



Report on the Review of National Procurement Strategy for the Fire and Rescue Service (FRS) and Firebuy Ltd

Summary



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Strategy for the Fire and Rescue Service (FRS)
and Firebuy Ltd

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Summary and Synopsis

Background

- Firebuy was set up in 2006 following the publication of the National Procurement Strategy (NPS) 2005-08 to address long running concerns about inefficient and uncoordinated procurement in the FRS.
- Because of its remit and funding Firebuy was classified as a Non-Departmental Public Body with Directors appointed by the Secretary of State, it had also been set up as a Company Limited by Guarantee, with a mandate compelling Fire and Rescue Authorities (FRAs) to use its national contracts unless an alternative case could be made.
- Firebuy was initially to be centrally funded but from year three (2008-09) the intention was for it to cover its costs from income from the FRS. This has not been achieved.
- This Review derives from the need to update/roll-forward the NPS; the need to resolve funding for the national function; and in response to OGC recommendations from the Procurement Capability Review (PCR) of Communities and Local Government (2007).

Findings

- The predominant view in the FRS is that the requirement remains for a national procurement function but with no consensus on the detail of how this role is carried out or what it should include.
- Firebuy has not achieved wide stakeholder buy-in from the FRS. The Service has no sense of ownership of the organisation or its priorities.
- Firebuy has delivered savings but cannot systematically demonstrate the benefits its contracts bring over the alternatives. FRAs resent being compelled to use these contracts.
- Funding remains uncertain and divisive. The market available to Firebuy is not big enough for it to generate sufficient income to cover its costs; it is currently unable to share in savings generated; and the FRS is unwilling to help fund it.
- Firebuy's structure is perceived as unwieldy and unrepresentative. As a small NDPB it has relative high overhead costs.
- While in the longer term bringing the national procurement function within a larger organisation has many advantages, the position on wider FRS national functions and structures is currently uncertain and a suitable vehicle may not materialise.

Recommendations

- The preferred medium term delivery option for the national procurement function – one option being Firebuy - should be decided in the light of the current review of the NPS.
- Firebuy as currently operating needs to review and reform its funding and cost base.
- A clear Firebuy strategy is required for 2008-09 with contract programme, commercial validation and performance measures.
- Future funding arrangements should be determined in the context of the new national procurement strategy.
- Stakeholder/customer buy-in must be addressed including FRS representation and accountability at Board level, and tracking and reporting the benefits of contracts to demonstrate efficiencies.
- Opportunities should continue to be explored to coordinate the national procurement function with wider discussions on the delivery of FRS National Functions in the future.

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