sector, delivering procurement solutions for nationally sourced commodity goods and services to customers in the public sector.

OGC Buying Solutions operates a number of framework agreements for suppliers.

Modular Buildings, Kitchens and Associated Products

Framework operational from 01/10/07 until 25/10/2011

Approved suppliers are: Britspace Modular Buildings Ltd, Elite Systems, Extraspace (NI) Ltd, McAvoy Group Ltd, PKL Group (UL) Ltd, Portakabin Ltd, Thurston Group

Automatic and Industrial Doors

Framework operational from 01/09/2004 until 31/11/2010

Approved suppliers are: Besam, IR Service Division, Kaba Door Systems Ltd, Middleton Doorman Services.

Building Materials and Associated Managed Services

Framework for the supply and delivery of a full range of building materials including plumbing and heating equipment, kitchens and bathrooms, heavy and light building materials, timber, sheet materials, joinery, hire of building related equipment.

Framework operational from 01/10/2009 until 30/09/2013.

Approved suppliers are: Burdens Ltd, Jewson Ltd, Travis Perkins Managed Services, Wolseley UK Ltd.

Top of Form

Bottom of Form

Yorkshire Purchasing Organisation

[www.ypo.co.uk](http://www.ypo.co.uk)

Yorkshire Purchasing provides a procurement service for a wide range of public sector customers, and is the largest formally constituted local authority purchasing consortium in the UK, with a customer base extending across more than 100 local authority areas and covering schools, colleges and universities, and local government departments.

Current contracts include:

- Kitchen furniture & sanitaryware
- Building supplies & tools including glazing, plumbing, joinery, electrical and decorating materials
- Energy including gas, electricity, coal and liquid fuels

The procurement consortia which specialise on social housing may be further divided between those which focus purely on construction related products and those which procure all types of products and services on behalf of housing associations (including office supplies, telecommunications etc).

The remainder of this report concentrates on those procurement groups/consortia which specialise in procurement for social housing.

- 4.2.3 The consortia/groups typically issue tenders for frameworks of suppliers and specific categories of products, these frameworks will then be ‘closed’ to new suppliers for a fixed term, before the framework tender is reissued.

These frameworks are believed to improve efficiencies in the supply chain and reduce the overall number of suppliers. However, they also mean that it is more difficult for suppliers who are not on the frameworks to do any level of business with housing associations. Even routine maintenance work is likely to be undertaken via the framework suppliers.

#### 4.2.4 *Social Housing Procurement Groups*

There are numerous procurement consortia active within the social housing sector are, but some of the largest and longest established are:

- CYNTRA
- Northern Housing Consortium;
- Fusion 21;
- Procurement for Housing;
- London Housing Consortium;
- Buy for London (B4L); and
- GM Procure (soon to merge with Impact Manchester)

The following table profiles a number of these consortia, and highlights the specific frameworks they have in place for construction products:

<b>Northern Housing Consortium</b> <a href="http://www.northern-consortium.org.uk">www.northern-consortium.org.uk</a>
<p>The Northern Housing Consortium has 381 members: 200 in the North England, accounting for 86% of social housing in the North of England, and 120 in South of England.</p> <p>Northern Housing Consortium has a commercial arm – <i>Consortium Procurement</i> – which manages and delivers the Consortium’s procurement processes. Consortium Procurement currently has a number of frameworks in place, which can be viewed on its website. The frameworks relating to building products and components are:</p> <p><b><u>Decent Homes Framework</u></b></p> <p>This framework was developed to appoint suppliers for the supply of goods to deliver the Decent Homes programme, resulting in the largest collaborative public sector agreement of its kind in the UK.</p> <p>Suppliers pre-tender to be included on the framework, and then the consortium members collaborate in determining the specification for each unique reverse Eaucion and buy collectively, offering large volume opportunities for suppliers under the framework. The framework currently includes 28 suppliers, across seven categories of products:</p> <ul style="list-style-type: none"><li>- kitchens;</li><li>- bathrooms;</li><li>- central heating;</li><li>- electrical components;</li><li>- windows;</li><li>- doors; and</li></ul>

- roofing and insulation.

**Assistive Technology Solutions**

This framework is for the supply of assistive technology and telecare equipment.

Consortium Procurement worked with the NHS Purchasing and Supply Agency to run a mini-competition under the overall national framework for telecare products.

Consortium Procurement’s resulting framework appointed 7 suppliers, under a 4 yr framework covering:

- telecare/telehealth equipment;
- installation;
- maintenance;
- monitoring; and
- response.

The appointed suppliers are:

Tunstall	Telematic and Biomedical Services	Philips
Invicta Telecare	Just Checking	Possum-SRS
NHS Purchasing and Supply Agency		

**Adaptations**

The Consortium has 2 frameworks in place for bathroom adaptations and the supply of stair lifts. Each framework is 4 yrs in duration, expiring in 2012.

9 suppliers have been appointed under the Bathroom framework and 4 have been appointed under the Stair Lift framework:

<b>Bathroom Adaptations</b>			
Coast & Country	Eaga	Erimus	Keepmoat
N&C Plexicare	Shacklocks	AKW Medicare	Plumbase
ROK	WeaverVale	Rogerson Contracts	
White Building Services		AB Mitchell Developments Ltd	
<b>Stair Lifts</b>			
Free Lift	Stannah	Apollo Lifts	Britannic Lifts

**Building Components and Materials**

The Northern Housing Consortium teamed up with the London Housing Consortium to access LHC’s specialist framework arrangements.

The LHC has 12 OJEU frameworks covering the following products and services:

- Aluminium windows and doors;
- PVC-U windows and doors;
- External doorsets;
- Timber windows and doors;
- Window and door maintenance;
- External repairs;
- Insulation and associated works;
- Integrated property and security services;
- Steel, timber and concrete fencing;
- Kitchen units and worktops;
- Kitchen and bathroom replacement works; and
- Heating management services.

**Fusion21**

[www.fusion21.co.uk](http://www.fusion21.co.uk)

Fusion21 represents 7 Mersey-based housing associations/groups, and has over 20 frameworks, which can be viewed on its website. Its frameworks cover a wide range of supplies, and are not limited to building products. The frameworks relating to building materials and components are:

**Windows**

The framework agreement for Windows covers both the supply of materials and installation as separate elements, covering:

- Supply only;
- Installation only; or
- Supply and install.

The framework is available for either direct call-off or call-off after a mini competition between the appointed contractors. The appointed contractors and suppliers include:

<b>Contractors</b>			
Architectural Decorators	Bramall Construction	Cosyseal, Harland Rise	Integral, Jackson Lloyd
AW Byrne	Breyer Group	HT Forrest	JCConstruction
J Tomlinson	Kinetics	New Charter	Queensbridge
Rok	Sovereign	The Casey Group	
Thomas Armstrong	Top Notch Contractors	Wates Living Space	
<b>Suppliers</b>			
Brookvent (Window Vents)	Securistyle (Window Hardware)	Total Glass	Sovereign
Remploy			

**Doors**

The framework agreement for Doors covers both the supply of materials and installation as separate elements, covering:

- Supply only; or
- Installation only; or
- Supply and install.

The framework is available for either direct call-off or call-off after a mini competition between the appointed contractors. The appointed contractors and suppliers include:

<b>Contractors</b>			
Architectural Decorators	Top Notch Contractors	Bramall Construction	Wates Living Space
AW Byrne	Breyer Group	Booth Mechanical	Cosyseal
Harland Rise	HT Forrest Integral	Jackson Lloyd	JC Construction
J Tomlinson	Kinetics	New Charter	Queensbridge
Rok	Sovereign	The Casey Group	Thomas Armstrong
<b>Suppliers</b>			
IG Doors	Securistyle	Sovereign	SBP Permadoor
Manse Masterdor			

**Kitchens**

The framework agreement for Kitchens covers both the supply of materials and installation as separate elements, covering:

- Supply only; or
- Installation only; or
- Supply and install.

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

The framework is available for either direct call-off or call-off after a mini competition between the appointed contractors and suppliers, which includes:

<b>Contractors</b>			
Adept Building Contractors	Architectural Decorators	Bramall Construction	Top Notch Contractors
AW Byrne	Breyer Group	Frank Rogers	Geoffrey Osbourne
Harland Rise	HT Forrest	Inspace	Integral
Jackson Lloyd	JC Construction	J Tomlinson	Kinetics
Queensbridge	Rok	The Casey Group	Thomas Armstrong
Wates Living Space			
<b>Suppliers</b>			
Envirovent (Fans)	Pilkingtons (Tiles)	Rixonway Kitchens	Symphony Kitchens
Moores Furniture Group	Pegler Yorkshire (Brassware)	Premier Kitchen Company	Tarkett Marley (Flooring)
<b>Distributors</b>			
The Graham Group			

### **Bathrooms**

The framework agreement for Bathrooms covers both the supply of materials and installation as separate elements, covering:

- Supply only; or
- Installation only; or
- Supply and install.

The framework is available for either direct call-off or call-off after a mini competition between the appointed contractors. The appointed contractors and suppliers include:

<b>Contractors</b>			
ADEPT Building Contractors	Architectural Decorators	Bramall Construction	Top Notch Contractors
AW Byrne	Booth Mechanical	Breyer Group	Frank Rogers
Geoffrey Osbourne	Harland Rise	HT Forrest	Integral
Jackson Lloyd	JC Construction	J Tomlinson	Kinetics
PH Jones	Queensbridge	Rok	Simpson Gregg
The Casey Group	Thomas Armstrong	Wates Living Space	
<b>Suppliers</b>			
Applied Energy (Showers)	Pegler Yorkshire (Brassware)	Procure (Adapted Bathrooms)	Roper Rhodes (Toilet Seats & Bath Panels)
Envirovent (Fans)	Ideal Standard	Pilkingtons (Tiles)	Tarkett Marley (Flooring)
Twyford Bathrooms (Back up only)			
<b>Distributors</b>			
The Graham Group			

### **Roofing**

The framework agreement for Roofing covers supply of materials and installation by the contractor.

The framework is available for either direct call-off or call-off after a mini competition between the appointed contractors. The appointed list of contractors includes: BAAS Construction, Bramall Construction, DLP Services, Enterprise, Enderby Hyland, Frank Rogers, HT Forrest, Jennings Roofing, Jackson Lloyd, JC Construction, Kinetics, Lacy Roofing, Queensbridge, Rok, Stewart Roofing, Wates Living Space, W Carroll & Sons, W Swindells & Son

### **Central Heating**

The framework agreement for Central Heating covers the supply of materials and installation

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as separate elements:

- Supply only
- Installation only
- Supply and install

The framework is available for either direct call-off or call-off after a mini competition between the appointed contractors. The suppliers approved under the framework are:

<b>Contractors</b>			
Apollo Heating	The Casey Group	AW Byrne	Booth Mechanical
Rok	Breyer Group	British Gas	Warmer Heating
Geoffrey Osbourne	Harland Rise	HT Forrest	Inspace, Integral
Jackson Lloyd	J Tomlinson	Kinetics	PH Jones
Rothwells Plumbing Services	Architectural Decorators	Simpson & Gregg	Bramall Construction
Thomas Armstrong	Top Notch Contractors	EON Energy Services	
<b>Suppliers</b>			
Quinn Radiators (Radiators)	Spirotech (Boiler Protection)	Fernox (Boiler Protection)	Pegler Yorkshire (Valves)
Danfoss (Controls)	Baxi Group (Fires)	Vaillant (Boilers)	
<b>Distributors</b>			
The Graham Group			

### **High Rise Refurbishment**

The framework agreement for High Rise Refurbishment contains contractors for Bathrooms, Central Heating, Doors, Kitchens and Windows workstreams, and for:

- Supply only;
- Installation only; or
- Supply and install.

Contractors' call-off from the established materials frameworks to the specifications agreed with the Client.

The framework is available for either direct call-off or call-off after a mini competition between the appointed contractors. The approved contractors include:

BAAS Construction, Bramall Construction, Bullocks, G J Seddon, H T Forrest, Kinetics, Rok, The Casey Group, Wates Living Space,

The Fusion 21 website states that "Fusion21 also have access to a range of innovative environmentally friendly supply goods".

### **Procurement for Housing**

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

Procurement for Housing (PfH) was established specifically to manage procurement for social housing organisations, covering a diverse range of construction and non-construction related products. With over 650 members, PfH claims to represent over 60% of the UK's housing stock. In November 2009, PfH had £75million in live contracts.

PfH has not been particularly strong in developing the refurbishment and maintenance side of activity, and so most of their member housing associations procure for these contracts directly.

A full list of the agreements and frameworks in place is listed on the website, and include the following construction-related frameworks:

### **Insulated and Associated Works**

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This tender was awarded in Dec 2009, and has 7 appointed suppliers:

A & M Insulations	Bayview Contracts	Climate Energy	Eaga
Herbert T Forrest	Hillsolve	Miller Pattison	

### Kitchens

This tender was awarded in August 2009, and has 4 appointed suppliers:

Manhattan Kitchens	Moores Furniture Group	Richmond Cabinet Company	Rixonway Kitchens
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### Materials for Maintenance and Capital Works

This tender was awarded in April 2007, and has 7 appointed suppliers:

Buildbase	Burdens	Jacksons	Jewson
Plumbase	PTS	Unimer	

### **London Housing Consortium**

[www.lhc.gov.uk](http://www.lhc.gov.uk)

LHC is a not-for-profit organisation that undertakes procurement on behalf of a wide range of public bodies, for building products and services for construction, refurbishment and repair programmes of social housing, schools and other public buildings.

