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This circular is	<b>Relevant to the National Framework</b>		
Status	This circular announces the consultation exercise on the future funding of Firebuy Limited		

# *Consultation on the Future Funding of Firebuy Limited*

## Issued by:

**Pippa Brown**  
Fire and Rescue Service Development Division

## 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**  
**Directors of Finance**  
**Treasurers**  
**Procurement Managers**  
**Directors of Legal Services**

## Summary

This circular accompanies a consultation paper on the future funding options for Firebuy Limited from April 2008.

## For further information, contact:

**Pippa Brown**  
Department for Communities and Local Government  
Zone 4A, Allington Towers  
PO Box No 50200  
Allington Street  
London  
SW1E 5WY

Direct line **020 7944 0055**  
Fax **020 7944 5599**  
E-mail [fsed6@communities.gsi.gov.uk](mailto:fsed6@communities.gsi.gov.uk)

General helpline **020 7944 8194**

Website [www.communities.gov.uk](http://www.communities.gov.uk)

## **1.0 Consultation**

- 1.1** This consultation seeks views on the future funding options for Firebuy Ltd. The consultation paper has been jointly written by the Department of Communities and Local Government (DCLG) and Firebuy Ltd.
- 1.2** In order to deliver Fire and Rescue Service (FRS) procurement at a national level, the then Office of the Deputy Prime Minister (ODPM) established Firebuy Limited as a national body to drive forward the National Procurement Strategy (NPS) for the FRS 2005-2008.
- 1.3** ODPM provided initial funding for set up costs in 2005/06, but intended that the on-going costs should be met from the savings generated. Originally it was intended that the costs of Firebuy Ltd would be met by the FRS via a transfer of the Revenue Support Grant (RSG), as Firebuy Ltd would be a company undertaking procurement on behalf of the FRS and paid for by the Fire and Rescue Authorities (FRAs). However, this approach could not be adopted since the savings that Firebuy Ltd was to generate to offset the reduction in RSG would not have accrued immediately, leaving an unfunded pressure on FRAs.
- 1.4** To ensure that Firebuy Ltd could continue to be set up and to commence its programme of work ODPM made funding available for the financial years 2006/07 and 2007/08. It stated in the NPS that it would hold a public consultation on the future funding mechanism that would need to be established post March 2008. The DCLG upholds the policy established by the ODPM. This consultation paper fulfils the obligation given in the NPS.
- 1.5** Deadline for responses is mid-day on 6 February 2007.

**Pippa Brown**

**Fire and Resilience Directorate**