

**MEETING: 21 SEPTEMBER 2009**

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**SUBJECT: PUBLICATION OF THE FIRE AND RESCUE SERVICE NATIONAL  
PROCUREMENT STRATEGY 2008/11****JOINT REPORT OF THE CHIEF FIRE OFFICER, FINANCE OFFICER AND CLERK  
TO THE AUTHORITY**

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**1 INTRODUCTION**

- 1.1 This report sets out, for the information of Members, an outline of the revised National Procurement Strategy for Fire and Rescue Services, covering the 2008/2011 period.

**2 BACKGROUND**

- 2.1 As Members will recall, the first National Procurement Strategy for Fire and Rescue Services was published in November 2005 in response to a perceived need for a more structured approach to collaborative procurement and was designed to cover the 2005/2008 time period.
- 2.2 In July 2008, a draft strategy, intended to apply up to 2012, and which contained several revisions to the original document, was circulated for consultative purposes. The Authority subsequently responded to this consultation in November 2008 (Minute No 66/2008 refers).
- 2.3 Further to the consultation exercise and the subsequent consideration of the responses received, the Department for Communities and Local Government published the revised strategy on Friday 7<sup>th</sup> August 2009.
- 2.4 The document re-affirms that there is a continued need to pursue procurement efficiencies at the national level within Fire and Rescue Services, particularly in light of the government's Operation Efficiency Programme, which amongst other issues, has recommended that 50% of public sector common spend should be channelled through Professional Buying Organisations (PBOs) or other similar collaborative channels.
- 2.5 Furthermore, the original 2005/2008 strategy has been substantially restructured and now consists of four key aims. These aims have been paraphrased and set out below for the information of Members.
- 2.5.1 **Strategic Aim 1**

Collaborative procurement in the FRS's will be encouraged but it will not be mandated. This effectively means that there is no longer any requirement to submit a business case to the CLG should the Authority choose to use a procurement route outside of an existing national contract. However, it will obviously be necessary to be in a position to demonstrate reasons why any

such course of action represents value for money.

### **2.5.2 Strategic Aim 2**

There will continue to be a national procurement body for the FRS. Currently this is Firebuy Ltd although, as the paper on today's agenda covering Fire and Resilience In-Service Management highlights, Firebuy Ltd is likely to be absorbed into a larger organisation which will have responsibility for managing the New Dimension, Firelink and FireControl contracts at some stage in the future.

There is also a commitment from CLG to the provision of ongoing financial support for the national procurement function, although there is also an assertion that future costs will increasingly be met through income.

### **2.5.3 Strategic Aim 3**

Collaborative procurement will be actively promoted to interested parties, such as the Chief Fire Officer's Association National Procurement Board and other interested parties. Such an approach is entirely logical and can be easily supported.

### **2.5.4 Strategic Aim 4**

More comprehensive and sophisticated collection and use of management information relating to procurement activity will be undertaken by the national procurement body and should be supported by Fire Rescue Services.

## **3 CONSIDERATIONS**

- 3.1 In general terms the Chief Fire Officer is of the opinion that the revised strategy provides a more appropriate framework than its predecessor. In particular, it is pleasing to note that the business case submission requirement has been removed in response to concerns expressed by this and other Authorities.
- 3.2 The continued commitment to a national procurement body, currently Firebuy Ltd, is not surprising and in general the logic behind the existence of such a body is sound. This Authority has undoubtedly benefitted from contractual arrangements that have been negotiated by Firebuy Ltd.
- 3.3 However, the ongoing question remains that of financing the work of such a body and, to that end, it is reassuring to note that CLG appear to be committed to continuing financial support for the national procurement function.
- 3.4 The one note of caution to be sounded is in respect of the proposal to merge Firebuy Ltd into a larger national body that will be responsible for managing the New Dimension, Firelink and FireControl contracts as well as national procurement activity.
- 3.5 Under the New Burdens principle there is a commitment to fund any additional costs falling on Fire and Rescue Authorities arising as a result of the

Implementation of the FiReControl and Firelink projects. However it has already been stated that, in the case of this Authority the additional financial support already identified as New Burdens in respect of FireControl (£670,000 per annum) will be subject to an efficiency review three years after transition. Consequently, it is possible that the Authority could find the payment reduced which, in turn, could require some of the cost of the management of these functions and, vicariously, the cost of Firebuy being supplemented by the Authority.

- 3.6 Finally, the aims of promoting collaborative procurement and improving management information with regard to procurement are aims which should be supported and actively pursued.

#### **4 FINANCIAL IMPLICATIONS**

- 4.1 There are no financial implications associated with this particular report.

#### **5 CONCLUSIONS**

- 5.1 The revised National Procurement Strategy for Fire and Rescue Services is a welcome improvement on its predecessor and one which this Authority will be prepared to implement in the months and years ahead.
- 5.2 The one caveat concerns the issue of funding for the national procurement body, which it appears falls to CLG to cover, but may yet, fall to Authorities at some point in the future.

#### **6 RECOMMENDATIONS**

- 6.1 Members are requested to:-
- i) Consider the content of this report.
  - ii) Receive further reports as appropriate.

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#### **BACKGROUND PAPERS**

The under mentioned Background Papers refer to the subject matter of the above report:

- National Procurement Strategy for the Fire and Rescue Service 2009 - 2012