The LHC Network has 13 OJEU tendered frameworks in place, which are available for use, free of charge, by any social landlord, local authority or other public sector organisation in the UK., including:

### Aluminium Windows and Doors

Euro Windows	Hazelmere Commercial
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### PVCU Windows and Doors

Radway	Plastal	Bowater Windows and Doors	
Sovereign Group Ltd	Graham Holmes		

### External Door Sets

IG Doors	Masterdor	Permador
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### Timber Door Sets

Radway	Allan Bros	Westport	Russell
Bowater Windows and Doors			

### Kitchen Units and Worktops

A supply only framework

Moores Furniture Group	Symphony	
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### Kitchen and Bathroom Replacement Works

Supply and/or installation framework.

Connaght	Breyer Group	Masco	Apollo Group
CLC Contractors	Lakehouse		

### **Buy 4 London**

Buy4London was formed by 10 members of the G15, as a housing association procurement consortium. In 2006, it was announced that Buy4London was to buy all its materials through Procurement for Housing.

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The deal will see Buy4London purchasing all materials for its 10 member organisations' maintenance contracts through PfH from April 2006.

The consortium then hires contractors to fit the materials on labour-only contracts, aimed at encouraging local contractors into the market.

Buy4London, which has a portfolio of 120,000 properties, expects to spend £70m on materials by 2010 (CJ 14 December 2005).

### GM Procure

[www.gmprocure.com](http://www.gmprocure.com)

GM Procure is a not-for-profit consortia of social housing providers with stock in the North West of England. The consortium comprises 40 members and has framework agreements in place for a range of building products for both internal and external works.

The suppliers appointed on the current frameworks are:

#### Framework for Internal Works

Supplier	Product	Supplier	Product
<b>Baas Construction</b>	Building Contractor	<b>Blakely Tongue &amp; Partner</b>	Building Contractor
<b>Cruden Prop Services</b>	Building contractor	<b>DJ Hughes Construction</b>	Building contractor
<b>Hughes Brothers Ltd</b>	Building contractor	<b>HT Forrest</b>	Building contractor
<b>Mossom &amp; Sydney Ltd</b>	Building Contractors	<b>New Charter Building Co</b>	Building contractor
<b>Rok</b>	Building Contractor	<b>White Building Services</b>	Building contractor
<b>The Casey Group</b>	Building contractor	<b>Thornton Contractors</b>	Building Contractors
<b>Apollo Heating</b>	Gas Maintenance & Installation	<b>Booth Mechanical</b>	Heating Systems, Plumbing, Bathrooms and Kitchens, Ventilation
<b>Baxi Potterton UK</b>	Heating Boilers	<b>Concept Heating</b>	Heating services
<b>PH Jones</b>	Heating and Plumbing	<b>Premier Services</b>	Heating Systems
<b>PTS Plumbing Trade Suppliers</b>	Plumbing Supplies	<b>Pegler</b>	Plumbing Supplies
<b>Safe and Sound</b>	Heating maintenance contractor	<b>Be Modern</b>	Fires, Fireplaces and Heating
<b>Sentinel</b>	Heating installation	<b>Harland Rise</b>	Domestic Central Heating and Renewable Energy Systems
<b>Quinn Radiators</b>	Radiators		
<b>Brookvent</b>	Heating and Ventilation Systems	<b>Envirovent</b>	Ventilation systems
<b>Volax Accessories/ Electrium Sales Ltd</b>	Electrical supplies and contractor	<b>Edmundson Electrical</b>	Electrical Products

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<b>Wylex/Electrium Sales Ltd</b>	Electrical supplies and contractor		
<b>Wrekin Windows</b>	PVC Windows and doors	<b>Nova Group Ltd</b>	Double Glazing Systems
<b>Remploy Building Products Ltd</b>	windows, doors and curtain walling	<b>Securistyle Limited</b>	Door and Window Furniture and Access
<b>Sovereign Group Ltd</b>	Windows and Doors	<b>Vista Group PLC</b>	PVC and Composite External Doors
<b>Timberlike Ltd</b>	Doors	<b>Total Glass Ltd</b>	PVC Windows and Doors
<b>IG Doors Ltd</b>	External composite doors		
<b>British Ceramic Tile Ltd (t/a Candy Tile)</b>	Tiles	<b>FD Kitchens Ltd</b>	Kitchens
<b>Leisure Sinks</b>	Sinks	<b>Rixonway Kitchens Ltd</b>	Kitchens
<b>Simmons Services</b>	Kitchen installations, joinery and maintenance	<b>Roper Rhodes Ltd</b>	Bathroom Furniture and Accessories
<b>Twyford Bathrooms</b>	Bathroom ware and furniture		
<b>DLP Services</b>	building maintenance, roofing and building refurbishment contractor	<b>Lord Group/Kinetics</b>	Facilities Management
<b>City Response</b>	Repairs and Maintenance	<b>FT Finley and Company</b>	building works, refurbishments, general maintenance and electrical work
<b>Mears</b>	Repairs and Maintenance	<b>Mitie</b>	Facilities Management
<b>Jackson Jackson &amp; Sons</b>	Commercial contractor - From drainage to surfacing, demolition to renovation		
<b>Frasc Mechanical Services</b>	Building Services and Mechanical Installations	<b>Dodd Group</b>	M&E Contractor
<b>Honeywell Control Systems Ltd</b>	Control systems		
<b>Emanuel Whittaker</b>	Architectural Joinery	<b>Richmond Joiners</b>	Joinery
<b>Tarkett Marley Floors Ltd</b>	Flooring		

### Framework for External Works

Supplier	Product	Supplier	Product
AW Byrne	Repairs and	Bagnalls	Painting

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		maintenance		
<b>Bell Group</b>		Painting and repairs	<b>Crown Paints</b>	Paint
<b>FT Finley and Company</b>		building works, refurbishments, general maintenance and electrical work	<b>ICI Paints</b>	Paint
<b>Kingston Maintenance</b>		Maintenance works	<b>St Annes Decorators</b>	Painting
<b>Brennan Paving Co Ltd</b>		Paving	<b>Fairway Landscapes Ltd</b>	Landscaping
<b>Marshalls</b>		Landscaping and driveways	<b>Metrolite Industries</b>	Gates and Fencing
<b>Styrowood Ltd</b>		Environmentally friendly fencing, decking		
<b>Brookes Roofing Ltd</b>		Roofing	<b>Celufom Ltd</b>	Cladding
<b>CHSM Ltd</b>		Alum and steel products	<b>DLP Services</b>	Roofing and maintenance
<b>Architectural Fibreglass Mouldings Ltd</b>		Architectural Fibreglass Mouldings	<b>Jennings Roofing Ltd</b>	Roofing
<b>Lacy Roofing</b>		Roofing	<b>Marley Eternit Ltd</b>	Roofing and cladding
<b>Lafarge Roofing Ltd</b>		Roofing	<b>Octaveward Ltd</b>	GRP Canopies, doors and windows
<b>Sandtoft Roof Tiles</b>		Roof tiles	<b>Swish Building Products</b>	Fascias, soffits, cladding
<b>Weber</b>		External wall insulation and renders	<b>Wetherby Building Systems Ltd</b>	Insulated renders
<b>Baas Construction</b>		Building Contractor	<b>Bramall Construction</b>	Building Contractor
<b>Breyer Group</b>		Building Contractor	<b>HT Forrest</b>	Building Contractor
<b>Hughes Brothers Ltd</b>		Building Contractor	<b>Jackson Jackson &amp; Sons</b>	Building Contractor
<b>ROK</b>		Building Contractor	<b>JC Construction</b>	Building Contractor
<b>The Casey Group</b>		Building Contractor	<b>White Building Services</b>	Building Contractor
<b>Floplast Ltd</b>		Plumbing systems	<b>Polypipe Building Products</b>	Plastic piping

In collaboration with ne procurement and Efficiency North , GM Procure recently issue a new tender to source refurbishment materials in conjunction with the installer procurement. These combined material requirements should offer suppliers even greater volumes over a wider geographical area, introducing new clients and driving further efficiency into an already successful process. The PQQ was launched in mid December 2009 with a closing date of mid January 2010.

**4.2.4 Procurement Groups Specialising in Refurbishment**

Procurement groups are still much more likely to focus on refurbishment than on new build. New build projects are more likely to utilise the supply chain of the main project contractor. If the procurement group route is chosen, the contractor has to use the products supplied, rather than products from its own supply chain.

The Efficiency Challenge Fund was designed to create efficiencies in reinvestment programmes in England in the lead up to Decent Homes. Their remit is such that they are currently limited to procurement for existing stock.

Since the introduction of the fund in 2006, 14 new consortia have been set up and 2 additional consortia are in the process of forming:

- Advantage South West;
- GM Procure;
- Central England Procurement Partnership;
- Procurement for all;
- Efficiency 4 North;
- South East Consortium;
- Eastern Procurement;
- CYNTRA; and
- Northern East Procurement;
- Impact Manchester;
- Supply Chain Management Consortium;
- West Works;
- Lancashire Housing Partnership;
- Cumbria Housing Partnership.

The total estimated housing stock in England is 1.9 million according to the National Housing Federation. The 14 consortia listed above have a combined housing stock of almost 1.2million.

The capital expenditure of the 14 consortia between 2006 and 2010 is expected to be c£4.9bn.

<b>HCA Housing Consortia England</b>	<b>Housing Stock</b>	<b>Capital Ex to 2010</b>	<b>Contact</b>	<b>Current frameworks</b>
<b>Advantage South West</b>	57,012 in Somerset, Devon and Cornwall	£140 million	Neil Biddiscombe	No
<b>GM Procure</b>	195,000 in Greater Manchester	£269.9 million	Mike Brogan	Yes but new call-off framework ready in August 2010 See profile in appendices
<b>Central England Procurement Partnership</b>	109,000 in East and West Midlands	£205 million to 2013	Shaun Bennett	N/A
<b>Procurement for All</b>	61,000 nationwide	£151 million	Mark Seaborn	(i) Cyclical redecoration (ii) Responsive maintenance (iii) Gas servicing (iv) Windows and external doors

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				<ul style="list-style-type: none"> <li>(v) Grounds maintenance</li> <li>(vi) Gas audits</li> <li>(vii) CDM Co-ordination services</li> <li>(viii) Disabled adaptation work</li> <li>(ix) Cyclical maintenance in communal areas</li> <li>(x) Water Hygiene</li> </ul> <p>Currently being developed:</p> <ul style="list-style-type: none"> <li>(i) Asbestos surveying</li> <li>(ii) Domestic electrical works</li> </ul>
<b>Efficiency 4 North</b>	120,000 in South Yorkshire	£1.439,8 billion ????	Jed Turner	
<b>South East Consortium</b>	81,000 in South East England	£88 million	Haley Richmond	<ul style="list-style-type: none"> <li>2007</li> <li>(i) Internal and External Building Works</li> <li>(ii) Gas Servicing, heating installation and boiler replacement</li> <li>(iii) Supply of kitchen units and associated kitchen products</li> <li>(iv) Surveying services</li> </ul>
<b>Eastern Procurement</b>	30,000 in Norfolk and Suffolk	£111 million	Steve Tyree	
<b>CYNTRA</b>	300,000 in London (Large increase in members)	£1 billion	Peter Wooliscroft	<ul style="list-style-type: none"> <li>(i) General contracting</li> <li>(ii) Roofs</li> <li>(iii) Cyclical decorations</li> <li>(iv) Lift servicing and refurbishment</li> <li>(v) Gas servicing and replacement</li> <li>(vi) Asbestos Removal</li> <li>(vii) Asbestos consultants</li> <li>(viii) Adaptations</li> <li>(ix) Consultants</li> <li>(x) Digital Switchover</li> <li>(xi) CCTV</li> </ul>
<b>North East Procurement</b>	103,780	£716,184 million	Ian Brimer	N/A
<b>Impact Manchester</b>	31,500	£275 million to 2010	Nigel Curry	
<b>Supply Chain Management Consortium</b>	47,374	£331 million	Gary Hopkins	N/A
<b>West Works</b>	97,196	£66.71 million	Tim Bruce	
<b>Lancashire Housing Partnership</b>	21,137	£65 million	Karen Ainsworth	
<b>Cumbria Housing Partnership</b>	68,888	£48 million	Lesley Dixon	

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Totals	1,172,887	£4.9 billion		
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### 4.2.5 *Tender Sources*

Many of the procurement group websites offer an opportunity to **register interest** online in becoming a supplier. Any organisation registering interest in particular goods / services categories will **automatically be notified** when relevant tenders are published.

Framework and tender information will appear on the consortia websites, and through tender publication channels such as Glenigan, Public Contracts Scotland, Tenders Direct etc.

In addition the 'Social Housing' magazine can be a useful source of information. Social Housing is an online magazine which provides up-to-date information on the latest developments within the social housing sector. Each of the monthly editions carries a summary of the latest tender awards and framework awards between housing associations and contractors. This is a vital tool for keeping abreast of potential new opportunities. The web address is [www.socialhousing.co.uk](http://www.socialhousing.co.uk) and a subscription is payable to view contract details that are less than 3 months old.

Other useful sources are Construction News, Contract Journal and Building, all of which can be accessed online.

In January 2010, Construction News reported on the publication of the following frameworks within just a single week:

- East Elevate (North East) - £60 million refurbishment framework
- Frameworks (South West) - £73 million new build framework
- Arena Housing Group (North West) - £50 million
- Undod (Wales) - £45 million refurbishment and new build

### 4.3 **Primary Contractors**

4.3.1 As noted earlier, the supply and procurement chain in the social housing sector can vary case by case. Housing associations or procurement consortia may directly purchase from, or specify, suppliers of various construction products, or they may appoint a primary contractor who will then have autonomy for sourcing the construction products within certain specifications.

