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## Big Spending ALMO is also a Big Saver



In 2006, when it was rated by the Audit Commission as a three star ALMO (Arm's Length Management Organisation), Stockport Homes proved itself to be in the top 1% of best performing social landlords in the country. Recently the organisation has also been awarded the new Investors in People Gold award and is one of the *Sunday Times* top 20 public sector companies. As a result of that the social landlord won £103 million in additional funding to spend on new stock within one year. With the responsibility to spend such a large sum of new money efficiently and wisely, Stockport Homes volunteered to become the pilot project for GM Procure.

Director of Technical Services Mark Hudson quickly saw the benefits of the purchasing consortium, so Stockport Homes became a founding member.

Mark said: "I'm a great advocate of the consortium as proved by our annual spend, which through 2009 will be over £26 million; this represents 70 per cent of our total spend and over 95 per cent of eligible spend. In other words, anything we can source through GM Procure, we do.

GM Procure has done remarkably well in agreeing all the Frameworks in the first place - and there are more to come. There is now a responsive repairs framework – Stockport Homes was the first organisation to order works through it."

## New Build

GM Procure established a work stream for supplies for new build contracts, which **was perfect timing as Stockport Homes was the country's first ALMO to be awarded** Homes and Communities Agency (HCA) funding for a new build site when it received £1.02 million from the National Affordable Housing Programme. The first scheme of 17 properties - named Lantern Close by local residents - was completed in January 2010. The scheme was visited by HCA chief executive Sir Bob Kerslake during construction.

Mark said:

"The ALMO expects to borrow about £1 million for this initial project through its parent, Stockport Council, which is setting up facilities so that it can borrow more in future. Stockport Homes has a grant allocation from the HCA for a further 18 properties which are due to start on site in March 2010, and is planning to bid for grant for a further 30 properties."

## Improved Systems and the Future

As chair of the Core Operations Group for landlords, Mark is very familiar with the Frameworks' systems. And as GM Procure's biggest spending member landlord, the officers at Stockport Homes have had a great influence over the changes and improvements in those systems since 2006.

Mark said: "I always expected the consortium to be successful and the tripartite arrangement between the landlords, GM Procure and Valueworks has consequently made the systems stronger.

We inform strategic direction, integrate systems and projects, while striving for better prices from suppliers - what's known as the 'merchant's model'.

We are currently using the new Fleet Management model, which has secured savings of around 30% over the next four years. Realistically, we could soon be sourcing other areas of service provision through the consortium, any area we can make savings in these challenging times.

We have to stress the qualitative benefits of working within the GM Procure model, not least the huge regeneration benefits.”