

REPORT TO THE SOUTH EAST FIRE AND RESCUE SERVICES' REGIONAL MANAGEMENT BOARD

OVERVIEW OF CLG CONSULTATION ON THE DRAFT NATIONAL PROCUREMENT STRATEGY FOR FIRE AND RESCUE 2008/11

KEY ISSUE/DECISION

The Regional Management Board (RMB) is recommended to approve the collation of South East FRAs' responses to the consultation paper to provide CLG with a regional response.

EXECUTIVE SUMMARY

The National Procurement Strategy for the (English) Fire and Rescue Service 2005/08 was published in November 2005 and responded to earlier 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.

The Strategy now needs to be updated to reflect progress in implementing the original strategy and developments and changes to the Service in general since it was introduced.

A group convened by the Chief Fire Officers' Association (CFOA) National Procurement Board has been working with Communities and Local Government on a new strategy for 2008/11. This group included representatives from CFOA, Fire and Rescue Authorities, Association of Procurement Practitioners in the Fire Service, Local Government Association, Firebuy Ltd, Fire and Rescue Suppliers Association and Regional Centres for Excellence.

This consultation seeks views on the National Procurement Strategy (NPS) for the Fire and Rescue Service in England 2008 – 2011, together with wider questions on the delivery of national procurement arising out of the Department's recent review of Firebuy and the existing National Procurement Strategy.

The consultation will be for 12 weeks and closes at midday on 14 November 2008.

CONSULTATION

Consultation has taken place with constituent FRAs and Chief Fire Officers in the South East Region.

RECOMMENDATIONS

The Board is requested to:

- i. Approve the collation of South East FRAs' responses to the consultation paper. The regional response will centre on the major concerns and issues of the SE region.
- ii. Agree that the lead member for procurement approves the final draft of the regional response before it goes to CLG.

REASONS FOR RECOMMENDATIONS

It is essential the SE FRAs respond to the consultation document and influence the future direction of the new national procurement strategy for procurement within the Fire and Rescue Services over the next three years. The strategy will also dictate the future fit, structure, direction and funding of Firebuy and subsequent impact on FRAs.

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BACKGROUND PAPERS: None

INTRODUCTION

1. This consultation seeks views on the National Procurement Strategy (NPS) for the Fire and Rescue Service in England 2008/11 together with wider questions on the delivery of national procurement arising out of the Department's recent review of Firebuy and the existing National Procurement Strategy. The document follows the first National Procurement Strategy (NPS) 2005/08 implemented in November 2005.

ANALYSIS AND COMMENTARY

2. Below are the key elements and areas for consideration drawn out from the draft strategy.
3. A major element of the document is concerned with the future structure and delivery of Firebuy (National Procurement), taken up with the review of Firebuy by CLG last year, and key questions to consider are:
 - Section 29(4) Fire and Services Act compulsory use of national contracts. In future should the emphasis be on persuasion through demonstrating the benefits of using national arrangements?
 - Review of Firebuy, options for delivery of FRS national procurement function. Who will take responsibility for the function – four possible options given?
 - Governance and structure of Firebuy board, possible reduction of board members and more stakeholder involvement - four possible options given.
 - Resilience, interoperability & continuity FRS and national functions. Seeking views on future role of Firebuy in this area, in particular contract management of FiReControl, Firelink and New Dimensions.
 - Funding of Firebuy (national procurement function). Questions and options around future funding of National Procurement.
4. Other key elements of the new strategy:
 - **Good Procurement:** Based on whole life value for money solutions, by taking a professional business case and risk managed approach to procurement projects.
 - **Key procurement drivers:** The identification of the key procurement drivers for FRAs over the next three years e.g. relevant government/FRS strategies and policies, resilience, interoperability, sustainability etc.
 - **Understanding the Fire Service market:** The requirement for much more accurate data analysis of FRA spend, commodities, suppliers etc. To enable targeting of specific strategic areas and the development of category management procurement.
 - **Firebuy (National procurement function):** To develop a specific role for Firebuy, particularly in areas such as strategic contract management.
 - **Equalities, diversity and sustainability:** To develop and adhere to the recent Government and FRA strategies and policies in these areas.
 - **Working with Industry:** Working more closely with FIRESA and other recognised trade bodies to rationalise specifications and standardise our approach.
 - **Technical innovation:** The significant role and ownership of CFOA's NPB (National Procurement Board) in new product innovation. Also compliance and certification on all national contracts.
 - **Roles Responsibilities and Outcomes:** The identification of key stakeholders and their roles, responsibilities and engagement in delivering the new NPS.