Therefore, for manufacturers of construction products hoping to supply to the GB social housing sector, their target customers and prospects may include:

- housing associations;
- procurement consortia for housing associations; and/or
- appointed contractors for social housing.

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An analysis of framework winning contractors shows that these are mostly large national construction firms, although there are also a number of mid-sized contractors (see Section 4.3.2).

- 4.3.2 Over the first 6 months of 2009, the following top 20 contractors won about £9.6bn of social housing work between them. One housing association estimated that around 100 contractors manage 80% of the work undertaken in the social housing market.

	Number of projects	Value £m
Leadbitter Construction	13	774
Lovell	45	764
Bullock Construction	4	756
Wates Construction	24	714
ROK Group	32	700
Durkan	11	574
Frank Haslam Milan	16	530
John Laing Partnership	4	492
Breyer Group	23	475
Mansell	11	474
Inspace	10	402
Linford Group	2	353
Pendragon (Design & Build)	3	352
Wates Living Space	2	351
Stradform	1	350
Anwyl Construction	1	350
Mulalley & Company	12	325
Geoffrey Osborne	3	292
Galliford Try	10	276
Apollo Group	49	275
<b>Total</b>	<b>276</b>	<b>9,579</b>

The 2009 Sustainable Housing Awards, which are run by Inside Housing and the Chartered Institute of Housing, recognise organisations that are tackling the environmental challenges. Those contractors shortlisted for Sustainable Social Housing Contractor of the Year were:

- Lakehouse, Greater London

- Larkfleet Group, Kent
- Mansell Construction Services, London
- Morrison, London
- United House, Swanley, Kent
- Wates Living Space, Leatherhead, Surrey

4.3.3 Housing associations also need to use local contractors to carry out repair and ongoing maintenance work. Whilst some of this work is managed in-house, the trend with larger associations has been to contract out under partner arrangements of up to 4 and 5 years.

The process for selling to contractors can be frustratingly formal, but the initial step is to make contact by telephone and identify the relevant contacts. Most will request brochures and specification details at this initial stage. Persistence is required with contractors even if little is forthcoming for a number of months.

Contractors are under increasing pressure from housing associations, not only to deliver cost efficiencies but also to demonstrate corporate social responsibility. Several housing associations indicated that they carry out performance audits on their contractors where they are assessed not just on their actual performance, but also their knowledge of sustainability issues, how they have trained their site workers and other staff, achievement of IIP and how they carry out equality and diversity training within their organisation.

#### 4.4 Conclusions

The HCA is the key driver of funding for the social housing sector. Since 2005, the HCA has strongly influenced the procurement process in the sector. The HCA's own procurement strategy encourages good practice through greater use of partnering throughout the construction supply chain. The Gershon Review in 2005 was also an important milestone for housing associations in that it sets out a requirement for them to work towards achievement of a 2.5% efficiency saving in their purchasing.

There is therefore growing pressure on housing associations to make use of procurement groups/consortia, as they are seen as a vehicle for delivering additional efficiency savings. Procurement groups will be increasingly influential in managing the supply chain for social housing construction and refurbishment.

Many of the procurement groups websites offer an opportunity to register on line in order to become a supplier. Any organisation registering interest, in particular for goods/services categories, will automatically be notified when relevant tenders will be published.

However, many housing associations still prefer to rely upon the supply chain of their main contractors, particularly where a 4-year partnership framework is in place and thus opportunity for continuity of supply exists.

Housing associations will also negotiate between the procurement group and the contractor to confirm who can give them the best deal. Therefore the same housing

association will purchase through procurement groups and contractors for different contracts, depending largely upon the best price solution at that time.

The current round of HCA funding runs from 2008 until 2011. Many of the existing frameworks in place, both housing association frameworks and procurement group frameworks, were set up to cover this funding period. In order to be ready for the new round of funding, new frameworks need to be in place.

Many housing associations and procurement groups will begin the process of getting new frameworks in place during 2010 as it is a lengthy process. GM Procure advertised for new framework suppliers in December 2009, but does not expect the new framework to be live before August 2010. Companies interested in tendering for places on frameworks need to actively monitor the publication of new opportunities, since there is likely to be a number of important new frameworks advertised in 2010.

### 5. NORTH WEST REGION

#### 5.1 Introduction

Some industry sources would see the North West as an attractive region for suppliers wishing to enter the social housing market, and particularly from Northern Ireland:

- The number of households in the North West is projected to grow by at least 265,600 per annum to 2026.
- To meet demand for new homes, the North West regional spatial planning strategy, published by the Department for Communities and Local Government, outlines plans to build **23,111** new homes per annum by 2021.
- It is logistically 'close'.
- In general, the North West associations have a reputation for being more "socially minded" than some of the larger "more commercial" associations, and may therefore be more open to 'supply only' options, using local companies for installation.

#### 5.2 City Profiles

The following table illustrates the social housing market in 3 major cities in the North West; all with vibrant and active housing association sectors:

- Birmingham;
- Liverpool; and
- Manchester.

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

	<b>Birmingham</b>	<b>Liverpool</b>	<b>Manchester</b>
<b>Projected Demand for Housing</b>	<p>The City population is projected to grow by 100,000 over the next 20 years.</p> <p>Approximately 25% of Birmingham households live in social rented accommodation.</p> <p>With 3 universities, there is a need for high levels of student accommodation.</p>	<p>Liverpool's population has stabilised.</p> <p>The social rented sector accounts for 27% of all housing stock in Liverpool.</p>	<p>Manchester has a high proportion of social housing stock, with the social sector accounting for 25% of all homes.</p> <p>There are currently 17,512 council homes in Manchester; some managed by the council and other managed by organisations such as Northwards Housing and Grove Village.</p>
<b>Refurb and New Build Activity</b>	<p>In 2008, 78% of council homes met the Decent Homes Standard, while 90% of housing association stock conformed to the standard.</p> <p>The Regional Allocation Strategy by the RHE allows for a 'significant increase' in the level and proportion of resources available for new affordable housing, linked to a Government target to deliver 2,400 social rented homes and 1,200 low cost home ownership homes.</p>	<p>The main issue for the social rented sector in Liverpool is that existing stock needs to be upgraded:</p> <ul style="list-style-type: none"> <li>- 4% of Liverpool's social housing stock is classed as 'unfit' and 40% of all rented stock fails to meet the Decent Homes Standard – mainly due to thermal comfort, followed by disrepair, unfitness &amp; amenities.</li> <li>- 19% of dwellings (1 in 5) are estimated to be 'seriously' defective. i.e. equivalent to being in serious disrepair.</li> <li>- Within the City, an estimated £59.2mn is needed to remedy unfitness or immediate repair.</li> </ul> <p>Liverpool's housing strategy target is to deliver an additional 24,718 homes by 2016/17/ Based upon population, it is estimated that there is an annual requirement for 2,000 new homes per annum.</p>	<p>The 2009 Housing Strategy refers to a budget of £1.5bn to improve the quality of social housing stock.</p> <p>The Strategy sets a target for 3,500 new homes to be built in Manchester per annum – both private ownership and social housing.</p> <p>Whilst the Strategy also sets a vision for increasing the level of private home ownership, it also promotes better use of existing social stock.</p>

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

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	<b>Birmingham</b>	<b>Liverpool</b>	<b>Manchester</b>
<b>Housing Associations</b>	There are over 60 housing associations operating in Birmingham; two thirds of which have stock of less than 1,000 homes.	There are just over 100 housing associations in Liverpool. The largest are those who received stock transferred from the councils.  All council-owned homes were transferred to RSLs between 1998 and 2008.	There are 68 housing associations in the Greater Manchester area.

Appendix III lists the key housing associations in each of these major cities, and their expenditure levels.

### **5.3 North West Primary Contractors**

5.3.1 The following firms have worked on current or recent large projects on behalf of the key housing associations in each of the target regions in the target regions:

<b>Birmingham</b>	<b>Liverpool</b>	<b>Manchester</b>
Thomas Vale	Mitie	MJ Gleeson
Lovells	Rok	MC Construction
Bramall Construction	Lovell	Richardson Projects
Kier Partnership Homes	Cruden Construction	Manchester Working
Crest Nicholson	Bramall Construction	Eric Wright Group
Wates Living Space	FJ Brereton	Rowlinson Constructions
Morrison	Bluepoint Construction	Bullock Construction
Inspace Partnerships	G&J Seddon	Wiggett Construction

The following large construction firms have a national presence and will also be active throughout all regions:

- Lovell / Lovell Partnerships
- Persimmon
- Mitie
- Bramall Construction

The remaining construction firms are medium sized firms within the sector and therefore may be potentially easier to approach and access than some of the larger national firms.

5.3.2 The following contractors have also been awarded large call-off contracts in the target areas:

#### **Birmingham**

- Connaught
- Seddon Maintenance Services
- Mitie (contract with Birmingham City Council ends March 2010 – shortlisted for new contract are Kier, Mears, Morrison, Inspace and Mitie)
- G Purchase Construction

#### **Liverpool**

- Morrison Facilities Services ([www.morrisonspc.com](http://www.morrisonspc.com)) on behalf of Riverside Group
- Flanagan Group Building and Maintenance ([www.theflanangroup.com](http://www.theflanangroup.com))
- JJ Kelly ([www.buildingadaptations.co.uk](http://www.buildingadaptations.co.uk))

#### **Manchester**

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

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- OP Building Maintenance Services ([www.opbms.co.uk](http://www.opbms.co.uk)) has ongoing contracts with a number of housing associations throughout the west Midlands
- Morrison
- Manchester Working

### 5.4 Social Housing Architects

The table below identifies 8 architects with a strong social housing track record, from each of the four target areas.

<b>Birmingham</b>	<b>Liverpool</b>	<b>Manchester</b>
Axis Design Architects	Pollard Thomas Edwards Architects	Triangle Architects
Gardner Stewart Architects	Cole Thompson	Austin Smith Lord
Bournville Architects	John McCall Architects	Broadway Maylan
Associated Architects	Owen Ellis Architects	Buttress Fuller Alsop Williams Architects
Quattro Design	Triangle Architects	FKDA
RPS Architects	Hansall Lloyd Partnership	Jefferson Sheard
The Space Studio	Brock Carmichael	Lewis Hickey
BM3 Architecture	OMF Derek Cox Architects	NJSR Architects

### 6. PRODUCT AND PROCUREMENT ISSUES IN SOCIAL HOUSING SECTOR

#### 6.1 Key Concerns

Discussions with housing associations and contractors highlighted a number of product concerns which may affect future purchasing decision-making.

A key issue raised was that as products become increasingly reliant upon technology, it is becoming more difficult for housing associations to accurately estimate the whole life cost of new products being used. This has a number of implications:

- Maintenance costs are increased
- New parts may have to be purchased, which were not factored in initially
- There may be product “downtime” while waiting for new products to be sourced, leading to tenant dissatisfaction
- Housing association maintenance teams need to be up-skilled to deal with additional problems arising

##### 6.1.1 Decent Homes Standard

The report has already described in detail the Decent Homes Standard. It is now driving much of the refurbishment work that is being commissioned by housing associations. The majority of refurbishment work undertaken recently has consisted of:

- Installing new kitchens and bathrooms
- Installing new windows and doors (many will no longer use uPVC)
- Replacement roofs and boilers
- Upgrade of heating systems
- Updating external décor
- Security work
- Re-wiring
- External environmental work
- Some tenders have included consideration for future proofing for sustainable development and inclusion of renewables

The majority of housing associations consulted were confident about meeting their Decent Homes targets in England. In fact in 2009, the number of homes in England failing to reach Decent Homes standard had reduced from 13% to 8.6%.

Many of the products listed above are considered by the contractors to be “mainstream” and confirmed that suppliers are generally chosen to the basis of volume capacity and price.

##### 6.1.2 Communal Living Products

One problematic area that was mentioned a number of times relates to products that are used in communal living environment e.g. entrance gates, door entry systems.

The most commonly raised issue related to communal metering systems. Housing associations often charge a flat rate for energy consumption, but as energy costs have risen this has become very unpopular with tenants.

A number of housing associations wanted to see more product choice in terms of smart card metering of individual tenant energy consumption. In other European countries such systems are also available for metering water consumption.

One example of an existing smart metering system widely in use is the Ener.G Switch 2 system, installed, for example, by First Choice Homes at a housing development in Oldham. Eon was also mentioned as the second of two market leaders in this area in GB.

### 6.1.3 Sustainable Building Products

Housing associations are now required to submit plans for new build demonstrating that they meet Code Level 4 standards in order to access future HCA funding. The general consensus from housing association contacts was that they feel they have the solutions in place to meet Code Level 4 requirements. Surprisingly though, they were less confident about whether they have *the right solutions* in place.

This lack of confidence relates in part back to the issue raised in 6.1 above, where product performance is more difficult to accurately assess as new products emerge and existing products become more sophisticated. The longer term management of the product is now a key concern, as housing associations use more sustainable building and renewable energy products.

However the associations consulted also felt that, as a sector, there has been insufficient consultation amongst housing associations and that this will result in a very piecemeal response to achieving level 4. Several suggested that housing associations need to begin setting up joint development teams, so that they can look more strategically at their response to sustainability issues. Targets will get increasingly rigorous, so a more joined up response is necessary.

In relation to CSH, housing associations are looking for “easy wins” which have limited risk. Housing associations emphasised their focus on the envelope of the building. Improved insulation for walls, floors and roofs are the most commonly quoted areas for improving sustainability. Several housing associations interviewed said that they are going beyond current requirements for thickness of insulation.

After insulation, the next priority is generally products with high thermal efficiency. Timber frame structures are also common in new build for social housing.

