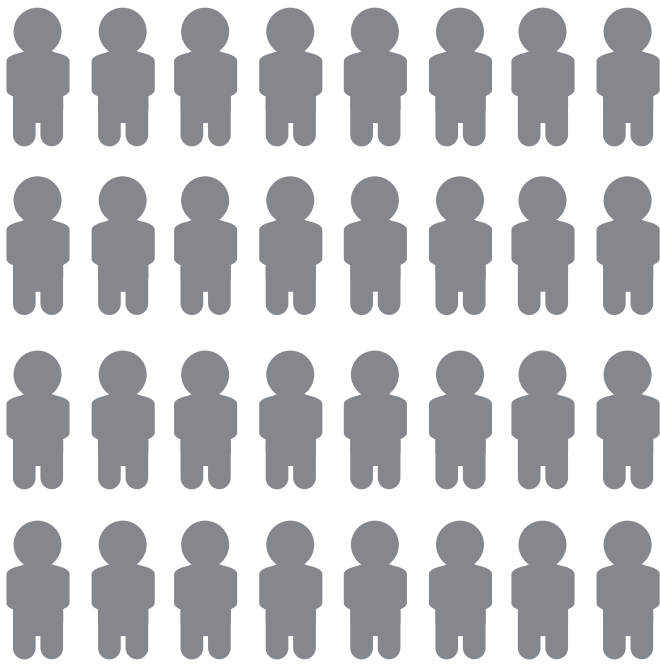


UNLOCKING SUPPLY CHAIN VALUE AND FOCUSING ON BROADER COMMUNITY BENEFITS DELIVERS AFFORDABLE HOMES AND SUSTAINABLE COMMUNITIES



529 new jobs created

“Within four years of its establishment year, Fusion 21 yielded efficiency gains of almost £9 million.”

EC Harris provided strategic integration consultancy plus project and supply management guidance to eight organisations in overcoming the widespread issues of rising construction costs, rent capping and local skills shortages on Merseyside. The impressive outcomes also improved the living and working conditions of those in the communities in which they serve.

The project was rewarded with a Housing Corporation Gold Award in 2006 and has so far created 529 new jobs. EC Harris played an essential role as integrator in ensuring the success of Fusion 21 and in implementing solutions that underpinned the organisation’s activities in Project and Cost Management, coordinator, contract management and educational consultancy.

Creating solutions

Fusion 21 was created in 2002 after £200,000 feasibility and planning exercise which was jointly funded by the partners and the Housing Corporation. At the heart of the initiative was a radical new approach to construction procurement for Housing Associations. The partners recognised that if they could harness their combined buying powers they couldn’t

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ensure the best possible rates for material and labour for the homes under their control. They conceived a seven-year programme for a £190 million upgrade of homes across Merseyside.

The organisations that comprised Fusion 21 were seven Registered Social Landlords - Riverside, Arena, Plus Housing Group, Knowsley Housing Trust, Maritime Housing, Helena and South Liverpool Housing - and Knowsley Metropolitan Borough Council. The ground-breaking initiative has revolutionised the way in which Housing Associations’ work with the construction industry on Merseyside and has influenced similar relationships elsewhere in the UK.

Initially the programme concentrated on four key areas, kitchens, bathrooms, boilers and windows. As the model became a proven success, other business areas, such as gas maintenance, disability adaptations and the installation of digital TV were added.

The programme’s success can be attributed to a radical move away from the traditional construction supply chain. By re-engineering the approach, Fusion 21 has been able to manage the cost of both materials and installation by using sophisticated sourcing, procurement and strategic cost management techniques which resulted in the Housing Associations buying materials as well as installing them.

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The Action Learning Programme introduced by Fusion 21 has also brought training and personal development benefits for staff in Housing Associations, contractors and suppliers and noticeable improvements in key issues such as customer

satisfaction. The Programme has also indirectly supported the creation of successful local Small and Medium Enterprises (SMEs), whose owners have had the confidence to establish their own businesses, secure in the knowledge that there is an ongoing and sustainable workstream to support their enterprise.

Adding value

Core partnership activity is funded through savings from greater efficiencies achieved in the procurement and installation process. Within four years of its establishment year Fusion 21 yielded efficiency gains of almost £9 million, allowing further investment in frontline services which directly benefited Housing Associations customers and provided further job opportunities for local people.

Bringing together such a diverse range of RSLs has not been without its challenges but in the last three years the Partner representatives and the contractors and suppliers chosen to deliver the initiative have worked tirelessly to create a model that is deliverable, workable and sustainable. Fusion 21 has set new standards of efficiency in construction procurement, has inspired the ODPM to establish a £33 million loan fund for similar consortia and has been adopted as a model of good practice elsewhere in the UK.

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