



# National Procurement Strategy for the Fire and Rescue Service in England 2008-11

## Consultation summary of responses





# **National Procurement Strategy for the Fire and Rescue Service In England 2008-11**

**Consultation summary of responses**

August 2009  
Department for Communities and Local Government

Department for Communities and Local Government  
Eland House  
Bressenden Place  
London  
SW1E 5DU  
Telephone: 020 7944 4400  
Website: [www.communities.gov.uk](http://www.communities.gov.uk)

© Crown Copyright, 2009

*Copyright in the typographical arrangement rests with the Crown.*

*This publication, excluding logos, may be reproduced free of charge in any format or medium for research, private study or for internal circulation within an organisation. This is subject to it being reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the publication specified.*

Any other use of the contents of this publication would require a copyright licence. Please apply for a Click-Use Licence for core material at [www.opsi.gov.uk/click-use/system/online/pLogin.asp](http://www.opsi.gov.uk/click-use/system/online/pLogin.asp), or by writing to the Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey TW9 4DU.

e-mail: [licensing@opsi.gov.uk](mailto:licensing@opsi.gov.uk)

If you require this publication in an alternative format please email [alternativeformats@communities.gsi.gov.uk](mailto:alternativeformats@communities.gsi.gov.uk)

Communities and Local Government Publications  
Tel: 0300 123 1124  
Fax: 0300 123 1125  
Email: [product@communities.gsi.gov.uk](mailto:product@communities.gsi.gov.uk)  
Online via the Communities and Local Government website: [www.communities.gov.uk](http://www.communities.gov.uk)

August 2009

Ref. no. 09 RF 06050

ISBN: 978-1-4098-1726-0

# Contents

---

<b>1 Background</b>	<b>4</b>
<b>2 Overview</b>	<b>5</b>
<b>3 Questions and responses</b>	<b>6</b>
<b>4 Subsequent developments influencing the NPS</b>	<b>26</b>
<b>5 Statement by the Fire Minister on the future of FRS National Procurement/Firebuy – 25 June 2009</b>	<b>29</b>
<b>6 CLG’s consultation on In Service Management of the Fire and Resilience Programme – Summer 2009</b>	<b>30</b>
<b>7 Other changes to the revised National Procurement Strategy</b>	<b>32</b>

# 1 Background

---

The National Procurement Strategy for the Fire and Rescue Service in England 2005-08 was published in November 2005 and responded to a series of reports calling for greater collaboration and efficiency in Fire and Rescue Service (FRS) procurement. The Secretary of State established a national body – Firebuy Ltd – to take forward the Strategy in March 2006.

A revised Strategy was required to reflect progress in implementing the actions identified in the original strategy and developments and changes to the FRS in general since 2005. A group convened by the Chief Fire Officers' Association (CFOA) National Procurement Board assisted Communities and Local Government with drafting a new strategy for the period post 2005-08.

This group included representatives from CFOA, Fire and Rescue Authorities, Association of Procurement Practitioners in the Fire Service (APPFs), Local Government Association (LGA), Firebuy Ltd, Fire and Rescue Suppliers Association (FIRESA) and a Regional Improvement and Efficiency Partnerships (RIEPs).

A 12 week consultation on the new strategy was published on 22 August and closed on 14 November 2008. It sought views on the National Procurement Strategy (NPS) for the Fire and Rescue Service in England from 2008 together with wider questions on the delivery of FRS national procurement arising out of the Department's review of Firebuy and the existing National Procurement Strategy.

The consultation was sent out to over 300 stakeholders including all Fire and Rescue Authorities in England, regional and representative groups, businesses and suppliers of fire and rescue equipment including Small and Medium sized Enterprises (SMEs). It was distributed by e-mail, hard copy and made available on the Department's website.

## 2 Overview

---

Sixty-five responses were received to the consultation. The breakdown of those responding was as follows:

• Fire and Rescue Authorities (including Chief Fire Officers' Association)	34
• Industry (including Fire and Rescue Suppliers Association)	14
• Other <sup>1</sup>	11
• Regional bodies <sup>2</sup>	6

Not all respondents gave responses to all of the questions raised in the consultation. Some responses included general comments.

In some cases it is also recognised that the views and comments that were received may not necessarily be shared by all the members of the organisation that submitted the response.

<sup>1</sup> Other includes: Firebuy, Local Government Association, Audit Commission, Office of Government Commerce (OGC), Buying Solutions, Fire Brigades Union, Chartered Institute of Purchasing and Supply (CIPS), Society of Procurement Officers (SOPO) and individual respondents.

<sup>2</sup> Regional Management Boards, Regional Procurement Boards and Regional Improvement and Efficiency Partnerships.

## 3 Questions and responses

---

Forty-one questions were asked within the consultation and are referred to below by the relevant paragraph numbers in Section 2 of the draft NPS.

