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This circular is	For information	No response required	
This circular is	Relevant to the National Framework		
Status	This Circular contains information about the National Procurement Strategy (NPS), FiReBuy Ltd and the Integrated Clothing Project (ICP)		

National Procurement Strategy for the Fire and Rescue Service and FiReBuy Ltd.

Issued by:

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Addressed to:

The Chair of the Fire and Rescue Authority
The Chief Executive of the County Council
The Clerk to the Fire and Rescue Authority
The Clerk to the Combined Fire and Rescue Authority
The Commissioner of the London Fire and Emergency Planning Authority
The Chief Fire Officer

Please forward to:

Chairs of Regional Management Boards
Regional Resilience Teams
Regional Government Offices

Summary

This Circular contains information about the National Procurement Strategy for the Fire and Rescue Service and the creation of the national body FiReBuy Ltd., and confirms the status of the Integrated Clothing Project.

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1.0 The National Procurement Strategy for the Fire and Rescue Service: 2005-2008

- 1.1 The draft National Procurement Strategy (NPS) was published on 8th September 2004 (Fire Service Circular 37-2004) and its formal consultation document on 30th September 2004 (Fire Service Circular 42-2004). The deadline for comments passed on 3rd December 2004.
- 1.2 The publication of the NPS, the consultation document responses, the Regulatory Impact Assessment and the launch of FiReBuy were scheduled for 1st April 2005. Because of the General Election and changes to the governance of FiReBuy this was deferred.
- 1.3 The responses to the consultation helped shape the final Strategy, and in its revised form it reflects useful comments from consultees on its functions and objectives.
- 1.4 In one respect, the structure and governance of FiReBuy Ltd differs significantly from what was originally envisaged in the consultation. As its remit will extend across England, the European System of Accounts is likely to require it to be classified as a central government body by the Office of National Statistics (the classification process is under way). As a consequence of this it is likely to be designated as a Non-Departmental Public Body (NDPB) by the Cabinet Office.
- 1.5 ODPM recognised the difficulties of trying to work through a large Board, which was commented on in the consultation. It was considered that the arrangements now proposed should strike a reasonable compromise between the need for stakeholders to feel engaged and the requirement for efficient decision making. The change also recognises the need to avoid potential conflicts of interest when dealing with significant procurement awards.
- 1.6 The Strategy will be published and formally launched at the Fire Conference in Manchester on 2nd November 2005. Copies of the NPS will be forwarded to all FRAs with the consultation responses on the draft Strategy and the Regulatory Impact Assessment, and these will also be posted on the ODPM website.

2.0 FiReBuy

- 2.1 FiReBuy Limited is the national procurement body which will oversee the National Procurement Strategy for the Fire and Rescue Service. It will act as the specialist procurement agency focusing on high-value, high-volume fire service-specific equipment. FRAs will retain responsibility for local and regional procurement which does not fall within this category, as set out in the NPS.
- 2.2 FiReBuy Limited has been established as a company limited by guarantee. The guarantors as it moves into its early operational phase are expected to be each of the FRAs in England and the Secretary of State. In addition to having limited company status, as mentioned above FiReBuy Limited is expected to be classified as a NDPB. This classification should derive from its status within the national accounts.

- 2.3 This status means that the appointment of Directors has to be undertaken through a fair and open competition regulated by the Office of the Commissioner for Public Appointments (OCPA). The effect of this is that, contrary to our original proposals, Regional Management Boards (RMBs) will not each be able automatically to appoint a Director to the FiReBuy Limited board. However, FRA and RMB members will be strongly encouraged to apply through the open competition. We will issue a separate circular in due course to provide details of the open competition.
- 2.4 To ensure that FRAs, professional officers and local government have a high level of input into the management of FiReBuy Limited, we will be appointing as board directors with full voting rights the Chair of the Local Government Association (LGA) Fire Service Management Committee, a representative from the Chief Fire Officers' Association (CFOA) and, in recognition of the work they have undertaken in national procurement, a representative of London Fire and Emergency Planning Authority (LFEPA). As the holders of these posts rotate they will give up their directorship of FiReBuy Limited in favour of their successor.
- 2.5 The board will consist of:
- Chair appointed by open competition
 - 6 directors appointed by open competition
 - 3 ex officio directors (LGA, CFOA, LFEPA).

In addition, two observers will attend the meeting of the board:

- the Chief Executive of FiReBuy Limited - this post will be advertised by open competition once the Chair of FiReBuy Limited has been appointed
 - ODPM.
- 2.6 The LGA and CFOA will be actively participating in the recruitment process which will be overseen by an Independent Assessor approved by OCPA.
- 2.7 ODPM has met the costs of establishing FiReBuy Limited. This includes £800,000 of spend on the Integrated Clothing Project that FRAs had expected to meet from their own budgets during 2005/06.
- 2.8 In 2006/07 and 2007/08 ODPM will provide up to £1.8m, each year, for running FiReBuy Limited. ODPM will work with FRAs in 2006 to identify a funding mechanism for future years including cost recovery.
- 3.0 **Integrated Clothing Project (ICP)**
- 3.1 ICP is a key part of the National Procurement Strategy. The Invitation to Negotiate 1 (ITN1) was issued to long-listed bidders on 4th January 2005. (Fire Service Circular 3-2005).

3.2 There has been some concern expressed by both FRAs and suppliers that the ICP is not proceeding as planned. The ICP remains a key part of the National Procurement Strategy. It is on course to deliver against its original objectives and is expected to continue without significant change to the overall timescales. ODPM expects that all fire and rescue services will continue to engage with and support the ICP as set out in the National Procurement Strategy, and within the context of the National Framework.

4.0 Further information

4.1 For further information on FiReBuy and the NPS please contact 020 7944 5672 or e-mail: fsed6@odpm.gsi.gov.uk

4.2 For further information on ICP please contact the ICP project team on 020 7587 6258 or e-mail: steve.taylor@london-fire.gov.uk

4.3 We will shortly be issuing a circular providing further detail of early actions being undertaken by FiReBuy Ltd.

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