

MEETING: 20JULY 2009

SUBJECT: MINISTERIAL STATEMENT ON FIREBUY LTD

REPORT OF THE CHIEF FIRE OFFICER

1 INTRODUCTION

- 1.1 This report informs Members of a recent statement made by the new Fire Minister Shahid Malik MP with regard to Firebuy Ltd. The statement is attached as Appendix A.

2 BACKGROUND

- 2.1 As Members will be aware Firebuy Ltd was established in March 2006 in order to deliver procurement improvements and efficiencies through the undertaking of national procurement activity on behalf of fire and rescue services.
- 2.2 The work of Firebuy Ltd has led to the provision of national contracts for emergency vehicles and equipment as well as breathing apparatus, clothing and a range of other fire related items. Many of these contracts are utilised by Tyne and Wear Fire and Rescue Authority.
- 2.3 Whilst Firebuy has been successful in letting Authorities on a national basis there remains an ongoing issue over the most appropriate means of funding its work and this issue was raised as part of the consultation exercise on a revised National Procurement Strategy that was undertaken in 2008. However, this review did not resolve the issue of long-term management and funding of Firebuy Ltd and, currently, CLG is still meeting the running costs of the organisation.

3 MINISTERIAL STATEMENT

- 3.1 On 25th June 2009 the Fire Minister announced to Parliament that there is a continuing need to drive procurement efficiency at the national level with fire and rescue services and that a national procurement body is the most appropriate way to achieve this.
- 3.2 The Minister also stated that Firebuy's functions should not be undertaken in isolation but should be absorbed into a larger organisation which will integrate procurement with the management of the service contracts for the Firelink, FiReControl and New Dimension Programmes.
- 3.3 Whilst Firebuy Ltd already undertakes this function for the New Dimensions Programme there is no similar body currently exists to undertake the work with regard to Firebuy or FiReControl.

3.4 How this new body will be financed is not referred to by the Minister. However, the Minister did inform the House that a new Board will be required to control the new organisation and recruitment will commence in September 2009. In addition a consultation paper on future arrangements for the nationally managed aspects of Firelink, FiReControl and New Dimension will be forthcoming in July 2009. It is possible that funding options will be covered within this document.

4 FINANCIAL IMPLICATIONS

4.1 There are no financial implications associated with this report.

5 EQUALITY AND FAIRNESS IMPLICATIONS

5.1 There are no equality and fairness implications in respect of this report.

6 HEALTH AND SAFETY IMPLICATIONS

6.1 There are no health and safety implications in respect of this report.

7 RECOMMENDATIONS

7.1 The Authority is recommended to:

- a) Consider the content of this report and
- b) Receive further reports as appropriate

BACKGROUND PAPERS

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

FSC 36/09: Written Ministerial Statement on the Future of National Procurement for the FRS.

Firebuy Ltd

Date of statement 25 June 2009

Type Written

The Parliamentary Under Secretary of State (Shahid Malik): I should like to inform the House that, in the light of our review of national procurement in the Fire and Rescue Service (FRS) in England, we propose to make a number of changes affecting Firebuy Ltd, the professional buying organisation for the Service.

Firebuy Ltd was established as a Non-Departmental Public Body on 30 March 2006 to deliver the 2005-2008 National Procurement Strategy for the FRS. Within the current arrangements, Firebuy has been effective in establishing national fire-specific procurement for vehicles and equipment and has delivered benefits for the Service.

There is a continuing need to drive procurement efficiency at a national level in the FRS, particularly in the light of targets for collaborative procurement set by the Government's Operational Efficiency Programme and we believe that a national procurement body represents the best way to deliver fire-specific collaborative procurement. This will be reflected in the revised National Procurement Strategy, which we intend to publish in July, taking account of responses to the consultation last year and the recommendations of the Operational Efficiency Programme.

However, going forward there is a need to consider the future role and structure of the body delivering FRS national procurement, particularly given that the Department must also make longer term provision for managing ongoing FiReControl and Firelink contracts. We propose, therefore, that Firebuy's functions should in future be carried out within a larger organisation, integrating national procurement with the management of the service contracts for the Fire and Resilience Programme (Firelink, FiReControl and New Dimension). Firebuy already performs this function in respect of New Dimension. More detailed proposals for in-service management of the Fire and Resilience Programme will be set out in a consultation paper, which we will publish shortly.

I am grateful to the current Chair and Board of Firebuy for the work they have done and for agreeing to have their terms of office extended to November 2009 while the review was under way. A new Board for the NDPB will be required from that date to reflect the new role of the organisation. Recruitment of the Board will commence in the Summer of 2009, including representation from the key stakeholders.