### Vision – (2.2.1 – 2.2.2)

#### Q1. Do you agree with the proposed vision for FRS Procurement?

The majority of respondents supported the vision since it provided a basis on which to build clarity in the procurement function, gave direction and defined goals and objectives. A number suggested it should be more succinct. Two respondents did not agree with the wording and suggested alternative versions.

#### Q2. Is such a vision useful? Can you suggest improvements or alternatives?

There was little agreement on the exact wording required. Some stated that it was fine as it was and others considered that improvements were required or an alternative vision. Suggestions included:

- covering the whole procurement life cycle not just the buying phase
- that the vision should be supported with effective objectives and actions including local service levels
- it should be more outcome based
- it should include the need to improve equality and diversity
- it should be clear on how non-fire specific expenditure should be managed.

The main consensus from respondents was that the vision did not need to be in two parts and that it should not be limited to 'front line operations'.

## Background/where we are now

### The need for a strategy – (2.3.3 – 2.3.5)

#### Q3. Do you welcome the updating of the national procurement strategy? Is such a strategy useful?

The majority of the respondents agreed that the National Procurement Strategy needed updating since it should reflect changes that had occurred and should be linked to other FRS and wider government strategies introduced since 2005. The draft NPS was also considered to be useful since it gave some guidance on focus and direction for FRS procurement and it was seen to be more facilitating and less prescriptive than the original strategy. Various respondents identified areas that could be included or amended; these are covered elsewhere in the responses. It was considered important that the NPS continued to link to other FRS strategies and wider procurement initiatives.

## National Procurement Strategy for the Fire and Rescue Service 2005-08 – (2.3.6 – 2.3.12)

#### Q4. What do you see as the achievements, lessons learnt and areas for development from the 2005-08 strategy?

Though some of the achievements and lessons learnt had already been covered in Appendix C, respondents noted the following:

##### **ACHIEVEMENTS**

- Raised profile/focus for procurement
- Encouraged collaborative procurement practices with a better informed procurement process
- Formation of Firebuy which has helped FRAs realise savings from costly tendering and evaluation processes
- An increased number of national contracts were now available
- Greater awareness of other collaborative procurement arrangements eg Buying Solutions
- The creation of Association of Procurement Practitioners in the Fire Service (APPFS) has raised the level of professionalism and the sharing of best practice
- FRA districts and regions talking to each other on a more formal basis
- Improved service from suppliers
- Improved regional resilience by having standardised equipment
- Helped move the FRS towards the proposals for procurement in 'A Uniform Approach'

- National frameworks have helped some suppliers to reduce resources needed to prepare tender/contract process.

### **LESSONS LEARNT/ ISSUES IDENTIFIED**

- Mandate was ineffective
- Procurement is not just about purchasing, which is only part of the process
- Some collaborative initiatives were difficult to implement due to differences in types of FRA
- Recognition of the importance of the procurement function in the decision making process
- Past issues over governance, communication, relationships and structures have hindered achievements
- Buy-in is needed from all stakeholders
- Flexibility for local/regional issues needs to be addressed
- Certainty of funding is required
- There is a lack of information on progress of certain contracts
- The first NPS was overly aspirational and not based on realistic and achievable outcomes
- Strategy to date has not delivered good value
- There needs to be a focus on ensuring there is still competition and that in the long term markets are not undermined for short term gain
- In the current economic climate maximum efficiency can only be achieved through a co-ordinated approach.

### **AREAS FOR DEVELOPMENT**

- Need to demonstrate and communicate achievements: vfm; benefits; and efficiencies
- Need more consultation with stakeholders prior to embarking on competitions
- Frameworks should be more readily available
- Allow flexibility and vfm to be considered at a local level when looking at contract options
- Link FRS procurement to other relevant government policy – National Framework, Office of Government Commerce
- Recognition of the importance of the procurement function in the decision making process
- Focus on issues common to all FRAs; eg risk profiles in communities
- More sharing of information and best practice

- Efficiencies accrued by collaborative procurement must not be measured on cashable savings in isolation
- Technical Services needs further development
- Electronic tendering, standard formats and reduction of paper
- Strategy should be informed through a 'bottom-up' investigation of the type of support for procurement that each region requires
- Supply chain issues need a method and forum to be reported
- Important to recognise that FRAs have contributed to national procurement achievements identified.

**Q5. Should there continue to be a requirement to use national contracts and if so under what circumstances?**

Forty-seven out of the 54 respondents (87%) who answered this question stated that there should **NOT** be a requirement to use national contracts though many qualified their response with the rider that it may be needed in some key areas of national resilience and that the powers in s29(4) of the 2004 FRS Act should remain for extreme circumstances.

