

vfm 2022

SUPPLY CHAIN MANAGEMENT



RETRO-FIT

TOTAL FRAMEWORK SPEND **£162M**

TOTAL SAVINGS **£24M**

PERMANENT EMPLOYMENT
SECURED FOR LOCAL RESIDENTS **956**

RETENTION **89%**

PRIORITY GROUPS **86%**

CASH SUPPORT TO 75
COMMUNITY GROUPS **£593,450**

FIRE & RISK MITIGATION

GOODS & MATERIALS

INSTALLATION & REPAIR

MERCHANTS

GROUND SOURCE
HEAT PUMP SUPPLY

CONSULTANCY

HEATING SERVICING
& REPAIR

GROUND SOURCE
HEAT PUMP SYSTEMS -
DESIGN & INSTALL

WASTE MANAGEMENT

OFFSITE MANUFACTURE
& CONSTRUCTION OF HOUSING

FLEET MANAGEMENT



2021/22 - the perfect storm

price is going up AND availability down

logistics

Over the last couple of years the price for containers has increased by 450%. This is due to a massive increase in demand from the retail sector coupled with availability issues, driven initially by manufactured items not being required due to the pandemic to more recently a reluctance from consumers to procure any products with any relationship with Russia. This has meant that availability and price of construction products that are either directly imported or have components that are has become a real challenge.

commodities

Our supply chain team constantly monitor the pricing of the various commodities to ensure that we are aware of the effect on materials before we are contacted by the suppliers. This year we have seen large increases in the price of steel, copper, fuel & timber and this has led to large increases in the price of radiators, plastics, boilers, ASHP's, electrical components, various heating components and any product that use a large amount of energy in their production such as windows, bathrooms and roof tiles.

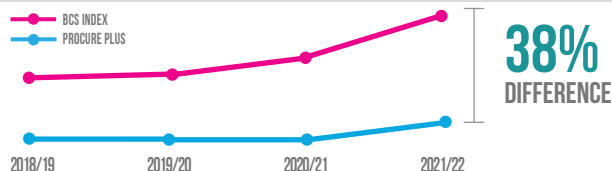
people

The buoyancy of the retail sector has meant that warehouse and distribution roles are in high demand and this has meant that recruitment and retention of candidates has been a real challenge with companies such as Amazon and Tesco offering both enhanced salaries and signing on bonuses. Our sector hasn't reacted to this as it is seen as a temporary position and this has again affected availability of products such as kitchens and delivery of most products.

creating value
building safety disruption
savings manage risk fragile social value
challenging times planning
market disruption
decent homes risk management
supply chain cash savings agile zero carbon
engaging value

how have we responded?

Procure Plus framework inflation



Price increases are inevitable in a volatile market and the key for us is to ensure any increases for our members are kept to a minimum and that the difference between the open market rates remains high whilst maintaining availability.

- retention of customers..... 98%
- new customers 15
- increase in turnover 30%
- increased geographical coverage by 30%