- **Procurement Process:** CLG is embedding a new commercial strategy to ensure VFM for all expenditure. This will be done by promoting collaborative procurement forums, specifically developed around “category management”, facilitated and maintained by CLG and OGC. This could potentially have an impact on Firebuy (national procurement) if CLG require FRAs to engage with other local collaborations or buy from OGC. This needs to be clarified by CLG as to what the implications are for FRAs and national procurement. They also recommend the implementation of the “best practice” national procurement process for strategic and complex projects. Also the use of RACI matrix (or Responsibility Assignment Matrix).
- **Procurement Plans and Risk Management:** There will be an expectation that national, regional and local procurement plans will be developed to reflect the needs of the FRS, along with a risk management plan.
- **Monitoring and Reporting:** Quantitative and Qualitative benefits to be delivered through national contractors agreed with stakeholders. CLG and NPB will maintain an oversight of the national procurement body (Firebuy) and monitor performance against targets. This will be fed back to users and stakeholders.
- **Achievements and lessons learnt from 2005-8 strategy:** A fair review of the achievements and lessons learnt. In particular, lessons learnt around not being seen to deliver better value than FRAs, perception of imposed contracts on FRAs e.g. mandate of Section 29 (4), no sense of accountability, funding issue not resolved, poor stakeholder involvement.

Overview

5. The new national procurement strategy is a lot more flexible and less prescriptive than the previous strategy and we generally support its overall approach and direction.
6. CLG have obviously listened to the feedback given to them by the procurement strategy task and finish group.
7. In line with central government policy, there is a strong emphasis on improving procurement professionalism, especially on large procurement projects. This ties in with the requirement for FRAs to collaborate amongst themselves and with other government organisations/authorities and to make use of collaborative contract arrangements, in particular OGC (Office of Government Commerce) framework agreements.
8. Although the strategy sets out a role for Firebuy, there is still the ongoing issue around the future size and funding of Firebuy. Once again, this has been pushed back to FRAs to provide a funding solution, even after last year’s consultation.
9. As mentioned above the new strategy is a lot more flexible and less prescriptive than the previous strategy. It concentrates on identifying the methods, tools and structures for the delivery of value for money (VFM).
10. It recognises the key roles and responsibilities of stakeholders and their engagement in the delivery of the strategy. There has also been recognition of the differences and changes at local and regional level, with a more strategic coordinated approach to procurement with the introduction of regional procurement managers in some Regions. However, this is not yet countrywide and there still is a shortage of professionally qualified /experienced staff within many of the FRAs. Therefore, there is a need to

ensure more effective coordination and uses of resources to further develop these resources.

11. The strategy clearly requires FRAs to take a more professional approach to procurement projects, with an emphasis on the intelligent client and on collaboration.
12. Although the document clearly lays out a requirement for national procurement, CLG have left the basic question of the future funding, structure and direction of Firebuy very unclear and there seems to be an expectation from this document that they will get this clarity from FRAs in any response.
13. The questions CLG has posed are useful and thought provoking and the large number of them reflects the fact that CLG do want to listen and help us shape this into a workable document.

Replies back to CLG

14. It is appreciated that most SE FRAs will want to respond directly back to CLG with their comments. However, it is recommended that a regional response is also made. This response will be collated from all of the SE FRAs by the regional procurement manager. The regional response will centre on the major concerns and issues of the SE region. The finalised regional response will be forwarded onto the lead member for procurement for approval before forwarding on to CLG by 14 November 2008.

Next Steps

15. Members are asked to agree that the regional procurement manager provides CLG with a SE regional response collated from FRAs responses. The regional response will be approved by the lead member for procurement before forwarded on to CLG by 14 November 2008.

IMPLICATIONS

16. The new national procurement strategy will set the direction for procurement within the Fire and Rescue Services over the next three years. The strategy will also dictate the future fit, structure, direction and funding of Firebuy.

CONCLUSION

17. The Board is requested to:
 - i. Approve the collation of South East FRAs' responses to the consultation paper. The regional response will centre on the major concerns and issues of the SE region.
 - ii. Agree that the lead member for procurement approves the final draft of the regional response before it goes to CLG.