Only two FRAs felt that there should be a requirement unless there were compelling reasons for opting out. The other respondents who thought that there should be some form of mandate were from Industry.

The majority of respondents believed that if national contracts clearly offered value for money and other benefits then they would be used regardless.

**Q6. If there is no longer a requirement should FRAs still make a business case to go outside national arrangements and, if so, to whom should the case be made (Communities and Local Government, CFOA NPB, other)?**

The majority of respondents who answered this question thought that FRAs should not have to submit a business case since this was a matter for each individual or regional Fire Authority to consider as part of their need to demonstrate value for money. As value for money would be assessed by the Audit Commission as part of the Use of Resources Assessment, this would provide the necessary drive for FRAs to demonstrate why they were not using an existing national contract.

Responses indicated a need for greater demonstration of value for money, benefits and efficiencies from national contracts.

For those respondents who believed that there was a need to continue with business cases it was felt that these should be submitted to CLG with possible input from the national procurement body, CFOA National Procurement Board and/or the Audit Commission.

## Review of Firebuy Ltd – (2.3.13 – 2.3.14)

The four options considered were:

- **Option 1** – Firebuy Ltd continues with modified structure and Communities and Local Government funding: a sub-option being to maximise income generation with Communities and Local Government covering any funding gap
- **Option 2** – The national procurement function is subsumed into a national body for the FRS or into Communities and Local Government
- **Option 3** – The national procurement function is transferred to an existing (non-FRS) procurement body
- **Option 4** – The national procurement function is transferred to the FRS; either collectively via CFOALGA or through lead FRAs.

### Q7. What is your preferred option and why?

Seven respondents did not give any preference for a delivery option and 12 gave more than one preference with some giving an alternative option to their first choice and some suggesting a combination of options.

#### The breakdown of responses is as follows:

Option 1	27
Options 1 and 2	1
Option 1 then Option 3	2
Options 1, 3 or 4	2
Option 2	3
Option 2 then Option 3	1
Options 2 and 4	6
Option 3	9
Option 4	6
Option 4 then Option 3	1
No option chosen	7

Out of the 32 responses that indicated Option 1 as a preference, either on its own or as part of another option, 16 indicated that this was conditional on CLG continuing to fund.

- **Option 1** (and subsets) gained support from the majority of the Industry responses (10) and some FRAs (15) supporting this option. Some Industry respondents also noted that any change to current arrangements could be damaging to future products and the supply chain.
- **Option 2** (and subsets) was not favoured by any one particular group though a combination of Options 2 and 4 was preferred by six FRAs and Regions. Some respondents noted that this option may have been chosen if the proposed FRS Centre of Excellence had already been established.
- **Option 3** (and subsets) was preferred by eight FRAs and was often given as second/third choice by respondents.
- **Option 4** (and subsets) most support for this came from FRAs and regions though two industry respondents also preferred this approach.

**Q8. Are there any other options or approaches not covered above that you think should be considered?**

Suggestions from respondents for other options and approaches included:

- Previous set ups such as Fire Service Procurement Association should be reconsidered
- Other frameworks (national or regional) should be considered for non Fire specific items
- Stronger regional approach to procurement with category management being utilised in key areas
- National Procurement for all emergency services
- Greater use of existing expertise within FRS
- Creation of 'knowledge bank' as a first stop for procurement activities
- Learning from other emergency procurement bodies eg PASA and NPIA.

## Governance of the national procurement body

### **Q9. Do you feel that changes are necessary to the current Firebuy governance arrangements?**

It was noted that the questions on governance assumed that Firebuy was continuing (Option1). Any of the other options (2 to 4) would automatically involve a change in set up and governance.

Forty-four out of 46 (96%) respondents who replied to this question believed that the current governance arrangements of Firebuy should change. The main reason given as to why a change was required was to facilitate greater FRS stakeholder involvement and acceptance.

There was a concern that if any governance changes were not managed properly then it could have a negative impact on current and future contracts which might lead to increased costs and possible time delays.

### **Q10. What is your preferred number of members for the Board, should it be reduced from its current size?**

There was no agreement on the appropriate size of the Board. Responses ranged from reducing numbers of Board members to five or six through to having nine regional representatives as well as members of CFOA, LGA, CLG, and APPFS on the Board.

It was noted that the skill and expertise of the members of the Board in delivering value for money contracts would be of more importance than its size.

### **Q11. Do you agree that the Chair should be independently appointed through the OCPA process?**

Responses to this question were mixed with some support for an independent appointment to ensure impartiality and independence and some stating that the Chair could be elected from within the members of the new Board to ensure greater stakeholder buy in.

It was considered by one respondent that it was important for the Chair to have a thorough understanding of purchasing and supply chain issues regardless of how they were appointed.

