

Sustainable procurement – a consortium of social landlords: Sovereign Development Consortium

Summary

Social landlords are often trail-blazers for construction developments. For example, the government's Code for Sustainable Homes (announced in December 2006) is voluntary for private sector housing developers, but mandatory for the public sector. In this rapidly changing environment, Sovereign Housing Group has realised that there is strength in numbers. It has created a Consortium of social housing developers, and forged partnerships with its contractors.

So far, Sovereign Development Consortium (SDC) has streamlined its administration and introduced economies of scale, but that is not all. This approach is driving through improvements in the environmental performance of its homes, minimising waste, and helping members of SDC to address wider issues such as supply chain management, and health and safety, in a consistent and effective way.

Background

Sovereign Housing Group was created in April 2005, but its origins date back to 1989, when the Sovereign Housing Association Limited (SHA) was created after taking the transfer of around 7,000 properties from the then Newbury District Council. SHA grew and spread across the south and south west of England.

As a registered social landlord (RSL), the organisation provides general family accommodation for rent, it manages 25 sheltered housing schemes, and it has a portfolio of more than 2,200 homes for leasehold and shared ownership.

The need for change

RSLs have to bid to secure funding for affordable housing projects, and in 2004 the Housing Corporation, which controls funding, decided that it wanted to encourage partnering among RSLs. SHA realised that it would not be considered large enough to be a "lead partner", and without a radical change in strategy, it would not be able to access all the funding it needed.

The solution

SHA's solution was to create Sovereign Development Consortium (SDC), a partnership of 13 social landlords operating throughout the south west of England – seven full members (developers) – who work with four contractors and nine employers' agents. Sovereign is the largest RSL in the Consortium, and has taken the opportunity to introduce a radical re-think of operations in order to maximise efficiency across the Consortium and its partners.

Implementation

What began as an exercise in the convergence of disparate organisations has progressed into a full-scale re-think of aims and ways of achieving these.

The first step was to develop a "convergence strategy" and an action plan.

Efficiency in all sense of the word is at the heart of the changes. Underpinning the consortium is a well-defined management structure through which the chief executives of the RSLs meet quarterly, with heads of development meeting monthly, and there are regular contractors' meetings too, so that everyone is involved in the process. This is aided by the Consortium's extranet. All members can access the extranet, which features a news facility, discussion board, meeting dates, agendas and minutes and so on.

The Consortium then established a series of working groups to tackle particular efficiency issues that had been identified in the Consortium's action plan. The working groups respond to changing needs, and have focused on topics such as:

- standardising the presentation of costs (so that it is easy to compare across the partners)
- developing a consistent approach to health and safety
- standardising the supply chain and investigating innovations such as modern methods of construction (off-site manufacture)
- developing standard dwelling designs and specifications.

Results

The biggest challenge facing the Consortium is to improve the number and quality of housing and keep costs down. The Consortium decided to address this need by developing a portfolio of standard dwelling types. Thirteen house types have been agreed and comprehensive details of these have been placed on the extranet for easy access. A major benefit of this approach is that the Consortium has been able to investigate issues such as whole-life performance and sustainability, so individual developers do not need to "re-invent the wheel". For example, the environmental impact of key components such as kitchens, windows, doors, timber frame and staircases has been assessed, along with maintenance implications, and the supply chain (including maintenance) is already in place to source the various components.

This not only impacts upon the overall environmental credentials of any scheme to be developed, it also means that the financial viability of options is clear at a very early stage.

In the first year, the Consortium awarded eight schemes to the contractor framework, and by April 2006 two had been completed.

Benefits have also arisen in terms of administration. For example, sharing information through the Consortium's extranet has cut down on paperwork; and the Consortium has adopted the Prince2 project management system as the standard process for recording and tracking process of all development schemes.

Having a recognised organisational structure also makes it easy to formalise residents' involvement in early decision-making.

Looking ahead

The social housing sector is at the forefront of sustainable development in the UK and, as such, the goal-posts are regularly moved as new policies, techniques and technologies emerge. The Code for Sustainable Homes was introduced in December 2006, and SDC's standard dwelling types are being reviewed by the Housing Corporation to ensure that they meet current standards. And this is where SDC's strategy will certainly reap rewards, because adjustments will be needed on only one set of standard house types instead of across different designs for each of its members.

Five RSL members provide homes for people with special housing needs, and the Consortium has developed a strategic action plan for this sector to help focus its resources on what is achievable within its sphere of influence. This document is currently being reviewed by local authorities and the Housing Corporation.



For more information

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