Average SAP (Standard Assessment Procedure) ratings are already part of the annual reporting requirements for local councils and registered social landlords, so energy efficient solutions are of key interest to them. ‘SAP ratings’ are based on the costs of energy for heating, hot water, ventilation and internal lighting. The national average SAP rating for social housing was 68 (out of 100) in 2009, which is ahead of the private sector.

Over and above the areas listed above the main focus for Code 4 will be on renewable energy products. Almost without exception, housing associations reported mixed experiences of having used these products and an increased need for after-sales maintenance.

- Air source / ground source heat pumps
- Biomass boilers
- Solar panels
- Warm air systems
- Low carbon products

Housing associations and contractors both report that these products are perceived as expensive since they are still being used on a relatively small scale. Demand for these products is expected to increase in the short term, although both contractors and housing associations anticipate that with an increase in scale, prices will fall.

Photovoltaic panels were thought to be particularly expensive at present, whilst the housing associations considered that current wind technology solutions are not suitable for domestic use.

Helena Partnerships estimated that it would cost them an additional £3,500 per unit to build a set of bungalows to Code Level 4, compared to Code Level 3. Helena intends to install solar panels and ground source heat pumps. They commented that new technology products are now becoming more suitable for widespread use as they have now established a track record and early maintenance issues are being overcome.

Most housing associations felt that they remain some way off being able to achieve Code level 5. A number of housing association respondents said that they would be reluctant to use some of the technology on the marketplace until it had been tried and tested.

In light of the piecemeal approach to dealing with Code level 4, described above, it is likely that in future there may be more emphasis on pilot developments. This would allow for products and solutions to be fully trialled before being widely specified or procured and provide an opportunity for any learning to be disseminated amongst the housing associations.

The largest Code level 5 social housing development to date was completed in 2009 in west London by Paradigm Housing Group, working with developer and sustainability specialist, Sunrise. The architect was Acanthus LW and the modular buildings were manufactured by Futureform. It consists of 5 eco-pods for 24 one and two bedroom flats. The key characteristics are:

- Mineral wool insulation in 4 layers, with two breathable membranes
- This allowed double, not triple glazing to be used
- Sedum roofs to reduce heating and cooling and reduce noise
- Modular pods completed in a factory where they are fitted with windows, bathrooms and kitchens
- Froling Turbomatic biomass boiler to serve the whole site
- Immersion tank if boiler fails, plus a back-up oil boiler

- Wood pellets
- Solar panels from Solar Technologies to power lights
- Grey and greenwater recycling
- Rainwater harvesting
- Low-overflow baths and shower and tap restrictors

Housing associations were quick to point out that they favoured solutions which did not require the tenant to be actively involved. Examples were provided such as control systems for heating which have resulted in increased calls for assistance from tenants.

Other measures that were not popular with tenants were products that noticeably restrict or reduce consumption, such as water efficiency fittings. Therefore, although these were features of the Code level 5 scheme described above, our feedback suggests that in general there will be reluctance from housing associations to install sustainable products that are not popular with tenants.

### 6.1.4 On-site Waste Management

Several housing associations indicated that on-site waste management remains difficult and consider that there is insufficient separation and re-use of materials, leading to over-reliance on landfill.

Northern Ireland manufacturers should therefore note that off-site manufacturing can partly alleviate this situation, as can attention to packaging. Wates Living Space commented that if they have two suppliers offering equivalent product and price, but one supplier uses 50% less packaging, then this would be perceived as a competitive advantage by them as it will reduce waste disposal costs.

Several housing associations mentioned that they are currently assessing a number of products that can be recycled e.g. recyclable uPVC and recyclable concrete.

## 6.2 Potential Product / Market Opportunities for Northern Ireland Suppliers

The social housing market is an extremely price competitive sector. Increasing reliance on frameworks means that for products which are widely available, such as kitchens, bathrooms, windows, doors etc housing associations will be increasingly reliant upon large volume suppliers. Although housing associations will continue to generate significant demand for such products, smaller suppliers are highly unlikely to be able to sell directly.

### 6.2.1 Use of Frameworks as Prospect Lists

However, procurement groups and individual housing associations often provide details of their current framework suppliers on their website. Smaller manufacturers can develop opportunities by targeting the framework suppliers directly. By developing lists of the main procurement groups and checking their websites, reasonably comprehensive prospect lists can be developed.

The North West procurement group, Fusion 21 currently has 20 active frameworks in place, up from just 5 in 2006. All of its framework suppliers and contractors are listed

on its website [www.fusion21.co.uk](http://www.fusion21.co.uk). The current framework suppliers for kitchens, heating and doors have been listed below to give an indication of the type of information available:

Kitchens	Heating	Doors
Envirovent (fans)	Baxi Group (fires)	IG Doors
Moore's Furniture Group	Danfoss (controls)	Manse Masterdor
Pegler Yorkshire (Brassware)	Fernox (boiler protection)	Securistyle (door hardware)
Premier Kitchen Company	Pegler Yorkshire (valves)	SBP Permador
Rixonway Kitchens	Quinn Radiators	
Symphony Kitchens	Vaillant (boilers)	
Distributors: The Graham Group	Distributors: The Graham Group	

### 6.2.2 Developing a Package Solution

Discussions with Tees Valley Housing Association highlighted a supplier who had developed a complete solution for the social housing market and managed to take a leading supplier position, in spite of being in a highly competitive product area.

The supplier was Alpha Heating, a boiler manufacturer based in Kent. This company managed to differentiate from the rest of the market by offering a “kit” solution, which included boiler, tank, pipework, solar panel and an exhaust air heat extractor for £1,500.

Tees Valley Housing Association Development team worked out that it would cost them £2,000 to source these components individually.

Collaborative networking in association with other suppliers to develop a more integrated solution may be a potential way forward for some companies. Invest NI may be able to provide some support to investigate the potential of a collaborative network.

### 6.2.3 Establishing installation partner relationships

Contracts often vary between supply only requirements and supply and fit. In order to be successful with supply and fit contracts, it is likely that the supplier will need to have local installation teams in the area being targeted.

Local installation is likely to provide a more competitive price but also housing associations, particularly those in the North West are increasingly focused on ensuring that their local community benefits from investment being made in the area. Tier 1 contractors often are required to demonstrate in a tender how much local labour will be used and identify how the skills of local labour teams will be improved e.g. through use of apprenticeships etc.

### 6.2.4 Distribution Opportunities through European Suppliers

Several housing associations commented that they had experienced poor after-sales service from European manufacturers. Examples given were of breakdowns and the unanticipated expense / difficulty of getting replacement parts from companies that did not have a base in GB. There may be potential for Northern Ireland based companies to identify distribution opportunities for European suppliers to the social housing market.

### 6.2.5 Sustainable Building Products

Products which contribute to the achievement of Code level 4 targets and beyond arguably have the best potential within the housing association market. However, external performance accreditation is vitally important, as is evidence of the whole life cost of use of the product.

As the social housing sector is in the position of having to adopt new products and technology over a relatively short space of time in order to meet its targets, the market is still reasonably accessible to new entrants.

## 6.3 Sales Routes for Northern Ireland Companies

6.3.1 As discussed in section 4 however, it will become increasingly more difficult for suppliers to directly target or influence the products procured by housing associations. Housing association respondents to this study emphasised that they will rarely get involved in managing the supply chain.

A number of reasons were provided for this change in buying procedure:

- Housing associations felt that they do not have the necessary time or expertise to manage the supply chain beyond first tier contractors
- The increasing use of frameworks of up to 4 years duration means that housing associations have much more continuity in dealing with consultants and contractors. They felt that this was beneficial and allowed them to place more onus on consultants and contractors to manage the supply chain
- A number of housing associations commented that their main contractors had much stronger buying power than they themselves have and can achieve more cost effective results in the supply chain
- Where partnership frameworks are involved a number of housing associations commented that they operate open book accounting with contractors. This provides them with additional leverage in achieving cost efficiencies and was another factor in favour of allowing contractors to manage tier 2 suppliers.

This feedback emphasises the increasing importance of the contractor in managing supply chains on behalf of housing associations.

### 6.3.2 Contractors

GB Contractors consulted during the course of this research were reasonably open to the idea of face-to-face meetings with potential new suppliers. They commented that they need a portfolio of options for different products areas, since no one solution was appropriate for all situations. Contractors also commented that their own organisations have been significantly streamlined over the last 18 months, so remaining staff are extremely stretched. Therefore companies interested in supplying need to be persistent in their sales efforts.

The large national contractors are generally organised into regional divisions. Each division is likely to have a supply chain manager and a business unit manager. A number of the larger contractors also have national supply chain managers who are responsible for a specific sector e.g. social housing.

In general contractors tended to play down the role of specification by architects and suggested that the architect may give advice, but the final purchasing decision is invariably down to the contractor.

### 7. Conclusions

#### 7.1 Relatively Strong Performance Anticipated in Social Housing

7.1.1 Social housing was the third best performing sector in terms of the value of construction starts on site in 2009. According to project tracking database Glenigan, there was nearly £2.2 billion of underlying construction projects getting underway in the first six months of 2009, which was only behind private housing with £2.9bn and education with £3.4bn.

In the first six months of 2009 the top 20 contractors had won about £9.6bn of social housing work between them.

##### 7.1.2 England

In **England**, Yorkshire and Humberside, London and the South East had the most social housing starts in the first six months of 2009, totalling £908m. The North East and East Midlands had the fewest during this period, at £122m. However these figures may be buoyed by the HCA's plans to spend £1.5bn on homes, including 20,000 on social housing until 2011.

##### 7.1.3 Scotland

Social housing has been one of the best performing sectors in **Scotland** with £312m worth of project starts in the first six months of 2009, second only to utilities with £449m. In June 2009 the Scottish Government announced that 1,343 council homes would be built this year with £26m of funding. The Housing and Communities Minister said that Edinburgh, Aberdeen, East Lothian, Midlothian, West Lothian and North Lanarkshire would see the most investment.

##### 7.1.4 Wales

**Wales** has not performed as well, with only £32m of projects starting on site. Social housing has only performed better than retail, industrial and hotels and leisure. But in May, the Welsh Assembly Government (WAG) announced it is looking at a new model for housing associations to access private funding. Up to £200m will be available from a variety of sources including the European Investment Bank. It also has £42m from the Strategic Capital Investment Fund for 500 more homes by 2011 and £40m to support Registered Social Landlords (RSLs).

This compares against just £26m of social housing starts on site over the same period in **Northern Ireland**.

Therefore, while social housing has been and will continue to be subject to difficult market conditions, it is nevertheless performing well against other areas of construction. Compared to the social housing market potential of Ireland, GB offers significantly more attractive scale.

### 7.2 Procurement Challenges

The way that housing associations undertake procurement is changing, in that fewer goods and services will be procured directly in future. It will be extremely difficult to break into the social housing market by targeting the housing associations directly using traditional selling methods.

Where housing associations do purchase directly, this is via open contract or frameworks. None of the housing associations consulted throughout this research process said that they would be likely to meet a supplier face-to-face, unless that company had something highly unusual to offer.

Procurement groups are likely to be used more frequently in future, particularly for refurbishment of existing stock. It will be important to monitor the publication of new contracts and frameworks to identify new opportunities. Frameworks tend to be in place for a 4 year duration, so missing a key framework will mean that the opportunity to work with a particular consortia directly will be very limited. A number of procurement groups allow potentially interested suppliers to register on their website, so that they will be notified about future frameworks.

Tendering is the key route to market for the social housing sector, so improving in-house processes for identifying and preparing tenders is vital for any Northern Ireland company wishing to supply to the sector.

Companies who may not have sufficient scale to respond directly to tenders or frameworks should be able to use the published results of frameworks to generate prospect lists of Tier 1 suppliers whom they can target.

In general, in a new build situation the primary contractor is likely to have responsibility for managing the supply chain. Often these are very large national companies, but they are organised regionally and can be targeted on a regional basis. From region to region smaller contractors will also appear on framework lists.

### 7.3 Following- up on GB Social Housing Opportunities

This is a complex and demanding sector of the market. The key players change frequently as a result of mergers and acquisitions. The emergence of procurement has added yet a further challenge for potential suppliers. Procurement group profiles will also change as new groups are set up and existing groups merge to achieve further efficiencies and help to off-set their own not inconsiderable administrative costs.

The key contractors in the social housing market however are less likely to change. Many have set up divisions which specialise purely in social housing work. A relatively small number of primary contractors dominate the social housing market, so are easily identified. However, this makes them more challenging in that they already have established supply chains in place. Unless a supplier can offer a differentiated or innovative product / service / package / approach / solution, they are unlikely to change supplier for any other reason than price.

An ad hoc approach to the market is unlikely to work. Success will require an investment of time and an honest assessment of the company's competitive advantage e.g. in terms of accreditations etc. Companies interested in following up on GB social housing opportunities do need to develop good internal systems for monitoring activity in the market, particularly for tracking tenders and opportunities to respond to new frameworks.

With the current HCA funding period coming to an end in 2011, many existing frameworks will also expire. Given the length of time required to get new frameworks in place a number of housing associations and procurement groups have indicated that they will begin to advertise in 2010. Therefore this is an important year for suppliers wishing to become more established in this market.