### **Q12. What is your preferred approach for increasing stakeholder involvement in the Board?**

There was no clear preference on the options given. As with Question 9, it was noted that the governance should be more closely aligned to the needs of the FRS stakeholders to ensure engagement and buy-in. It was also noted that there might be an advantage in combining elements from the various options.

**Q13. Are there any other options not covered above?**

The majority of respondents considered that the options had been covered in the consultation paper. Some alternatives were offered including CFOA leading and appointing OGC as framework managers of the contracts and outsourcing the governance arrangements.

**Q14. Do you agree that the Ex Officio posts should be discontinued?**

There was a strong preference, 29 out of 36 (81% of those who responded), for the ex officio posts to be discontinued. But there was a view that this should only happen if the Board did not suffer from a loss of skills and representation. Removal of the posts under the current arrangements could disengage stakeholders.

## Key procurement drivers in the Fire and Rescue Service – (2.4.1 – 2.4.3)

**Q15. Are there any other procurement drivers for the FRS that are not covered?**

Suggestions included:

- Technology
- Better decision making
- Legislation and compliance with regulatory standards
- Skills and training
- Research and development
- Delivering value for money
- Managing the supply chain
- Aligning with other initiatives/directives eg OGC, Comprehensive Spending Reviews etc.

It was recognised these drivers could change over time.

**Q16. What can the national procurement strategy and the bodies delivering it do to help FRAs implement good procurement practice, for instance in areas such as equality, sustainability and e-procurement?**

Suggestions included:

- Training and development
- Using national agreed standard terms and conditions and templates
- Knowledge centre/forum to share ideas and best practice
- Examples of best practice
- Greater engagement and guidance especially through NPB and APPFS
- Engagement with organisations that are seen as leaders in relevant areas
- Promotion of pilot work and existing portals eg Blue Light database
- Alignment with other procurement initiatives eg OGC.

## Understanding the fire service market (2.4.4 – 2.4.10)

**Q17. Do you agree that better information on the fire market and FRS expenditure plans is required if national procurement is to be effective?**

All the 47 respondents who answered this question agreed that better information about expenditure and planning was essential. It was recognised that this was needed to inform the future direction of FRS national, regional and local procurement. It would also enable suppliers to determine the likely demand for various products and services and plan strategies accordingly.

Respondents acknowledged that though some of this information might already exist, it was fragmented and that further work was needed with support from CLG.

**Q18. How might better information on the fire market be collected? What are FRA's able to do to help this process?**

Suggestions included:

- Three year spend profiles for FRAs
- Spend analysis by category
- Product analysis of the marketplace
- Common classification of materials
- Regular surveys of stakeholders
- Templates for FRAs/suppliers to complete
- Better sharing of any data gathered.

**Q19. Should the new NPS list categories of goods and services to be procured at the national, regional and local level?**

There were various views about whether the NPS should list categories or not.

Reasons for doing so were:

- Gives direction for planning/use of resources
- Clearly sets out expectations
- Reinforces existing practices.

Reasons against were:

- List is too prescriptive
- Need flexibility especially to reflect local and regional decision-making and needs assessment
- Present range of products is greater than original scope
- Strategies should be considered at category level rather than a blanket approach.

It was noted that the category list had changed over the three year period and there was a recognition that this would probably happen again. There was a difference of opinion from respondents over whether or not future deviations should be permitted and whether there should be flexibility to allow change.

Several respondents noted that it might be useful to reconsider this question once information from the analysis of FRS expenditure was available.

## Strategic Category Management – (2.4.11 – 2.4.12)

**Q20. What are your views on the use of Category Management as a way of organising and delivering national procurement in the FRS?**

The majority of respondents noted that Category Management was a sensible approach since it encourages collaboration, it has been an effective approach in other disciplines and it allows specialists to focus on key skills and strategic procurement. Local purchasing may not be able to justify such specialist knowledge but it could assist at regional/national levels.

There were some concerns that there needed to be suitable systems and training in place to support this approach. It also might not be appropriate in all cases depending on needs and market provision. Some respondents considered that this area should be developed further with CFOA, APPFS and the FRS.

## Resilience, interoperability and continuity – (2.4.13 – 2.4.20) FRS and national functions

**Q21. What are your views on the development of the current national procurement function/role to take on identified national contract management etc requirements for the resilience programme?**

**Q22. What role might Firebuy Ltd undertake for the Firelink/FiReControl projects?**

Thirty-six out of 43 respondents (84%) who answered these questions believed that there was a role for a national procurement body in contracts such as Firelink/FiReControl. However, there were differing views on exactly how this could be carried out and how much influence the national procurement body should have.

The reasons given from those seven respondents who did not agree ranged from the view that there were not the necessary skills to undertake this role to the need for the national procurement function to focus on existing core activities.