average cost comparison 2022 vs 2021

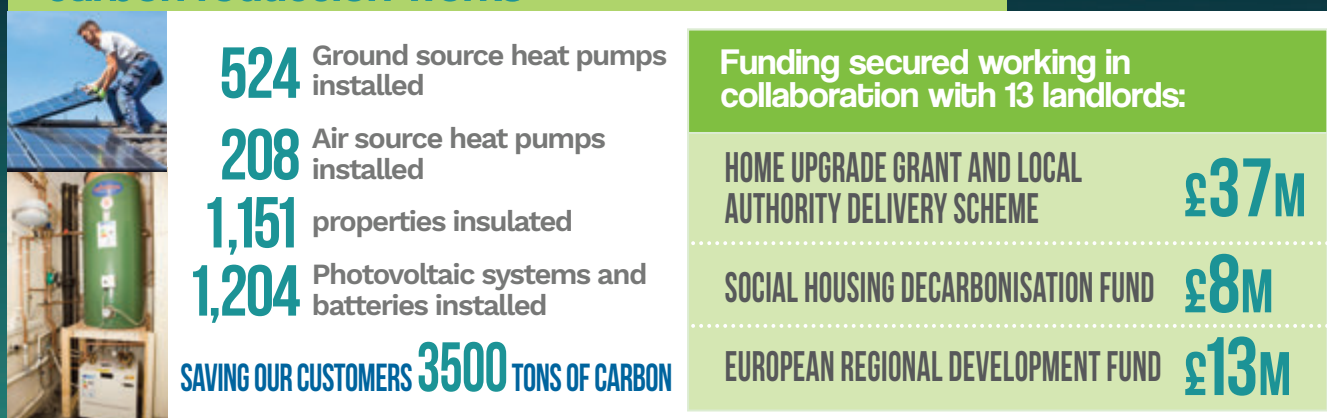
| KITCHENS | | BATHROOMS | | ROOFING | | HEATING | |
|----------|---------|-----------|---------|---------|---------|---------|---------|
| £4,757 | £4,466 | £3,287 | £2,945 | £7,450 | £7,045 | £2,300 | £2,423 |
| 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 |

planned investment works

building safety works

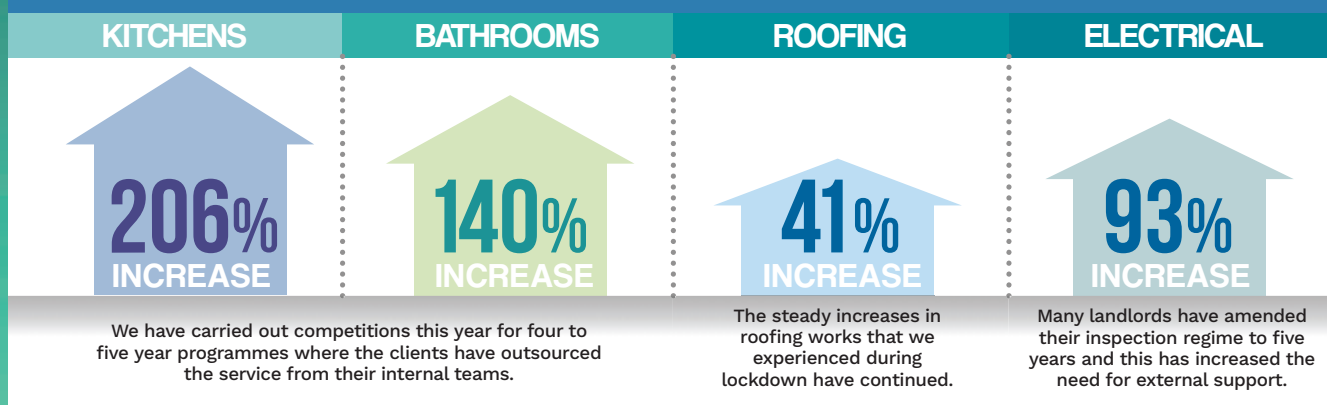


carbon reduction works



decent homes 2 firmly on the horizon

On top of the increases in building safety and retrofit works we have also seen a steady increase in the decent homes type works delivered by landlords:



responsive repairs

materials

RESPONSIVE MATERIALS
FRAMEWORK ACTIVITY
UP 14%

305,772
ITEMS PRICE
CHECKED

88,661
REJECTED AS
WRONG PRICE

5 NEW
CONTRACTS
MOBILISED

DELIVERED MODEL

We now have **63%** of our customers operating a fully delivered service with materials being delivered direct to operatives.

This has generated a saving in the region of **£2.6m** in operative downtime to increase the efficiency of services across the country.



MULTI MERCHANTS

25% of our customers are now utilising multiple merchants to deliver their service. They find that the use of specialist merchants to add to their main merchant provides an added level of expertise and availability to increase operative productivity at a reduced cost.

This has generated a saving between **20-30%** on their specialist baskets of goods, whilst receiving an enhanced service.