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**APPENDIX I: SHORT LISTED APPLICANTS FOR ROUND 2 OF THE KICKSTART PROGRAMME**

# OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

Region	Name of Project	Main App	Local Authority	
East Midlands	AYLESTONE ROAD, LEICESTER	Persimmon Homes Limited	Leicester	
	Bingham 1B	Miller Homes Ltd	Rushcliffe	
	Bolsover Oxcroft	Kier Partnership Homes Ltd	Bolsover	
	Buxton, Harpur Hill	Persimmon Homes Limited	High Peak	
	City Point - Derby - HBD	Morris Homes Ltd	Derby	
	Corby Road, Gretton	Metropolitan Housing Trust	Corby	
	Creation	Strata Homes Ltd	Derby	
	Deeping St James	Larkfeet Homes	South Kesteven	
	Derby Road, Ripley	Crest Nicholson	Amber Valley	
	Donington	Larkfeet Homes	South Holland	
	eastfield road	bela partnership	Wellingborough	
	Hallfields Lane, Rothley	Persimmon Homes Limited	Charnwood	
	Halls Lane, Giltbrook	Persimmon Homes Limited	Broxtowe	
	Hamilton 7&8	Miller Homes Ltd	Leicester	
	Hamilton, Leicester	J S Bloor Limited	Leicester	
	Homcastle	Gallford Try Homes Ltd	East Lindsey	
	Hunters Gate, Grantham	Persimmon Homes Limited	South Kesteven	
	Lime Walk, Long Sutton	Westleigh Developments Ltd	South Holland	
	Manor Road, Cranwell	Westleigh Developments Ltd	North Kesteven	
	Mansfield road clipstone	Gladedale Ltd	Newark and Sherwood	
	Mansfield Road, Tibshelf Ph 1	Westleigh Developments Ltd	Bolsover	
	Melton Mowbray - HBD	Morris Homes Ltd	Melton	
	Merril College Derby	Radleigh Group Ltd	Derby	
	Middlemore, Daventry	Taylor Wimpey	Daventry	
	Mistral	Strata Homes Ltd	Bassetlaw	
	Monks Road, Lincoln Ph 3	Westleigh Developments Ltd	Lincoln	
	Nutts Lane, Hinckley	Crest Nicholson	Hinckley and Bosworth	
	Phase 5, Sherwood Colliery	Bellway Homes Plc	Mansfield	
	Pinchbeck	Larkfeet Homes	South Holland	
	Riverside	Chestnut Homes Limited	Boston	
	Rockingham Road, Corby	Westleigh Developments Ltd	Corby	
	Stonebridge Park, Nottingham	LHA-ADRA Group Ltd	Nottingham	
	The Meadows	Miller Homes Ltd	Newark and Sherwood	
	Unwin Road	Peveril Homes Ltd	Ashfield	
	Weland ,Park Stamford	Stewart Milne Group Ltd	South Kesteven	
	Wellingborough Road, Irthlingborough	Metropolitan Housing Trust	East Northamptonshire	
		36	20	25
	Eastern	Brentwood 4A	Crest Nicholson	brentwood
		Breydon View, North River Road, Runham Vauxhall, Great Yarmouth, NR30 1SH	Heritage Developments Limited	Great Yarmouth
		Building 5, Colne View, Colchester	BDW Trading Ltd	Colchester
Buntingford		BDW Trading Ltd	East Hertfordshire	
Cam Locks - Waterbeach - HBD		Morris Homes Ltd	South Cambridgeshire	
Cow Lane Phase 3		BDW Trading Ltd	Watford	
F1/F2 St Neots		Miller Homes Ltd	Huntingdonshire	
Five Links - 83		Swan New Homes	Basildon	
Former Cheshunt Reservoir, Brookfield Lane West		Crest Nicholson	Broxbourne	
Former NGP Car-park, Ipswich		BDW Trading Ltd	Ipswich	
Fortuna Park		Countryside Properties	Colchester	
Greenkeepers Mews, H6/H7, Bedford		BDW Trading Ltd	Bedford	
H14 West of Bedford		BDW Trading Ltd	Bedford	
Harlow Gateway Ph 3		BDW Trading Ltd	Harlow	
Hayhill Allotments Phase 2		Crest Nicholson	Ipswich	
Loves Farm Balance		Redrow Homes Ltd	Huntingdonshire	
Morton & Rosetta House		BDW Trading Ltd	Dacorum	
Nash Mills		Crest Nicholson	Dacorum	
NIAB, Huntingdon Road, Cambridge		BDW Trading Ltd	Cambridge	
Norse Road, Bedford		Orbit Housing Group Ltd	Bedford	
Northfields Phase 2		Gallford Try Homes Ltd	Colchester	
Phase 1, Lady Lane, Hadleigh		Persimmon Homes Limited	Babergh	
Phase 2 Slisoe		Miller Homes Ltd	Central Bedfordshire	
Phase 2, Bloodmoor Hill		Persimmon Homes Limited	Waveney	
Phase 2, Deben Heath		Persimmon Homes Limited	Suffolk Coastal	
Phase 3, Great Comard		Persimmon Homes Limited	Babergh	
REDROW COLCHESTER		Redrow Homes Ltd	Colchester	
REDROW IPSWICH		Redrow Homes Ltd	Ipswich	
REDROW LOUGHTON		Redrow Homes Ltd	Epping Forest	
RIVERSIDE PLACE		Bradgate	Basildon	
Sandringham Drive		Aldwyck Housing Association	Central Bedfordshire	
Schoorfield Road (Phase 2)		BDW Trading Ltd	Thurrock	
Smoke House, Beck Row		Persimmon Homes Limited	Forest Heath	
SnOasis Housing Development		Onslow Suffolk Limited	Mid Suffolk	
St Anne's Wharf		Anglia Projects and Developments Ltd.	Norwich	
St Ives		Taylor Wimpey	Huntingdonshire	
The Edge, Dunstable		J S Bloor Limited	Central Bedfordshire	
Tree Tops		J S Bloor Limited	Forest Heath	
Victoria Road, Diss		Persimmon Homes Limited	South Norfolk	
VT22 & VT25 - HBD		Morris Homes Ltd	Peterborough	
Wilxams	Miller Homes Ltd	Bedford		
Woolens Grove	BDW Trading Ltd	Broxbourne		
	42	17	25	
London	100 Violet Road London	Mansion Properties Ltd	Tower Hamlets	
	Acton Bus Depot	Crest Nicholson	Ealing	
	Bede Estate Regeneration OP1,2,3,4	Mulatel LLP	Tower Hamlets	
	Beaufort Park	Berkeley Group Holdings PLC	Barnet	
	C2 - Clapham Park	Metropolitan Housing Trust	Lambeth	
	Casplan Wharf	Berkeley Group Holdings PLC	Tower Hamlets	
	Hefford Road, London	Metropolitan Housing Trust	Hackney	
	Hillingdon House Farm	Persimmon Homes Limited	Hillingdon	
	James Taylor Building	Constable House	Hackney	
	Kidbrooke Phase 1	Berkeley Group Holdings PLC	Greenwich	
	Kingston Heights	NHP Kingston Ltd	Kingston upon Thames	
	Kingston, Skerne Road	Crest Nicholson	Kingston upon Thames	
	Leopold Estate	Countryside Properties	Tower Hamlets	

# OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

	Lidcote and Cumnor, Stockwell Park	Network Housing Group Ltd	Lambeth
	Parkwest	Berkeley Group Holdings PLC	Hillingdon
	Rayners Lane Phase E	Home Group Limited	Harrow
	Ruskin Square, Croydon (first phase)	Croydon Gateway Limited Partnership	Croydon
	Silkworks	Berkeley Group Holdings PLC	Lewisham
	St Georges Estate Regeneration sites 1, 4, 5, 6, 7 and 10	Telford Homes	Tower Hamlets
	Stanmore	Berkeley Group Holdings PLC	Harrow
	The Warren	Berkeley Group Holdings PLC	Greenwich
	<b>21</b>	<b>13</b>	<b>11</b>
<b>North East</b>	Beaumont Hill Darlington	Tees Valley Housing Limited	Darlington
	Belle Vue	Housing Hartlepool Ltd	Hartlepool
	CASTLETOWN (AVIARY)	Gentoo Group Ltd	Sunderland
	Coatham Links	Persimmon Homes Limited	Redcar and Cleveland
	Commercial Street, Brandon	Keepmoat Limited	County Durham
	Finchale Avenue, West Rainton	Keepmoat Limited	County Durham
	Hardwick Green	BDW Trading Ltd	Stockton-on-Tees
	Riverside Crescent, Stella	BDW Trading Ltd	Gateshead
	Saxon Park, Peterlee	Gladdedale Ltd	County Durham
	The Kyllins, Morpeth	Persimmon Homes Limited	Northumberland
	Watson's Court, Green Lane, Spennymoor	Persimmon Homes Limited	County Durham
	West Middridge, Spout Lane, Shildon	Persimmon Homes Limited	County Durham
	Whitewater Glade, Portrack Lane	Persimmon Homes Limited	Stockton-on-Tees
	Whitworth Park, Spennymoor	BDW Trading Ltd	County Durham
	<b>14</b>	<b>7</b>	<b>8</b>
<b>North West</b>	Billinge, Greenfields	Persimmon Homes Limited	Wigan
	Bury, Olives Valley	Persimmon Homes Limited	Bury
	Carriage Grove	The Property Group (Carriage Grove Ltd)	Sefton
	CEDAR WALK	Redrow Homes Ltd	Chorley
	Chapelord Phase 11	BDW Trading Ltd	Warrington
	CRESSINGTON HEATH	Redrow Homes Ltd	Liverpool
	DALE MILLCHURCHGATE	Redrow Homes Ltd	Rochdale
	Denwent Street- Phase 1, Slough Industrial Estate (Salford)	MMC Developments Ltd	Salford
	Eastby, Phase 1	BDW Trading Ltd	Liverpool
	Edgewater Park - Ph 2 - Warrington - HBD	Morris Homes Ltd	Warrington
	Ellergreen Kickstart	New City Vision (Liverpool ) Ltd	Liverpool
	Empress Mill, Trawden	Datum Properties Limited	Pendle
	FLEETWOOD HARBOUR VIL	Redrow Homes Ltd	Wyre
	Gorton, Manchester	J S Bloor Limited	Manchester
	Greavestown Lane Phase 1	Hollinwood Homes	Preston
	Grove Village	Gieson Regeneration	Manchester
	Halton Brook	Seddon Homes Limited	Halton
	Hunts Cross Phase 6	Bellway Homes Pic	Liverpool
	Kingsmead	Lowry Homes Pic	Wirral
	LEX	Redrow Homes Ltd	Chorley
	Loom Street	Artisan H Limited	Manchester
	Lostock, Middlebrook View	Persimmon Homes Limited	Bolton
	Millers Green Heysham	Miller Homes Ltd	Lancaster
	Murcote Road	Prospect GB Limited	Liverpool
	Norns Green	Cobalt Housing	Liverpool
	Primrose Village	Beck Developments Limited	Ribble Valley
	Queens Bedford	Keepmoat Homes Limited	Sefton
	Riverside Village, Kendal	three60 Property Investors Ltd	South Lakeland
	Rivington View - Chorley - HBD	Morris Homes Ltd	Chorley
	Rockcliffe Road	Barnfield Construction Limited	Rossendale
	Sherbourne Park	Cheiford Developments Ltd	St. Helens
	Sites 7.4 & 7.5a, Miles Platting	Lovell Partnerships Ltd	Manchester
	Speakman Gardens II	Taylor Wimpey	Knowsley
	SPINNERS MEWS	Redrow Homes Ltd	Oldham
	St Thomas Gardens Phase 2 (Pimhole)	Lowry Homes Pic	Bury
	Stamford Brook	Redrow Homes Ltd	Trafford
	Talbot Mill Chorley	Cili Dara Property Partnership	Chorley
	The Dell	Lake Leaf Ltd	Wirral
	The Gate	Keepmoat Homes Limited	Knowsley
	The Laurels	Wainhomes (North West) Limited	Cheshire West and Chester
	The Point - West Derby - HBD	Morris Homes Ltd	Liverpool
	Unity Quarter, Salford	Miller Homes Ltd	Salford
	Upton Dene - Chester - HBD	Morris Homes Ltd	Cheshire West and Chester
	Victoria Gate	Lowry Homes Pic	Knowsley
	Warrington, Farrell St	Persimmon Homes Limited	Warrington
	Waterside Village - St Helens - HBD	Morris Homes Ltd	St. Helens
	Willowfields Wesham	Miller Homes Ltd	Fylde
	Winnington Urban Village - HBD	Morris Homes Ltd	Cheshire East
	Woodbury Park	BDW Trading Ltd	St. Helens
	Woodlands Grange	Redrow Homes Ltd	Wirral
	Woodlands Park Darwen	Miller Homes Ltd	Blackburn with Darwen
	<b>51</b>	<b>28</b>	<b>27</b>
<b>South East</b>	Ayeisham, Growth Point Regeneration, Dover	BDW Trading Ltd	Dover
	Bletchley Park Phases 1b & 2	Redrow Homes Ltd	Milton Keynes
	Block 4C Ingreed Park Swanscombe Kent	Grest Nicholson	Dartford
	Broughton Chase, Milton Keynes	BDW Trading Ltd	Milton Keynes
	Clayton Mills	BDW Trading Ltd	Mid Sussex
	EYNSHAM	Taylor Wimpey	West Oxfordshire
	Faborough Central Future Blocks	Redrow Homes Ltd	Rushmoor
	Hawthorn Meadows	BDW Trading Ltd	Isle of Wight
	Hellingly Hospital	Charles Church	Wealden
	High Wycombe	Berkeley Group Holdings PLC	Wycombe
	Holborough Lakes	Berkeley Group Holdings PLC	Tonbridge and Malling
	Jennetts Park H11, 15&17	Redrow Homes Ltd	Brocknell Forest
	Kennett Island	Berkeley Group Holdings PLC	Reading
	Larkwood, Newton Leys	Persimmon Homes Limited	Milton Keynes
	Newton Leys Phase 2	Taylor Wimpey	Milton Keynes
	North Berstead	Berkeley Group Holdings PLC	Arun
	Park Farm Ashford	Persimmon Homes Limited	Ashford
	Phase 1a, Picket 20, Andover, Hants	Persimmon Homes Limited	Test Valley
	Phases A&B, Medway Gate, Cuxton, Kent	Persimmon Homes Limited	Medway Towns

# OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

	RAF Wendover	BDW Trading Ltd	Aylesbury Vale
	REDROW HAILSHAM	Redrow Homes Ltd	Wealden
	Repton Park Area 26	Charles Church	Ashford
	Royal Clarence Marina	Berkeley Group Holdings PLC	GOSPORT
	Site 6 (part), North Bersted, Bognor Regis, West Sussex	Persimmon Homes Limited	Arun
	Skyline Plaza	Berkeley Group Holdings PLC	Basingstoke and Deane
	Southlands Hospital Shoreham	Crest Nicholson	Adur
	Spencers Park	J S Bloor Limited	Swale
	Springhead Park, Ebbsfleet Kent	Countryside Properties	Gravesham
	<b>28</b>	<b>9</b>	<b>22</b>
<b>South West</b>	Angel Farm, Coleford	J S Bloor Limited	Forest of Dean
	Block Q Dockside Fortishead	Crest Nicholson	North Somerset
	Crewkeme, Maldenbeech	Persimmon Homes Limited	South Somerset
	Dolcoath Phase 1	Galliford Try Homes Ltd	Cornwall
	Dorian Road, Bristol	Bovis Homes	Bristol UA
	EAST MELKSHAM	Persimmon Homes Limited	Wiltshire
	Kingshill Cirencester	Berkeley Group Holdings PLC	Cotswold
	Kingsway A4	Persimmon Homes Limited	Gloucester
	Locking Parklands	St Modwen Properties Plc	North Somerset
	Lydney, Gloucestershire	MMC Developments Ltd	Forest of Dean
	North East Bridgwater	Hallam Land Management Ltd	Sedgemoor
	Norton Radstock Regeneration	Bellway Homes Plc	Bath and North East Somerset UA
	Okehampton, Crediton Road	Persimmon Homes Limited	West Devon
	Osmund Fields, Salisbury, Wilts	Persimmon Homes Limited	Wiltshire
	Quakers Walk	Persimmon Homes Limited	Wiltshire
	The Gateway	J S Bloor Limited	Wiltshire
	Torre Marine	BDW Trading Ltd	Torbay
	Trinity Park	J S Bloor Limited	Mendip
	Vision, Devonport	Redrow Homes Ltd	Plymouth
	WARMINSTER, VICTORIA ROAD	Persimmon Homes Limited	Wiltshire
	Wyndham Park	BDW Trading Ltd	South Somerset
	<b>21</b>	<b>12</b>	<b>14</b>
<b>West Midlands</b>	Bracken Gardens	BDW Trading Ltd	Lichfield
	Breeze	Selbourne Homes	Sandwell
	Castle Gate - Tamworth - HBD	Morris Homes Ltd	Tamworth
	Churchfields	BDW Trading Ltd	Sandwell
	Clanway Brickworks, Tunstall	J S Bloor Limited	Stoke-on-Trent
	Claremont Bilston	Morris Homes Ltd	Wolverhampton
	Corbett Hospital	BDW Trading Ltd	Dudley
	Crystal Mead, Aukland Road, Wordsley	Persimmon Homes Limited	Dudley
	Dothill Redevelopment	Wrekin Housing Trust	Telford and Wrekin
	Elizabeth Road, Cannock	Waterloo Housing Association	Cannock Chase
	Former West Heath Hospital, Rednall Road, West Heath, Birmingham	Persimmon Homes Limited	Birmingham
	Lodge Rd Birmingham	Morris Homes Ltd	Birmingham
	Malvern Phase 4 N	Persimmon Homes Limited	Malvern Hills
	Maxstocke Lane	BDW Trading Ltd	Solihull
	Mowbray Manor	J S Bloor Limited	Coventry
	Muxton - Telford - HBD	Morris Homes Ltd	Telford and Wrekin
	New Stoke Village	Persimmon Homes Limited	Coventry
	Orton Place	BDW Trading Ltd	East Staffordshire
	Paget Green - Burton - HBD	Morris Homes Ltd	East Staffordshire
	Peewt Road/Martin Avenue	Bellway Homes Plc	Wychavon
	Priority Park, Dudley	Lovell Partnerships Ltd	Dudley
	Satchwell Grange	J S Bloor Limited	Walsall
	Saxon Fields - Wem - HBD	Morris Homes Ltd	Shropshire
	The Bridles	BDW Trading Ltd	Walsall
	Wat's Meadow	Fletcher Homes (Shropshire) Ltd	Shropshire
	Waterfront South, Phase 2	Jessup Brothers Limited	Walsall
	Weston Heights, Phase 3B	Lovell Partnerships Ltd	Stoke-on-Trent
	Wood Street	Tudorworth Properties	Walsall
	Worcester Porcelain	Berkeley Group Holdings PLC	Worcester
	<b>29</b>	<b>13</b>	<b>17</b>
<b>Yorkshire &amp; the Humber</b>	Colours	Strata Homes Ltd	Rotherham
	Crag View	Lowry Homes Plc	Bradford
	Danum St Giles, Doncaster	Redrow Homes Ltd	Doncaster
	Express Parks, Manvers Way, Rotherham	Westleigh Developments Ltd	Rotherham
	Feriby Rise, Grimsby	Galliford Try Homes Ltd	North East Lincolnshire
	Flower Estate	Keepmoat Homes Limited	Sheffield
	Foxs Fold, Barton	Redrow Homes Ltd	North Lincolnshire
	GATEWAY PLAZA LTD	Gateway Plaza Ltd	Barnsley
	Grimethorpe	Strata Homes Ltd	Barnsley
	Imagine	Strata Homes Ltd	Sheffield
	Kelghley Road, Halifax	Redrow Homes Ltd	Calderdale
	Kirks paddock, Grimsby	Redrow Homes Ltd	North East Lincolnshire
	Lakeside, Scunthorpe	Galliford Try Homes Ltd	North Lincolnshire
	Menston Hall Menston	Incommunities	Bradford
	Phase 1, Former Yorkshire Traction, Barnsley	Persimmon Homes Limited	Barnsley
	Prior Pot Mews, Malton	Redrow Homes Ltd	Ryedale
	Priority Chase	Miller Homes Ltd	Wakefield
	Richmond Park	Broadacres Housing Association	Richmondshire
	Saxon court, Sherburn	Redrow Homes Ltd	Selby
	Thornhill Road, Steeton	Skipton Properties Limited	Bradford
	Time	Strata Homes Ltd	Barnsley
	Unity	Strata Homes Ltd	Doncaster
	Yarn Street 2	Miller Homes Ltd	Leeds
	<b>23</b>	<b>12</b>	<b>13</b>

### APPENDIX II: LEADING HOUSING ASSOCIATION GROUPS

#### LONDON & QUADRANT GROUP

<http://www.lqgroup.org.uk/>

The London & Quadrant Group was formed in 1973, through the merger of Quadrant Housing Association and The London Housing Trust. The group now manages in excess of 50,000 homes and currently comprises the following registered housing associations:

- **London & Quadrant Housing Trust**, which owns or manages in excess of 23,000 homes and is the group parent.
- **Tower Homes**, which is the group's specialist provider of low cost home ownership and key worker housing. It has almost 7,000 homes in ownership, part-ownership and management.
- **L&Q Bexley Homes**, which is a stock transfer association registered in 1998, owning around c4,000 homes.
- **The Nucleus Housing Group Limited**, which joined the group in 2004 and includes L&Q Beacon Housing Association with around 4,400 homes, and Opus Property Services (UK) which provides 1,200 essentially key worker homes.
- **L&Q Treshold**, which joined the group in 2007 and owns or manages 4,300 homes.
- **Zest Homes**, a private limited company which develops market homes.
- **Ujima HA**, a specialist BME association acquired by L&Q in 2008. Ujima owns and manages around 5,000 homes in London.

The Group specialises in affordable rented housing and housing with support, but also has a large stock of key worker housing, through its subsidiaries Zest Homes, Treshold and Tower Homes.

London & Quadrant's expansion programme includes investing in, maintaining and improving existing stock, as well as developing new property and undertaking regeneration projects. In 2006 the Group announced that it would invest £150m into the acquisition of land and the development of new homes.

In 2006-2008, it developed 3,000 homes including both affordable and market homes. The Group secured the largest allocation for development from the Housing Corporation's 2008-11 NAHP of any other housing association, totalling in excess of £120m.

London & Quadrant operates framework contracts but, as a Group, uses over 400 individual contractors for repair & maintenance and other services.

Turnover for London & Quadrant in 2007 was £188m, compared with £184m in 2006. However, this was before the acquisition of Ujima in 2008.

#### ACCENT GROUP LTD.

[www.accentgroup.org](http://www.accentgroup.org)

Accent Group, based in Yorkshire, owns and manages 19,000 homes throughout England via its three subsidiaries:

- Accent Foundation (12,018 homes)
- Accent Nene Housing Society Ltd (3,463 homes)
- Accent Peerless (3,656 homes)

The Accent Group leads a consortia with Accent Nene, Accent Peerless, Network, Northern Lights and Firebird.

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## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

The Accent Group's 2008-11 NAHP allocation of £65 million, (the country's 2<sup>nd</sup> largest allocation) covers not only the Accent Group, but also the consortia they lead.

The following is an example of some of the Accent Group's new build and maintenance projects:

- New build construction started across 3 sites in Leeds in June 2009 to build 66 new affordable homes for the Accent Foundation Housing Association. *Lovell* construction was awarded the £5.6 million contract. Completion is planned for mid 2010. Homes will meet level 3 of the code for sustainable homes.

*Head of Residential Development for the Accent Group is Andy Gamble.*

*Regional Director for Lovell Construction is Noel Adams.*

- The Accent Group website details a planned maintenance work schedule to stock for 2009/2010 across 22 geographical areas (it does not include any information regarding the value of expenditure).

### THE RIVERSIDE GROUP

[www.riverside.org.uk](http://www.riverside.org.uk)

The Riverside Group was formed in 2001 as a non-charitable umbrella organisation for a number of housing associations and associated companies. It now owns and manages c50,000 properties and operates in 188 local authority areas across England, with a particularly strong presence in Merseyside as well as Carlisle, Manchester, Newcastle and Leicester.

8 associations are part of the Riverside Group, the largest being;

➤ **Riverside Housing**, which owns/manages more than 25,000 homes across the North West, Midlands and South of England.

➤ **English Churches (ECHG)**, which merged with Riverside in November 2006, forming their supported housing arm and managing over 3,500 units.

➤ **Carlisle Housing Association**, which was established in 2002 to accept the transfer of 7,200 homes from Carlisle City Council.

Other subsidiaries include the stock transfer associations of **Berrybridge Housing Association**, **Bowlee Park Housing** and **Lee Valley Housing Association**, as well as traditional associations.

The accommodation is predominantly social rented for general family use, although there is a strong supported housing arm within the group.

The group has grown rapidly through mergers and acquisitions and has significantly extended its geographical reach over recent years.

Riverside is committed to development and, through its lead role in the Riverside Partnership, it is a Housing Corporation development partner. The partnership's NAHP allocation in 2008-11 was £63.4m (the country's third largest allocation).

The Groups has set a target of building 1,650 new affordable homes by the end of 2011 and also plans, through a £250 million 5 year investment programme, to bring its existing stock to the Government's Decent Homes standard by 2010.

The Group also owns market and student housing units, and wholly owns a private limited property development company, **Prospect (GB) Ltd**, which develops market rent and student housing and has a

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

turnover of around £6m.

The Riverside Group also owns *Circle*, a construction waste recycling centre in Liverpool. and *Wave Homes*, the result of a partnership between Riverside and housing consultancy Averbury, which produces off site manufactured timber-framed houses using MMC.

Furthermore, the *Compendium* group is a joint venture between Riverside and housebuilders, Lovell Partnerships Ltd, to deliver urban renewal and regeneration.

Riverside is also involved in a housing PFI for Sandwell MBC with Mansell Construction, covering refurbishment and improvement, demolition and rebuilding of council homes, as well as newbuild housing for sale. Riverside will provide management, improvement and housing services until 2031 under this contract.

Turnover for the Riverside Group in 2007 was £176.2m, compared with £122.7m in 2006.

### AFFINITY SUTTON

[www.affinitysutton.com](http://www.affinitysutton.com)

Affinity Sutton was formed in October 2006 as a result of a merger between the William Sutton Group and the Affinity Homes Group.

The Affinity Sutton Group now owns and manages around 50,000 homes in over 100 local authority areas across southern England. Its primary subsidiaries are:

- ▶ **Broomleigh HA**, a stock transfer association set up in 1992, which owns or manages c15,000 homes around London and Kent.
- ▶ **Downland HA** which was formed in 1999 and owns or manages over 11,000 homes, across southern England
- ▶ **William Sutton Homes**, which was formed through a merger of William Sutton HA and Ridgehill Housing Association in 2007, and now owns or manages over 20,000 homes throughout England.
- ▶ **Community Building Services Ltd**, a private company that provides building and maintenance services to housing associations and local authorities.
- ▶ **Grange Management (Southern) Ltd** which manages 6,200 leasehold properties, mostly for older people.

There are also two smaller, specialist subsidiaries – Aashyana Housing Association and BHT – providing a further 300-400 housing units. The previous subsidiary Tor Homes left the group in 2007 to join Devon & Cornwall HG.