## E-procurement – (2.4.34 – 2.4.37)

**Q23. How is collaboration and consistency on e-procurement achieved to ensure benefits are delivered – what can/should be done at a national level?**

Some respondents considered that e-procurement would be best delivered/achieved at local level whilst others felt that it was needed at national/regional level to gain benefits. There is recognition that there are different systems being used at present and that it is not currently possible to use one common platform. Further training and guidance was required to assist with e-procurement.

There are a range of e-procurement tools available which can facilitate closer working and deliver potential efficiencies. While not all e-tools are appropriate for all procurements, further consideration should be given to utilising existing systems where they exist.

National procurement can raise the profile of e-procurement systems and encourage collaboration where appropriate.

## Working with industry – (2.4.38 – 2.4.42)

**Q24. What are the impediments to delivering the efficiencies and cost savings envisaged under the original NPS? What actions might be taken to address this?**

Views on impediments included:

- Lack of commitment from FRAs to collaborate
- The presence of existing arrangements especially for County FRAs
- Need for more accurate data and demonstration of benefits
- New procurement regulations and process initially seem more complex and costly
- Size of market and delay in establishing national contracts
- Lack of confidence in Firebuy
- Lack of choice for certain contracts
- Savings can only be realised by a large take-up from FRAs – volume is often not delivered
- Industry has had to invest considerable resources without any guarantee of outcome
- Some SMEs are excluded from the process due to complexity and costs of tendering
- Deviations required by FRAs in standard contracts
- Technological advances
- Poor communication between customers, suppliers and buyers
- Should not just be about savings – should also include quality, standardisation and improvements.

Actions that could be taken to address this included:

- Clearer lines of communication with all stakeholders
- Learn from other procurement specialists
- Standard terms and conditions
- Better understanding of the market through expenditure analysis
- Encourage competition in markets
- Better co-ordination through national procurement body, regions and CFOA
- Encourage FRAs to commit expenditure to procurements in advance
- Publish details on savings and efficiencies against national contracts.

**Q25. How might some of the administrative burdens on industry, such as pre-qualification procedures, be standardised and reduced?**

Suggestions included:

- Stakeholder forums to share information/best practices
- Use procurement specialists (national and regional) to facilitate better processes
- Use of standard templates and streamlining of processes where possible
- Up to date database of suppliers accessible to FRS stakeholders
- Further advice and assistance especially on mini-competitions
- Reduction in deviation requests on standard tenders
- Electronic quotation and tender processes with relevant training
- Collaborative approach with other procurement agencies.

There were several suggestions to have standardised Pre-qualification Questionnaire (PQQ) and tender documents where possible without breaching appropriate legislation/requirements. One respondent noted that standardised PQQs had been investigated by other organisations and had been considered as impractical at that time.

**Q26. Who should be responsible for doing this?**

There was no common agreement on who should be responsible for reducing the procurement administrative burdens on industry. Suggestions included CLG, Firebuy, CFOA, national and regional procurement category managers, APPFS and OGC.

One respondent suggested that a Task and Finish Group be established to work on this area and that it should include representatives from CLG, CFOA, FRAs, APPFS, industry and any other interested bodies.

## Funding a national procurement function – (2.5.1 – 2.5.3)

**Q27. Do you agree in principle that a national procurement function should be funded via a mixture of Communities and Local Government/FRS funding and other income generation?**

Ten respondents did not answer any of the questions concerning funding.

Twenty-eight out of 47 (60%) respondents who answered this question agreed with the concept of mixed funding. However, there was the caveat that continued CLG funding was required. Some FRAs supported the principle of mixed income but did not agree with FRAs contributing.

The reasons given by respondents who do not support this approach included:

- Value for money needs to be demonstrated
- Management fees are too expensive and a disincentive for FRAs to access contracts
- Could remove potential efficiencies.

**Q28. Do you agree with the principle of a management charge? If so, how and where should this be introduced?**

Twenty-nine out of 49 (59%) respondents who answered this question did not support management charges. The majority of respondents, both for and against management charges, noted the need for contracts to demonstrate clear value for money.

The majority of FRAs and Regions were against any management charge though there was some support from these groups for the principle. Respondents noted that there might be some circumstances where charges could be introduced in the future – covered by Q29.

Industry were generally supportive of management charges but noted that there might be issues if they were required to collect such a charge.

Reasons against management charges:

- Additional cost
- Adds bureaucracy to process
- Disincentive to take up.

Reasons for management charges:

- There are some savings on national contracts
- Many professional public sector buying organisations levy some sort of management charge
- Could be apportioned on an annual basis based on actual usage of contracts.

**Q29. Under what conditions would a management charge be acceptable to the users of national contracts?**

Suggestions included:

- Work which is related to procurement but not specifically related to any individual contract/framework
- Where there are clearly demonstrable savings or where the activity is of such a unique nature that a charge could be justified
- FRAs should only pay contributions where it buys from and receives benefits from a specific framework
- If financial benefits to FRA exceed management charge
- Where non-standard request or large scale project is commissioned.