HYBRID MODEL ANYONE?

We are currently procuring a new materials provision for Leeds City Council for a fully delivered service for van stocks and voids coupled with a collection service for any ad-hoc materials. The principal with this model is to utilise the

fastest method to obtain the materials at the best price. Operatives will have the option to receive the material in the first instance and when this is not possible to collect it from the nearest branch or a colleague.

waste



WASTE PROVISION
UP 48%

The skip market has been very volatile this year as the domestic market remains buoyant and skips stay on peoples drives longer.

New customer call offs

Livv
housing group

karbon
homes

Weaver Vale
HOUSING TRUST

Onward

fleet



New landlords are now opting to include electric vehicles within their fleet. This is typically in the region 20% of their total fleet and we have been working with the tracking data to identify suitable operatives

New customer call offs

Southway
Housing Trust

BOROUGH OF
BARROW IN
FURNESS

msv
MANAGEMENT SERVICES

“The support that Procure Plus have provided during both the procurement and mobilisation of our materials has been excellent and has really assisted in making our operatives materials experience better.”

LAURA DUCKWORTH – YOUR HOUSING GROUP

“It is a refreshing change from our experience, that our framework provider is holding suppliers to the contract and enforcing the detail of our contracts

STEVE PERCIVAL – SOUTHWAY HOUSING TRUST

social value performance

956

apprentices,
trainees and new
starters supported

INCLUDING:

643 people into
construction roles

313 people into non-
construction roles

89% of those supported completed
their apprenticeship or retained their
employment for at least six months

£1,140,808

OF EXTERNAL FUNDING SECURED TO
SUPPORT PPH'S SOCIAL VALUE WORK.

£593,450

WAS PAID OUT IN SUPPORT TO 75
LOCAL COMMUNITY ORGANISATIONS.

broughton
trust



newground
together

5.9 apprentices,
trainees and new
starters were supported
for every £1m of total
framework spend



Minister for Skills, Alex Burghardt, visiting the Procure Plus Bootcamp, funded by DfE. He said "it was a pleasure to meet local businesses and people benefitting from Procure Plus and North West Skills Academy's Retrofit Skills Bootcamp in Manchester. I was extremely impressed by the work they are doing. Skills Bootcamps offer adults a clear path to a better job, giving people the opportunity to build up sector-specific skills, including green skills, and a fast-track to an interview with a local employer."



95% came from one of PP's priority groups or had become unemployed as a result of the coronavirus pandemic

Increasing the number of women entering the construction sector is one of Procure Plus's key priority groups. Women make up only 11% of the construction workforce; with this number dropping to just 1% of trade operatives. Procure Plus (PP) is passionate about supporting more women into construction and raising awareness both in the sector and amongst women, of the opportunities available. We do this through our dedicated service Women and Manual Trades (WaMT). Katy made the decision to go back to work having spent five years raising her children. She had previous work experience in warehousing, cleaning and retail but she wanted to develop a career. When she was younger Katy had considered construction but hadn't pursued it and was now feeling drawn to becoming an electrician. The problem was that she couldn't find an apprenticeship opportunity.

Katy engaged with one of the community groups that WaMT and Procure Plus supports, Rossendale Works. They worked together with Katy to support her in getting ready for work. Katy's confidence grew and she completed several practical courses funded by WaMT. The courses provided Katy with practical pre-employment construction training and a CSCS card.

Procure Plus approached one of their framework contractors, Concept Heating, to arrange an interview. Katy impressed with her passion and drive to get started on her path in construction and was offered a full-time apprenticeship.



Katy says... "I really like the work and my team. I have always wanted a career in construction and now I have the opportunity. I'm looking forward to starting college and learning from the experienced electricians I'm working with who are very supportive"

Concept Heating's Paula Byrom says... "Katy is working hard and I believe that she is fast becoming a favourite with the tenants. I personally see the positives of having a female electrician because we often work in tenanted properties with vulnerable female tenants."