Affinity Sutton is one of largest housing groups in terms of development - the Group's development programme states a target of 7,000 new homes to be built by 2010, to a value of £980m.

The Affinity Sutton led development partnership was allocated an initial £58m of funding through the 2008-11 NAHP.

The Group has framework partners for most of its repair and maintenance work, as well as new build development. The main frameworks used are Procurement for Housing / Office of Government Commerce / Buy 4 London.

Low value orders of less than £100,000 not available through existing contract and framework agreements are advertised on the Affinity Sutton website.

Turnover for Affinity Sutton Group in 2007 was £199.2m, compared with £183.9m in 2006.

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

### SWAN HOUSING ASSOCIATION LTD

[www.swan.org.uk](http://www.swan.org.uk)

Swan Housing Association owns and manages over 7,600 homes in Essex, Suffolk and East London, and includes two subsidiaries – Swan (Essex) Housing Association and Swan (London) Housing Association. Swan Commercial Services supports Swan Housing Association in the areas of acquisition and development.

The Swan Housing Association's turnover in 2007 was £36.7 million, and it received £53mn funding through the NAHP 2008-11 funding allocation.

The following is an example of some current development and maintenance projects:

- In March 2009, Swan Housing signed a 20 year £174 million contract with the London Borough of Newham, under the Government's PFI scheme. This project will see improvements to around 1,300 properties in Forest Gate, East London, and will ensure that 900 rented council dwellings are brought up to the Decent Homes Standard by 2012, with new kitchens and bathroom fittings, windows and heating systems. The Government will provide £4.9 million / year through PFI credits.
- A new build project in Basildon. Phase 3 commenced in 2008, to build 186 homes of which 105 are affordable homes for rent. Higgins is the primary contractor for this project.
- Bids were requested in July 2009 for a contract to build 54 new affordable homes and 26 homes for private sale at Southend-on-Sea. The total contract value is estimated at £9 million.

The Swan Housing Association has an in-house construction management arm, responsible for the direct management of construction sub contracts and works on site. Key contacts include:

Regeneration Director: Dave Poulter

Director of Asset Management: Terry Bird

Construction Director: Roger Synnuck

Development Director, Swan New Homes: John Hayden. Who manages Swan's development programme including large scale regeneration and new build projects, and is also responsible for delivering Swan's private development schemes – under Swan New Homes.

### METROPOLITAN HOUSING PARTNERSHIP

[www.mhp-online.co.uk](http://www.mhp-online.co.uk)

The Metropolitan Housing Partnership is a partnership of 6 organisations working together. Collectively the partnership manages almost 25,000 homes, and develops an average of 1000 new units annually.

The housing groups within the partnership include the Metropolitan Housing Trust, Spiritia, Clapham Park Homes and Grantia Housing Society.

The Metropolitan Housing Partnership received £47million of funding from the NAHP Budget for 2008-11.

Metropolitan Housing Partnership, along with the HCA, announced the first code Level 6 status for commercially built homes in the UK (carbon zero homes).

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

### HYDE GROUP

[www.hyde-housing.co.uk](http://www.hyde-housing.co.uk)

The Hyde Group has a stock holding of c35,000 and a NAHP budget of £46 million for 2008 – 2011.

The Hyde Group provides affordable housing in London, the South East of England and the East Midlands, and builds c 1,000 new homes per year.

Hyde Group is the parent body of the Hyde Housing Association which includes a number of housing associations; Hyde South East, Minster and Hyde Martlet.

The Hyde Group is currently involved in 3 PFI projects: two in the London Borough of Islington' one in Brent. The first phase of the Brent project is to deliver 195 new homes and 20 residential care homes, and Bouygues UK is the contract builder.

### MANCHESTER METHODIST HOUSING ASSOCIATION (MMHA).

Manchester Methodist HA is part of the Great Places Housing Group ([www.greatplaces.org.uk](http://www.greatplaces.org.uk)), which comprises:

- MMHA (9,679 stock)
- Ashiana Housing Association (1,712 stock)
- Parkway Housing Association
- Plumlife Homes Ltd (989 stock) - Commercial arm (mainly sales).
- Space New Living (3,533 stock)

The Great Places Housing Group now has a stock of c15,000 homes, of which 97% meet the Decent Homes Standard. Turnover for the group is £48 million.

Great Places has partnering status with the HCA and has consistently received the north west's largest allocation of Approved Development Programme Money – a total of £47 million in 2008.

Great Places Housing Group, along with Regenter and ROK Building, has formed the *Inspirational Consortium*, and Oldham Council has confirmed the Inspirational Consortium as preferred bidder for its £130 million Gateways to Oldham housing and regeneration PFI project. The initial phase of this project will involve the construction of 430 new social and private homes, and the modernisation and refurbishment of 324 existing council homes. Inspirational will also deliver the ongoing maintenance and repair services for the full duration of the 25 years contract. Regenter is the lead investor, developer and manager for the project. Great Places is co investor and developer. *ROK Building* will construct all new homes, modernise existing properties and provide the long term maintenance for all social housing.

### HOUSING 21

[www.housing21.co.uk](http://www.housing21.co.uk)

Housing 21 specialises in care, health and housing for older people, with a turnover in 2007 of over £90mn.

Housing 21 now manages over 16,000 sheltered, extra care apartments and bungalows across over 400 schemes, and its 2008-11 NAHP allocation was £41 million.

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

Housing 21 is currently involved in several PFI and PPP contracts, working with local authorities. Some of the current projects include:

- Housing 21 and Oldham Metropolitan Borough Council launched the largest sheltered housing PFI in 2006. The new build and refurbishment programme provides for 1500 new sheltered properties and is due for completion in 2011, with the construction undertaken by Bullock Construction Ltd.
- A PPP project with Walsall Metropolitan Borough Council, under which Housing 21 will provide more than 320 new homes for older people and oversee the construction work. Due for completion in 2010.
- A PFI project with Kent County Council to provide housing and care services in Kent. The project includes the design and build of 340 new apartments for the elderly, and is due for completion in 2009.
- A £4.3 million project announced in September 2009, with funding from HCA and N. Yorkshire County Council. The primary building contractor is Frank Haslam Milan, and the project is to provide two-bedroom apartments suitable for the elderly.

### SANCTUARY HOUSING GROUP

[www.sanctuary-housing.co.uk](http://www.sanctuary-housing.co.uk)

Sanctuary Housing Group was established in 1969, and has grown into one of the largest housing groups in England. The Group operates across 220 local authority areas, but with a focus on London and the South East. As a result of recent mergers, the Sanctuary Group manages more than 75,000 units.

The Sanctuary Group received £39mn funding allocation from the NAHP for 2008 – 2011.

Sanctuary Housing Groups comprises as many as 36 subsidiaries. The main ones include:

- ▶ **Hereward HA** – which became a subsidiary of the group in 2005 and owns around 4,400 homes in the East of England.
- ▶ **Beth Johnson HA** – joined the group in 2006 and has a stock of around 4,500 properties, predominantly across the Midlands.
- ▶ **Asra Midlands HA** – is a specialist BME association which owns around 900 homes.
- ▶ **Shaftesbury HG** – which joined Sanctuary in April 2007, and consists of 3 associations, with a stock of 9,200 properties.
- ▶ **Charter Community Housing** – owns around 3,600 homes in Oxfordshire.
- ▶ **Sanctuary Scotland** – a wholly owned subsidiary of the group, with over 1,200 homes.
- ▶ **Sanctuary Care** – operates 52 care homes and 5 home care businesses across England.

In addition to its stock of social housing, Sanctuary is one of the country's largest providers of student accommodation, and has around 11,000 non-social housing units, including student and key worker accommodation, care homes and commercial and market rent accommodation.

The turnover for the Group in 2006/07 was £223.2m, compared with £169.6m in 2006.

The Sanctuary Group has a re-investment programme for expenditure on existing stock, going forward to 2010. The total expenditure is expected to be £150 million and 8 housing subsidiaries are included.

### BROMFORD HOUSING GROUP

[www.bromford.co.uk](http://www.bromford.co.uk)

The Bromford Housing Group currently owns 20,000 – 25,000 homes, and received a NAHP 2008-

## OPPORTUNITIES FOR SUPPLY INTO THE SOCIAL HOUSING MARKET IN GB

2011 funding allocation of £34 million.

The Group's Strategic Plan sets a target to provide an additional 2,500 affordable homes over the next 3 years.

The Group also has a merger strategy based upon identifying suitable partners to complement and strengthen the Group's position, with the expectation of having a stock of 40,000 homes by 2015.

The Group has set up a partnership with 10 other housing associations, for the purposes of applying for NAHP funding – the Bromford Partnership. Across all of the housing associations in the partnership, over £98 million of social housing grant has been allocated for 2008–2011 – to provide a further 1,683 homes.

The Bromford Housing Group includes Bromford Developments, which is responsible for in-house construction. The in-house construction team was established in 2007 to build a proportion of the total development programme, and operates a framework approach with contractors.

Bromford Housing Group has established a Joint Procurement Initiative (JPI) with Midland Heart, Waterloo and West Mercia Housing Associations. The members of the JPI collaborate to procure materials and services from a selected framework of suppliers involved with MMC. A set of standard designs for 12 house types that can be called off from the suppliers has been developed, and a standard timber frame specification has been created.

### PLACES FOR PEOPLE

[www.placesforpeople.co.uk](http://www.placesforpeople.co.uk)

Places for People was formed in 1999 and took its present name in 2000. Bristol Churches Housing Association also joined the group in 1999 and today the Places for People Group owns or manages over 59,000 homes in England, Wales and Scotland through a number of registered and unregistered subsidiaries. Its stock includes 4,600 market rented properties and 4,000 shared ownership properties.

The main companies within the Group are:

- ▶ **Places for People Homes** (previously known as North British Housing), which owns and manages around 47,500 homes in 200 local authority areas.
- ▶ **Places for People Individual Support** (previously New Leaf Independence) is a housing association specialising in care and support services, which owns 4,158 properties (including those previously registered under Bristol Churches Housing Association.)
- ▶ **Kush Housing Association**, which owns or manages 840 properties to BME people in North East London.
- ▶ **Castle Rock Edinvar Housing Association**, which is registered in Scotland and manages 5,700 properties.
- ▶ **Blueroom Properties**, the commercial arm of PfP managing an average of 700 market rented properties and undertaking development for market rent.
- ▶ **Emblem Homes**, a development company specialising in homes for sale.

Places for People has ambitious plans to increase its housing stock and, in the medium term, the Group is seeking to compete with the private sector in the wider housing market through its build for sale programme. It focuses on mixed tenure and mixed use developments, and also undertakes new developments through Emblem Homes, Blueroom Properties and PfP Developments, and as a Housing Corporation partner.

The Group was initially allocated £7.3m from the 2008-11 NAHP. Its pipeline of developments is expected to increase from 1,202 completed homes in 05/06 to over 3,000 per annum for the next three

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years. A new partnership between Places for People and Cofton, a housing and regeneration group, intends to invest up to £300m in land acquisition in the next two years.

The Group's asset management plan states that the group intends to commit £140 million over the next five years to improve existing stock. Part of this expenditure is to achieve Decent Homes Standard by 2010. The programme will include fitting new kitchens, boilers and windows to some homes.

Turnover for the Places for People Group was £338.2m in 2007, compared with £271.8m in 2006, although activities undertaken by the group are diverse and includes financial services, childcare, employment services and commercial development etc.

### SOUTHERN HOUSING GROUP

[www.southernhousinggroup.co.uk](http://www.southernhousinggroup.co.uk)

The Southern Housing Group owns and manages 25,000 homes, and comprises the following subsidiaries: James Butcher HA, South Wight HA, Southern Space and Southern Housing Home Ownership.

The Group has a long standing relationship with Berkeley Homes, and its new housing development plan is worth £550million, to build more than 4,000 new homes for rent and ownership.

Southern Housing Group secured a £22million allocation from the NAHP 2008-11 budget.

Group procurement for its new build and refurbishment projects is conducted through framework agreements with *Procurement for Housing, Office of Government Commerce (OGC) and Buy 4 London*.

Any other EU regulated requirements are advertised on the Group's website and through OJEU and 'My Tenders'.

For low value orders (under £100,000) not available through existing contract and framework agreements, advertisements are placed on the Group's website.

### HOME GROUP LTD

[www.homegroup.org.uk](http://www.homegroup.org.uk)

Homes Group has existed since 1998 and, in its current form with charitable status since 2004. However, some of the Group subsidiaries date back to 1935.

Home Group now owns around 52,000 properties across England and Scotland, with a particular presence in the North East, North West and the South East.

Home Group operates through two distinct business streams; housing operations, and care and support, and comprises:

- **Home** North East, Home North West, Home South and Home Central, in England, and Home Scotland – which manage and develop affordable housing for rent, shared ownership and sale.
- **LiveSmart@Home** - commercial arm, provides affordable mid-market rented and owner occupied housing.
- **Stonham** – North, East and West providing support for excluded people in England.
- **Home Group Developments** acts as a contractor to the group, undertaking land banking and building for sale. Whilst Home's accommodation is predominantly for general family needs,

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it is the largest provider of supported housing in England and a major provider of low cost home ownership initiatives.

Having secured over £20m worth of allocations under the NAHP 2008-11 programme, the Group has considerable development plans.

The Group is also the national delivery partner for the IKEA Boklok concept of affordable homes using MMC.

The Group has framework partners for development, and is involved in three procurement consortia: GM Procure; Cumbria Housing Partnership and NEprocurement.

Turnover for the group in 2007 was £242.1m, up from £229.9m in 2006.