**Q30. What other means of income generation are there to support a national procurement function and how should these be pursued?**

There were some suggestions for alternative funding sources such as generating income from other public sector organisations which are procuring fire specific goods or seeking opportunities within the European Union when emerging countries are seeking to train and develop fire services etc.

## Roles, responsibilities and outcomes – (2.6.1 – 2.6.6 and Appendix D)

**Q31. Is the list of stakeholders identified comprehensive, should others be included?**

Suggestions for bodies to be included were:

- Office of Government Commerce
- Chartered Institute of Purchasing and Supply
- Other Professional Buying Organisations (PBOs)
- Chief Fire and Rescue Advisor
- Regional Improvement and Efficiency Partnerships
- Audit Commission.

There was some concern that CFOA did not adequately represent the entire FRS. There was a comment that FIRESA did not necessarily reflect all supplier views or sectors within it and another respondent felt that clarity was needed about the FIRESA role to avoid potential conflict of interest when identifying opportunities and strategies for national procurement.

**Q32. Do you agree with the listed responsibilities in Appendix D (key stakeholder roles and responsibilities)? Are there any others that should be included?**

There were mixed responses to this question with some respondents considering that the list was comprehensive, some that it was over detailed at present and some that new responsibilities should be included. It was noted that the role of the LGA was to represent the collective interests of FRAs and ensure they get value for money.

Several respondents noted that the responsibilities would depend on how the final structure was agreed and what governance arrangements were established.

Responses also included:

- Dual roles in Firebuy/CFOA list
- Similar roles and responsibilities appear in more than one group
- Each FRA is responsible for ensuring best procurement practice in line with principles of value for money

- Current arrangements are cumbersome and prescriptive
- Potential conflict between commercial interests of FIRESA members and representing the trade in a general manner
- FBU should be consulted at the stage of 'identifying need'.

**Q33. Do the organisations identified currently have the capacity to deliver these roles – for instance the pivotal role identified for CFOA's National Procurement Board?**

As with Q32, there were mixed responses to this question. Some respondents considered that these bodies had the necessary capacity and others that certain organisations did not have the current capacity or correct governance to fulfil all the roles listed. Responses also included the following points:

- CFOA is not a government body
- Bodies such as APPFS and CFOA National Procurement Board rely heavily on the goodwill of members and employees
- Some FRAs do not have procurement professionals and where they do there is a query over the capacity available
- It is for individual bodies/organisations to comment on their own capacity
- Essential to have FRA input for procurement to be effective.

**Q34. Are the current relationships between these organisations effectively represented? How might future arrangements be simplified?**

The majority of respondents noted the complexity of relationships under current arrangements. There were mixed responses over whether this was adequately represented within the NPS or not. A couple of respondents considered that Regions were under represented.

Suggestions for simplifying future arrangements included:

- Improved communications
- Procurement practitioners are not adequately represented at strategic level
- Working parties should be set up with appropriate expertise and membership
- Keep number of tiers to a minimum
- Commodity management model
- Codes of conduct.

## Stakeholder engagement – (2.6.7 – 2.6.8)

**Q35. There are proposals to address stakeholder engagement through the governance arrangements for Firebuy. Are there other opportunities for improving the engagement of stakeholders in the national procurement process?**

Suggestions included:

- FRAs to list their contracts into a database for use by others
- Improve communication links
- Visibility of benefits
- National forum portal
- Separate stakeholder forums
- Task and Finish Groups for certain contracts/projects
- Regular updates on progress of projects
- Within governance arrangements for national procurement body
- Collaborating with similar purchasing bodies
- Through existing arrangements such as the Business and Community Safety Forum and Practitioners Forum
- Links with other emergency services.

## Procurement process (2.7.1 – 2.7.3)

**Q36. Does the process identified accurately represent best and current practice in the FRS?**

Some respondents were content that the identified process was an adequate representation whilst others considered that changes were required.

Suggestions for areas to be included were:

- Supplier selection, development, evaluation and relationship management
- Post contact negotiations around disposals or recycling
- Development of award criteria early in the procurement process
- Ensure there is time for quality feedback to unsuccessful bidders
- Gateway process for projects
- Principle of whole life costing
- Market sensing.

**Q37. Do you agree with the proposed assignment of responsibilities in the matrix?**

There were concerns from certain respondents over the responsibilities listed since some of the organisations might not have the necessary authority or governance to undertake the assignments. There were also various suggestions:

- CLG is not best placed to identify needs
- Representative Bodies could be more involved thought-out the process
- Regions/FRAs should have some role
- FIRESA/suppliers should be consulted during the development of the procurement plan
- Matrix demonstrates the need for joint engagement of all groups throughout the procurement process
- Care is needed not to make the list too prescriptive and allow some flexibility for unforeseen circumstances.

