

## Overview & Scrutiny Committee

Meeting Date 14 December 2016

### WFRS Procurement Activity

#### Recommendation

That the Resources and Fire & Rescue Overview and Scrutiny Committee note the contents of this report.

#### 1.0 Key Issues

##### 1.1 Background

- 1.1.1 Since the move of national Fire and Rescue policy to the Home Office in January of this year the government fire reform programme has gathered pace. One of the initial outcomes from this work concerning procurement activity was a Home Office led “basket of goods” exercise which culminated in a [benchmarking report](#), supported by Brandon Lewis, Minister of State for Policing and the Fire Service, sent to all fire and rescue authority chairs. An extract from the report is reproduced below:-

*“I am pleased to publish today the procurement data provided by you on the basket of 25 commonly procured items across fire and rescue authorities in England. This is a core element of the Government’s fire reform agenda, as announced by the now-Prime Minister in her fire reform speech in May.*

*The data suggests that there is wide variation across the sector on these commonly procured items. Of course that is to be expected to some extent and some of it will be justifiable but I think there is scope for significant improvement. The Government does not mandate what or how fire and rescue authorities procure essential equipment because we appreciate that you in the sector are best placed to make those decisions. However, I do hope to see more efficient and collaborative procurement in future and genuine consideration of opportunities as they arise. Should the Government repeat this exercise, my expectation is that the range of prices paid across the country will reduce. I understand that the Chief Fire Officers Association has recently set up a Strategic Commercial Committee to develop a commercial strategy for the sector. The Home Office is contributing to the development of this strategy, and I am supportive of this work. The Association’s National Procurement Hub will also be looking into this area, and I urge you to work*

*with them to enable more joined-up purchasing, and to shape the commercial landscape to your advantage.*

*I thank you for your support and engagement in the fire reform programme so far. I look forward to progressing the reform of this essential sector and meeting many of you as I get out and about on visits to see your good work first hand."*

## **1.2 Observations and analysis of published data**

- 1.2.1 Fire and Rescue Services were asked to provide details of their most recent purchases of a selected range of equipment. As acknowledged in the letter from Brandon Lewis some of the data captured is fairly old as Fire and Rescue Services have not procured some items for several years and costs can clearly be expected to have changed over that time.
- 1.2.2 Although descriptors were provided, the comparison of some items will show significant variations in the item specification. This will result in a variance in purchase cost and potentially mask differences in quality.
- 1.2.3 Warwickshire Fire and Rescue Service (WFRS) returned data on 19 of the 25 items. Some of the costs were not included as we do not currently provide the item, e.g. officer vehicles and car hire services. Additionally IT is provided through WCC ICT on an annual payment basis as against a one-off purchase and as such costings were not directly comparable.
- 1.2.4 It should be understood that raw pricing information only paints a partial picture and forms a basis for further investigation. There are clearly anomalies in the pricing data, for example the price of £875 quoted by another service for a thermal imaging camera is completely unrealistic in 2016. The Bullard thermal image camera currently used by WFRS, costs over £4000.
- 1.2.5 Whilst this is clearly a valuable benchmarking exercise, it is important to mention that WFRS are primarily concerned with lifetime cost, rather than purchase price, to deliver best value and result in a lower revenue costs year on year. That said the data shows that there may be scope for improvement. WFRS's results in the benchmarking were as follows:-

***Ten of the nineteen items were purchased at below the average cost***

***Nine of the nineteen items were purchased at a cost above the average***

**Six items were not provided by WFRS or were provided by WCC centrally.**

### **1.3 Selected detailed analysis of our performance**

- 1.3.1 In 2009 WFRS entered into a central government backed collaborative contract, along with 9 other FRS's, to provide firefighting Personal Protective Equipment (PPE) and uniform as part of a total care system. Interestingly some items available from the contract are above average cost in the comparative data, although this may be because the specification and quality are deemed to be higher.
- 1.3.2 The Medium Rescue Fire appliance data shows WFRS in the top three nationally for cost effective procurement. WFRS utilised the existing European Standard Devon & Somerset Light Rescue Pump fire appliance procurement framework and introduced the first of these vehicles in mid- 2015.
- 1.3.3 In 2010 WFRS jointly procured new breathing apparatus (BA) equipment with three other fire and rescue services in our region. This brought benefits not only in procurement but also in improved joint working across county borders and resultant improvements in firefighter safety.
- 1.3.4 Whilst there is always room for improvement, our performance in the “basket of goods” exercise can be fairly described as above average, in particular on the items with higher unit cost.