### THE GUINNESS TRUST GROUP

[www.guinnesspartnership.com](http://www.guinnesspartnership.com)

The Guinness Trust was set up in 1890 by the great grandson of the founder of the Guinness Brewery, to help people in London and Dublin who found themselves destitute and unable to afford decent homes. At the beginning of the 20th century, The Iveagh Trust based in Dublin took responsibility for Ireland and continues its work there today.

The Guinness Trust extended its objectives outside London in 1962 and today operates in all English regions. Throughout its history the Trust has seen bursts of building activity and periods of consolidation. This has led to the hugely diverse portfolio of housing, held under the Guinness Partnership. In recent years the Partnership and Trust have been heavily engaged in the regeneration and transfer of local authority estates. Recent transfers have included Darnhill near Rochdale, Naish Court, London and Woolton in Liverpool.

The Guinness Partnership is made up of the following organisations:

- **The Guinness Trust**  
[www.guinnesspartnership.com/living](http://www.guinnesspartnership.com/living)  
The Guinness Trust, one of the largest housing associations in England, has been providing affordable homes for well over 100 years.
- **Guinness Hermitage Ltd**  
<http://www.guinnesshermitage.co.uk>  
Guinness Hermitage was created in 2007 to manage homes in the West of England.
- **Guinness Care and Support Ltd**  
<http://www.guinnesspartnership.com/careandsupport>  
Guinness Care and Support (GCS) was formally registered on 11 May 2005. The company was set up to help the Guinness Partnership deliver the services to residents with support needs. On 1 October 2007 Hermitage Care Ltd and Devon Community Housing Society Ltd were amalgamated with Guinness Care and Support Ltd.
- **Guinness Midsummer Ltd**  
<http://www.midsummer.org>  
The formerly named Midsummer Housing Association Ltd was established in 1985, and owns and manages over 6,000 homes in Milton Keynes and the South Midlands growth area. Guinness Midsummer Homes Ltd (formerly known as Midsummer Homes Housing Association Ltd) is the rental subsidiary of Guinness Midsummer.
- **Guinness Northern Counties Ltd**  
<http://www.ncha.co.uk>  
Founded in 1966, Northern Counties Housing Association (more recently renamed to Guinness Northern Counties Ltd) manages over 20,000 homes which are located throughout a

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large geographical area of the country; from Carlisle to Shrewsbury, Nottingham and Grimsby to Harrogate. The largest concentrations are in Greater Manchester, South Yorkshire and North Derbyshire.

### **City Response Ltd and CR<sub>2</sub> Ltd**

City Response Limited operates as an independent commercial organisation: CR<sub>2</sub> Ltd is a subsidiary of City Response, but maintains a separate identity. Together, both companies operate throughout a large part of Guinness Northern Counties' geographical area. They maintain properties for Guinness Northern Counties and other housing associations.

### **Encore Homes Ltd**

Encore Homes is also a subsidiary of Guinness Northern Counties. It provides specialist Property Management services to private developers.

#### ➤ **Guinness Developments Ltd**

Guinness Developments Ltd is a private house building company that was established by the Guinness Trust in 2004. The company builds high specification homes for outright sale on the open market.

#### ➤ **Hermitage Housing Association Ltd**

<http://www.hermitage-housing.co.uk>

Hermitage Housing, which now falls under the umbrella of Guinness Hermitage, is a provider of housing and support services to residents within Hampshire.

#### ➤ **Gorseway Care Ltd**

<http://www.gorseway.co.uk>

Gorseway Care is located on Hayling Island, Hampshire. Gorseway Care offers nursing, residential and apartment facilities.

#### ➤ **Portsmouth Friendship Centre Company Ltd**

Portsmouth Friendship Centre is a flagship project in the city of Portsmouth. It was set up in 2001 and is home to a number of diverse communities. The main aim and focus is to encourage all cultures to work together and to learn from each other.

#### ➤ **The Guinness Housing Association Ltd**

Guinness Housing Association is a provider of housing to residents in the Bath and Somerset, Bristol, Gloucestershire and Wiltshire areas.

#### ➤ **Kennet Housing Society Ltd**

<http://www.kennethousing.co.uk>

Kennet Housing Society falls under the umbrella of Guinness Hermitage. It is based in Marlborough, Wiltshire and provides general needs accommodation for single persons, families, and sheltered housing for the elderly in the Wiltshire, Bath and Mendip area. Kennet also has two special needs schemes providing housing for persons with learning difficulties and mental health problems

#### ➤ **Wycombe Friendship Housing Association Ltd**

Wycombe Friendship Housing Association offers a wide range of accommodation consisting of 1 and 2 bed flats, bedsits, shared housing and some larger family homes, in the Saunderton, Downley and Central Wycombe areas.

#### ➤ **Clapton Community Housing Trust Ltd**

Clapton Community Housing Trust (CCHT) was set up in 1998 to receive four Hackney council estates which have since been refurbished for the benefit of the residents.

### **Bower Homes Ltd**

Bower Homes Ltd, (formerly known as Northern Counties Specialised Housing Association Ltd) provides housing and care and support services to vulnerable young adults and elderly residents with care needs. It is a Charitable organisation and was registered under the Industrial and Provident Societies Act 1965 on 21 July 1980. In order to increase its scope of housing activities and put itself in a position to receive public loans and grants, the Association successfully applied for registration with the Housing Corporation, which was granted in December 1999.

Each of the companies within The Guinness Partnership currently has its own business plan setting out the strategic objectives for that company over the next few years. These business plans can be

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access through the Guinness Partnership website.

The Group currently owns or manages c60,000 homes and, whilst it does not feature in the top housing association by NAHP allocation as listed in section 3.2.3, this is due to date of these statistics and the Guinness Group would be one of the top associations.



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### APPENDIX III: ASSOCIATIONS IN BIRMINGHAM, LIVERPOOL AND MANCHESTER

#### *Birmingham*

Housing Association	Housing stock	Type	Expenditure	Website
Ashram Housing Association (Part of Matrix Housing Partnership – 20,000 homes in combined partnership)	955	Letting/Hostel	£6.5 million project just underway late 2009 to build 50 apartments for older people	www.ashramha.org.uk
Bournville Village Trust	3,642	Letting	2 new build projects nearing completion, nothing else in the pipeline as yet	www.bvt.org.uk
Castle Vale Community Housing Association	2,397	Letting/Hostel	No information at present	www.cvha.org.uk
Family Housing Association	2,228	Letting/Hostel	N/A	www.family-housing.co.uk
Harden Housing Association (Part of west Mercia Group)	1,927	Letting	The Whitefriars Housing group is also part of West Mercia and has recently begun refurbishment of a tower block of apartments built in the 1960s, but concentrates on Coventry rather than Birmingham  All Harden properties already meet Decent homes standard	www.hardenhousing.co.uk
Mercian Housing Association Ltd	3,147	Letting	No major investment activity planned as the association is merging in late 2009 with Circle Anglia	www.mercian.org.uk

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Housing Association	Housing stock	Type	Expenditure	Website
Midland Heart Parent of Focus, Urban Heart, Focus Futures, Touchside Housing	28,936	Letting	Spent £40 million in 2009 demolishing flats to build family homes  Lovell appointed late 2009 for £4.2 million new build contract, including apartments	<a href="http://www.midlandheart.org.uk">www.midlandheart.org .uk</a>
Moseley & District Churches Housing Association	1,444	Letting	Focus on South East Birmingham only  Joined Accord Housing Group in 2009  No significant refurbishment or investment programmes	<a href="http://www.mosleyha.org.uk">www.mosleyha.org.uk</a>
Optima Community Association	1,919	Stock Transfer	Emphasis is now on maintaining and improving rather than large-scale building projects  Although some small scale new build projects are envisaged, but likely to be when housing market shows signs of recovery  New scheme recently started with HCA funding and is due for completion June 2011	<a href="http://www.optima.org.uk">www.optima.org.uk</a>
Trident Housing Association (part of Matrix Housing Partnership – 20,000 homes combined in partnership)	2,676	Letting	N/A	<a href="http://www.trident-ha.org.uk">www.trident-ha.org.uk</a>

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### Liverpool

Housing Association	Housing stock	Type	Likely Expenditure 2009+	Website
Arena Housing Group	10,809	Letting	<p>Arena has a registration system for notification about tenders. Submit company details to arena@arena-housing.com</p> <p>Ongoing £12 million contract with DLP (Northern) and TF Jones for repairs and refurbishment</p>	<a href="http://www.arena-housing.com">www.arena-housing.com</a>
CDS Housing Association	5,533	Letting	Part of the Plus Dane Group which employs 400 people	<a href="http://www.cdshousing.org">www.cdshousing.org</a>
Cobalt Housing Lt (Part of the Vicinity Group)	5,641	Stock Transfer	<p>All homes will meet the Decent Homes standard by 2010. Focus is currently on final phase with investment in new kitchens and bathrooms</p> <p>Will develop 200 new homes over next 5 years</p>	<a href="http://www.cobalthousing.org">www.cobalthousing.org</a>
English Churches Housing Group	13,829	Letting/Hostel	All homes on target for Decent Homes standard	<a href="http://www.echg.org.uk">www.echg.org.uk</a>
Helena Partnerships	12,691	Letting		<a href="http://www.helenapartnerships.co.uk">www.helenapartnerships.co.uk</a>
Knowsley Housing Trust	13,661	Stock Transfer	<p>Members of Fusion21 procurement partnership</p> <p>Investment programme of £300 million nearing completion</p>	<a href="http://www.k-h-t.org.uk">www.k-h-t.org.uk</a>
Liverpool Housing Trust	9,820	Letting/Hostel	<p>All homes will meet the Decent Homes standard by 2010</p> <p>Ongoing plans for new build of circa 200 new homes per year until 2013</p>	<a href="http://www.lht.co.uk">www.lht.co.uk</a>
Liverpool Mutual Homes	16,100	Stock Transfer		<a href="http://www.liverpoolmutualhomes.com">www.liverpoolmutualhomes.com</a>

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Housing Association	Housing stock	Type	Expenditure	Website
One Vision Housing Ltd	11,139	Stock Transfer	£3.5 million refurbishment programme ongoing for supported housing  80% Decent Homes as at March 09	<a href="http://www.ovh.org.uk">www.ovh.org.uk</a>
Riverside Housing	26,619	Letting		<a href="http://www.riverside.org.uk">www.riverside.org.uk</a>
Wirral Partnership Homes	12,712	Stock Transfer		<a href="http://www.wphomes.org.uk">www.wphomes.org.uk</a>

### *Manchester*

The top 10 housing associations in the Greater Manchester area together account for a combined social housing stock of over 103,000:

Housing Association	Housing Stock	Type	Likely Expenditure 2009+	Website
City West Housing Trust	14,800	Stock Transfer	Planning to spend £235 million over the next 5 years on homes, estates and services.  New windows and doors for 2,000 homes up to March 2010  Full refurbishment on 2 estates to March 2010  Investment programme to 2014 will include external works	<a href="http://www.citywesthousingtrust.co.uk">www.citywesthousingtrust.co.uk</a>
Contour Housing	12,051	Letting	Developing 49 one and two bedroom apartments for the over 55s – nearing completion end 2008	<a href="http://www.contourhousing.co.uk">www.contourhousing.co.uk</a>
Eastlands Homes	7,994	Letting	Planning improvements to 14,000 homes, but these do not include doors (heating, fencing, bathrooms rewiring)  Recent stock transfer of 5,000 homes from council – these will undergo improvements in the next 5 years	<a href="http://www.eastlandshomes.co.uk">www.eastlandshomes.co.uk</a>

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Housing Association	Housing stock	Type	Expenditure	Website
Guinness Northern Counties (Guinness has 50,000 homes throughout the UK)	24,064	Letting	N/A	<a href="http://www.ncha.co.uk">www.ncha.co.uk</a>
Manchester and District Housing Association Ltd (Part of harvest Housing which has 18,000 homes)	9,046	Letting	Has a 97% Decency Rating, so much refurbishment work has already been undertaken  Harvest group company Moorlands Housing Association will build circa 600 affordable homes over the next 3 years	<a href="http://www.harvesthousing.org.uk">www.harvesthousing.org.uk</a>
Manchester Methodist Housing Association Limited (Part of Great Places Housing Group 14,000 homes)	9,679	Letting & Hostel	Received a total of £46 million in development funds from the Housing Corporation in 2008	<a href="http://www.greatplaces.org.uk">www.greatplaces.org.uk</a>
New Charter Housing North Ltd	7,827	Letting & Hostel	Has its own building company New Charter Building Company Ltd which undertakes planned maintenance.	<a href="http://www.newcharter.co.uk">www.newcharter.co.uk</a>
New Charter Housing South	6,747	Letting & Hostel	As above	<a href="http://www.newcharter.co.uk">www.newcharter.co.uk</a>
Parkway Green Housing Trust	5,776	Stock Transfer	£92 million investment programme for windows, secure doors, new kitchens and bathrooms by 2011  Target is to keep stock at least at current levels, but no new build agreed as yet	<a href="http://www.parkwaygreen.co.uk">www.parkwaygreen.co.uk</a>
Southway Housing Trust	5,911	Stock Transfer	£107 million investment in improving homes between 2008 and 2013.	<a href="http://www.southwayhousing.co.uk">www.southwayhousing.co.uk</a>
Keystone Tenant Managed Homes	2,600	Letting	They are currently undertaking phase 2 of a windows and doors replacement scheme	<a href="http://www.keystonetmh.org.uk">www.keystonetmh.org.uk</a>
New Shaws Housing Organisation	2,598	Letting	Spent £10 million on refurbishment over last 4 years since transfer from Glasgow Council.	<a href="http://www.newshaws.gha.org.uk">www.newshaws.gha.org.uk</a>