## Procurement plans – (2.7.4 – 2.7.6)

*A mechanism is needed to link procurement plans (national/regional/local) and ensure that the process is not just 'top down'*

**Q38. Do you have any suggestions for how this can be best achieved?**

Suggestions included:

- Regional/local representatives flagging up areas that might be suitable for national procurement
- Repository for national/ regional/local procurement plans – such information needs to be shared with all bodies
- Guidance documents which provide a framework for procurement plans
- Clear terms of reference
- By using the Blue Light Database Portal
- Set up a Task and Finish Group with relevant stakeholders to consider this
- Improved communication
- Process mapping.

## Monitoring and reporting – (2.8.1 – 2.8.5)

### Q39. What accountability should there be for the national procurement function and to whom?

Suggestions for accountability included:

- Reporting on achievement of efficiencies, savings and value for money
- Evidence of collaborative working
- Benchmark against other national procurement strategies
- National procurement function should be accountable to its stakeholders (FRAs).

There was no clear preference on which organisation should monitor national procurement – suggestions included CLG, CFOA, LGA, FRAs, Firebuy Board, OGC, and Audit Commission. It was noted that accountability would depend on what governance arrangements were put in place.

## Definitions (Appendix A)

### Q40. Is the list of definitions comprehensive and accurate?

There were mixed responses to this question with some respondents content with the list, others required changes and some considered that a list was superfluous.

There was recognition that some definitions were open to interpretation and that any list would need constant updating with changes in procurement processes.

## General

### Q41. Are there any areas that you would expect a national procurement strategy to cover that are not currently included?

Suggestions included:

- Targets and measurable outcomes
- Development and improvement of levels of procurement skills/awareness across all stakeholder groups
- Position of NPS in relation to international developments
- Stronger links with RIEPS and CIPS
- More info on regional procurement
- Review process
- Needs to highlight benefits of utilising collaborative contracts
- Skills and capabilities required to deliver strategy
- Should include greater emphasis to risk management issues
- Regular reviews and updates.

## Other comments on consultation and NPS

Comments included:

- NPS should not be over complex in terms of contractual compliance or overtly fixed upon lowering all commodity prices
- NPS needs to show how Firebuy fits with other consortia and County Council buying functions
- NPS should identify opportunities to utilise procurement practices to deliver best outcomes for the FRS
- Choice of products/contracts/suppliers
- NPS does not provide a clear outline of what procurement in FRS may look like in three years time
- Essential that future needs of the service are met in terms of Research and Development and that mechanisms exist to capture new technology
- NPS should make reference to the Audit Commission regulatory role, to the Use of Resources assessment and to Comprehensive Area Assessment
- NPS should be more explicit about the leadership and scrutiny role of members particularly in relation to accountability and ensuring adherence to ethical governance principles
- NPS could set out the contribution that members can make in promoting good practice especially for sustainability, equality and diversity objectives
- NPS should provide more explanation of the services that can be delivered and improved through more effective procurement.

## 4 Subsequent developments influencing the NPS

---

As well as the responses to the consultation there have been various developments in procurement which have had an impact on the direction of the final Strategy:

### Operational Efficiency Programme – April/May 2009

The *Operational Efficiency Programme* (OEP) was set up in 2008 to ensure that future effort to drive efficiency in the public service kept pace with developments in the private sector. Five key areas of operational expenditure were considered:

- back office operations and IT
- collaborative procurement
- asset management and sales
- property
- local incentives and empowerment.

The *OEP collaborative procurement* strand built on previous work undertaken such as the *Gershon Efficiency Review* of 2004 and the subsequent *Transforming Government Procurement 2007*. It looked at the scale of existing collaborative procurement, how best to achieve the highest levels of uptake to collaborative strategies and how the Government should encourage and support further collaboration in the procurement of common goods and services to achieve greater value for money across the public sector.

The collaborative procurement strand of the review recommends four key actions:

1. Government should extend its current collaborative category programme to cover new categories of common spend (construction, facilities management and food in the first instance).
2. Improve management information on government procurement spend.
3. The Government must make better use of the current Professional Buying Organisation (PBO) landscape.
4. Improve awareness and take up throughout the public sector of collaborative strategies.

The Review recommends that the level of common spend channelled through PBOs or other collaborative channels should be increased to 80 per cent of all available central Government spend and 50 per cent of all available wider public sector spend, by the end of 2010-11.

It is therefore important that the revised NPS maintains and develops the ability to deliver more efficiently and effectively and maximises the benefits of collaborative procurement.