### **1.4 The National Position**

- 1.4.1 The Chief Fire Officers Association (CFOA) has initiated a virtual procurement hub to organise all fire and rescue procurement activity across the country which aims to improve the level of collaborative research and procurement since the demise of the national FRS procurement agency (known as “Firebuy”) in 2010. There are six strands of work each with a Chief Fire Officer acting as the senior strategic lead.
- 1.4.2 The Home Office have now initiated a very detailed spend analysis of fire sector procurement, which WFRS are contributing to. Outcomes will be published in February 2017.
- 1.4.3 WFRS are an active partner in the national benchmarking team which is evaluating potential replacement PPE and daywear uniform.

### **1.5 WFRS current position**

- 1.5.1 As noted above, WFRS has been working collaboratively at a regional and national level for many years. We have taken advantage of European standard framework agreements and contracts for major items. Regionally we have worked together at practitioner level on both research and development, and procurement ventures.

- 1.5.2 WFRS have taken a fully active part in the CFOA Research and Development (R&D) Hub and currently contributes £4k per annum towards its existence. In time the CFOA R&D Hub will feed specific products to the CFOA Procurement Hub to enable all fire and rescue services to benefit from the best assets at the best prices.
- 1.5.3 The Technical Department within WFRS is responsible for all fleet and equipment. The revenue budget of £1.4m is split approximately 50/50 between procurement and maintenance, with an additional annual capital grant of £120k for significant items of operational equipment funded from the £20 million council borrowing each year. There is provision to draw on a further £800k of capital borrowing for vehicle purchase which is then repaid from the revenue budget.
- 1.5.4 The department was restructured during 2015 to afford greater capacity to both research and development and procurement activity as it recognised the requirement to improve. With the assistance of the WCC procurement team our technical team are currently working on more efficient and effective methods for provision of PPE, breathing apparatus servicing and ladder maintenance.
- 1.5.5 WFRS are keen to support local manufacturers and efforts are made to source as much as is practicable from competitive UK suppliers. However, it needs to be realised that certain specialist items can only be obtained from suppliers who are based abroad. When considering uniform clothing there is always a balance to be struck between large orders which can attract a significant discount but also a long lag time, for example when sourced from east Asia, and the benefit of ordering locally for quicker delivery but at higher cost.
- 1.5.6 It is expected that the work being undertaken nationally will create robust framework agreements for many of the items that WFRS currently procure. We would welcome the opportunity to be able to 'call off' orders for such items particularly uniform.
- 1.5.7 In the short to medium term our procurement team will be reviewing, amongst other items, our provision of personal protective equipment (fire kit) for firefighters, daywear uniform and our provision of aerial appliances. The latter will be carried out in collaboration with our partners in the West Midlands region.
- 1.5.8 Most recently officers from WFRS have met with multi-agency partners to discuss opportunities for greater collaboration. We are currently working with regional FRS's and Police Force's on the potential for further collaborative work. This includes an initial regional assessment of our current contracts and

forecast procurement needs in the short to medium term. This will allow us to identify opportunities we can act on now whilst we await the more detailed and accurate national FRS spend analysis outcomes due for release in February 2017. It is in this area that Government clearly expects to see further progress given its relationship with the wider Fire Reform Programme and the forthcoming legal duty for emergency services to collaborate as being advanced in the present Police and Crime Bill.

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The report was circulated to the following members prior to publication:

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 Councillor Neil Dirveiks  
 Councillor Nicola Davies  
 Councillor Peter Fowler  
 Councillor Philip Morris-Jones  
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