

# QUARTERLY PROCUREMENT NEWSroundup

Welcome to our Quarterly Procurement News Roundup, a recap of some of the key developments in the housing sector in the last three months.

## Mini Budget impacted delivery as Homes England misses targets for second year in a row (INSIDE HOUSING)

Homes England missed its delivery targets for the second consecutive year, falling 14% short of its 39,008 target, with just 33,713 completions. The total was revealed in the agency's annual accounts, which blamed the impact of the September mini-budget for the failure.



## Government adds national security measures to Procurement Bill (UKAUTHORITY)

The UK government added national security measures to the Procurement Bill, including a new National Security Unit for Procurement, and a plan to gradually reduce Chinese suppliers of surveillance equipment.

## Government rejects proposal to mandate project bank accounts on public jobs (BUILDING)

The UK government has rejected Labour MP, Debbie Abrahams' amendment to the Procurement Bill which would have mandated project bank accounts on work valued over £2m. The amendment was proposed to protect subcontractors' payments and prevent insolvencies.



## Building material price rises causes construction output to suffer third consecutive month of decline (HOMEBUILDING & RENOVATING)

Construction output fell for the third consecutive month in May due to an increase in building material costs and declining availability. ONS figures pointed to a 0.4% drop in output, with the average cost of construction materials rising by 1.5% year-on-year.

## Procure Plus: The recovering supply chain market (HOUSING DIGITAL)

Despite pressure on social landlords, the supply chain market is seeing a return to stability and levelling off in prices, with fuel and container prices steadily returning to pre-COVID levels. Availability and price pressures on certain items such as boilers have eased as a result.



## Housing association unveils new director (THE BUSINESS DESK)

Rachel Willacy has been appointed director of procurement for Aster Group. Aster Group has also launched an opportunity to participate in a property investment and maintenance engagement event for existing and potential contractors to have input in future procurement activities.



## Top 50 Biggest Builders 2023 (INSIDE HOUSING)

L&Q was named the biggest builder by completions, building 4,036 homes in 2022-23. The top 50 biggest builders completed 42,024 homes in this period, indicating a 4.2% increase from last year. Peabody was named the biggest social rent housing association, with 2,399 completions.

## Project starts and planning approvals plummet since March (ARCHITECTS JOURNAL)

There has been a significant decline in project starts, planning approvals and the number of contractors appointed to projects. Data from industry analysts, Glenigan shows a 26% fall in the three months to the end of June, compared with the previous three months. 42% lower than last year.

## Successful delivery of housing infrastructure fund 'appears unachievable' (LGC)

Delivery of the housing infrastructure fund now seems unachievable due to issues around scheduling or budget. The £4.2bn programme's aim to enable construction of 300,000 homes may need re-scoping or viability reassessed, according to the IPA.

## Calls for more new homes and help for small to medium size construction firms (THE YORKSHIRE POST)

UK construction companies have seen a decline in business activity as a result of weaker demand for new homes due to rising borrowing costs and less optimistic housing market forecasts.

## Half year sales down for brickmakers (EXPRESS & STAR)

Brickmaking group Forterra has reported lower sales and profits for the first half of the financial year. Revenue has fallen for the group by 17.8%, and pre-tax profits down 59% in the six months to the end of June.



## MPs launch inquiry into new Infrastructure Levy and existing Section 106 systems (INSIDE HOUSING)

The All-Party Parliamentary Group on Housing and Planning has launched an inquiry into the proposed Infrastructure Levy and Section 106 systems. The group is seeking input from housing associations, local government, charities, house builders and academics on the proposed levy and seeks to assess the opportunities and risks associated with the new legislation.



## UK to Delay Green Homes Deadline for Landlords Amid Cost Squeeze (BLOOMBERG)

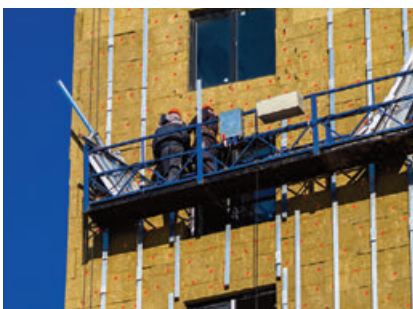
Requirements for landlords to upgrade energy efficiency ratings in homes to a minimum standard by April 2025 have been delayed. The UK government has made the decision following talks with landlord associations to ease the pressure on the private rental sector.

## Government 'unable to spend' £1.9bn allocated to tackle housing crisis (SKY NEWS)

The UK government's 1.9bn budget allocated for 2022-23 to ease the housing crisis has been returned to the treasury as the Department for Levelling Up, Housing and Communities were not able to find projects to fund. Including £255m for new affordable homes, £245m for building safety improvements and £1.2bn for Help to Buy.

## Government fails to spend £245m to fix unsafe buildings (CONSTRUCTION NEWS)

A freedom of information request has revealed that £245m allocated for remediating unsafe buildings has been returned to the treasury, with the government stating the unspent funds will be allocated in future years to further building safety programmes.



## DLUHC underspend could have funded 5,000 new affordable homes, says CIH (INSIDE HOUSING)

Analysis by the Chartered Institute of Housing has estimated that 5000 new homes could have been funded from part of the £1.9bn returned to the treasury by the housing department. The CIH said that the combined £355m underspend in the Affordable Homes programme could have been used to fund thousands of new social rented homes and urged the government to put it back into the programme.

## UK lagging behind Europe on heat pump adoption (PROPERTY WIRE)

The UK is far behind other European countries in its adoption of heat pumps. While expected to increase by 10% in 2023, just 55,168 heat pumps were sold in the UK in 2022, compared with 1.36 million in France and Italy combined. Finland has the greatest heat pump adoption per household, with 69.36 in every 1000 households owning a system.



To find out more and how we can help please contact us on **0303 030 0030** or email us on **support@procure-plus.com**

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