## The Roots Review – February 2009

The OEP work is designed to complement and build on recommendations from the *'Review of arrangements for efficiencies from smarter procurement in local government'* (Roots Review). This independent report assesses the scope for efficiencies from smarter procurement in local government. It too identified collaborative procurement as having the potential to deliver significant efficiency savings in the wider public sector.

The key recommendations of the Roots Review were:

- a national procurement champion should be put in place to give direction and co-ordination to the local government procurement agenda and lead specifically on greater collaboration
- Regional Improvement and Efficiency Partnerships (RIEPs) planned activity for 2009-10 and 2010-11 should be carefully reviewed to ensure that the right balance of attention and resources is given to efficiency issues, including procurement. RIEPs should meet regularly and rather than develop a separate programme of work they should map their activity into the OGC collaborative procurement programme
- there should be the development of a contracts database and a robust evidence base on the potential scope of procurement efficiency by the sector. This will encourage stronger flows of information; and
- the national procurement champion, in association with OGC, should coordinate and influence buying organisations and RIEPs to develop the delivery of national and regional solutions supporting the overall collaborative strategies in local government.

## Expenditure Analysis – May to October 2009

CLG is funding a data capture and expenditure analysis exercise for FRAs in England which started in May 2009 and is due to report at the end of 2009. This will provide a better understanding of the size, structure and opportunities within the fire market. The National Procurement Strategy should recognise that such data will help inform future procurement projects. The information from the analysis will not start to become available until after the NPS is published.

## Economic situation

The current economic situation is impacting on all FRS stakeholders especially Small and Medium-sized Enterprises (SMEs). All Government departments are considering initiatives to reduce administrative burdens that have caused concerns to SMEs. The *Glover Report* provides advice on helping small firms win a greater share of public procurement. The Government accepted the recommendations in the Committee's report and is introducing measures to help small firms that cover transparency, simplicity and making procurement strategic across the public sector.

The revised NPS will also reflect that pressures on budgets, and therefore the case for more efficient procurement, is likely to get greater in the next few years.

## 5 Statement by the Fire Minister on the future of FRS National Procurement/Firebuy – 25 June 2009

---

### Firebuy Ltd

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 2005-08 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 had 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.

## 6 CLG's consultation on In Service Management of the Fire and Resilience Programme – Summer 2009

---

The twelve week consultation on the In-Service Management of the Fire and Resilience Programme was published on 13 July and closes on 5 October 2009.

The Fire and Resilience Programme has been set up to provide the Fire and Rescue Service with the equipment, infrastructure and capability it needs to meet the challenges of the future, including an increased terrorist threat and the risks posed by major incidents such as flooding. It comprises three projects:

- a. New Dimension – specialist equipment to Fire and Rescue Authorities (FRAs) in England and Wales to deal with a range of incidents, including rescue from collapsed structures, mass decontamination, detection and identification of unknown potentially hazardous substances, and high-volume pumping
- b. Firelink – new digital radio and data-transfer equipment for FRAs in England, Scotland and Wales, which will enable them to communicate with one another and talk to other emergency services on the same secure network
- c. FiReControl – a network of nine interconnected regional control centres (RCCs), improving the capability and resilience of the FRAs' control and mobilisation function in England.

In-Service Management covers the management of the contracts for provision of the ongoing service once the capabilities of the Programme are operational. This includes monitoring performance, making payments and managing change. It also includes ensuring that the systems are maintained and used in such a way that national interoperability and resilience is continued.

The consultation seeks views on which body should manage the functions of the Fire and Resilience Programme as they become operational and whether the same body should be responsible for both service contracts and national assurance role or whether they should be delivered separately. It proposes that the management of the service contracts should be undertaken by an NDPB, encompassing but replacing the current Firebuy. It proposes that the national assurance role is undertaken by the sector.

The continuation of the national procurement function is not dependent on the proposal to bring it together with the management of service contracts for the Fire and Resilience Programme. The terms of office for Firebuy's current Board were recently extended to November 2009 to see the organisation through the review of FRS national procurement.

CLG will, therefore, be advertising for members of a new Board over the summer of 2009, while at the same time consulting on arrangements for in-service management. Applications will be invited for the Board of the new organisation to reflect its potential wider role in relation to in-service management. But final appointments will be subject to outcome of the consultation, the results of which will inform the latter stages of the Board appointments process.

## 7 Other changes to the revised National Procurement Strategy (NPS)

---

The revised NPS will become a more strategic document taking into account the responses to the consultation on the draft NPS and other recent developments in procurement. In particular it will link to the recommendations of the Treasury's Operational Efficiency Programme.

The revised NPS will encourage the use of forums and networks to share relevant information and best practice amongst all stakeholders. The level of detailed background information that was in the consultation Strategy will be reduced in the revised NPS.

The period of the revised NPS will be amended to 2009-12.



ISBN 978-1 4098 1726-0



9 781409 817260