



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 17/23

MEETING	Finance, Governance and Audit
DATE OF MEETING	7 July 2017
SUBJECT OF THE REPORT	Value for money and 'basket of goods' comparative
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	For information and to note
EXECUTIVE SUMMARY	This paper updates Members on the Government's direction and guidance to authorities regarding procurement of common goods within the Fire and Rescue Service, and how we compare against the 'Basket of Goods', benchmarking data published by the Government in August 2016. This indicates that the service fairs well with no significant value for money issues being apparent.
RISK ASSESSMENT	None for the purposes of this report, although failure to ensure the best price is obtained when procuring of goods and services may lead to an increased risks of incurring avoidable costs and the potential reputational damage.
COMMUNITY IMPACT ASSESSMENT	None for the purposes of this report.
BUDGET IMPLICATIONS	Smarter more collaborative procurement has the potential to reduce costs to the Service.
RECOMMENDATIONS	It is recommended that Members note the report.
BACKGROUND PAPERS	https://www.gov.uk/government/publications/fire-and-rescue-authority-procurement-data

APPENDICES	Appendix A – National Procurement Data (Basket of Goods) August 2016 (Home Office)
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1. Introduction

- 1.1 On the 24 August 2016, the Home Office published the first-ever national overview of what each fire and rescue authority in England pays for 25 common items of uniform and equipment - known as 'the basket of goods'
- 1.2 The move was the first step in the Government's programme of reform for the sector, announced in May 2016, focusing on diversity, efficiency and transparency. The data will enable authorities, and the public, to compare how much they spend on these essential items to ensure they are getting the best value for money.
- 1.3 All 45 Fire & Rescue Services (FRSs) in England provided data on their recent procurements. The items published included workwear, vehicles and firefighters' personal protective equipment (ppe), as well as frontline equipment such as breathing apparatus and automated external defibrillators.
- 1.4 The Home Office have confirmed that the data showed that all FRSs are paying similar prices for some standard items, and that some are collaborating to strike better deals with suppliers.
- 1.5 However, the Home Office believes that FRSs can do more collaboratively to drive down the amount they pay on some of the essential goods they need to keep the public safe.
- 1.6 Brandon Lewis, Minister for Policing and the Fire Service said:

'It makes no sense for fire and rescue authorities to buy separately when there are both financial and operational benefits to buying together. While some fire and rescue authorities are already collaborating on procurement and reaping the benefits, there is still a lot more to be done. This is why I have published key fire procurement data on the prices that authorities currently pay for the most common items of uniforms and equipment for the first time. By doing so, I hope to increase transparency and encourage the sector to take on the challenge of reforming its own commercial landscape. The Government is determined to help authorities adopt a collaborative approach to procurement, not only because of the potential savings they can achieve through buying collectively, but also because of the operational benefits of standardising the items they purchase.'

2. Background

- 2.1 Procurement data was supplied by FRSs in England in response to a survey issued by the former Minister for Policing, Fire, Criminal Justice and Victims. The survey,

which ran from 1 to 23 June 2016, requesting fire and rescue authorities to provide the following details on their latest purchases of 25 commonly procured items, under the basket of goods:

- cost
- quantity
- date purchased
- supplier
- whether it was a joint purchase or made under a collaborative framework

- 2.2 All FRSs were provided with descriptions of the items (including the relevant British standards where appropriate); these descriptors are included with the published data (see Appendix A).
- 2.3 FRSs were able to expand on their answers if the item they had purchased was different from that described by the survey. This information was used by the Home Office to exclude items purchased by FRSs which were incomparable.
- 2.4 Where costs for items appeared excessively high or low, a clarification was sought from the relevant FRS. Where multiple costs for similar items within a particular category were provided by a FRS, the most expensive is quoted.
- 2.5 Nevertheless, there are still specification or standards or service differences within the categories surveyed, which makes direct comparison across FRSs more complicated.
- 2.6 For example, a number of FRSs use some form of fully managed service to fit their firefighters with personal protective equipment (PPE). The price of this service per firefighter per annum has been quoted wherever possible. The items of PPE included in these fully managed services vary depending on the terms of the agreement, as does the level of service (for example, maintenance, replacement and laundering of items). The costs noted against individual items of PPE for those FRSs using a fully managed service is generally that for replacement of a lost or damaged item. This may differ from the cost to procure that item outside of a fully managed service. The average cost of a fully managed service for PPE across those FRSs was £463.70 per firefighter per annum. Both former Dorset and Wilshire FRSs and currently DWFRS did not/do not have a fully managed service for PPE.
- 2.7 In addition, whilst the survey asked about medium class rescue pumping appliances, the costs of all classes of appliance (light, medium and super) are quoted. The operational requirements of each FRS determine which class of rescue pumping appliance is appropriate for them and therefore comparing a standard medium type appliance is difficult.

- 2.8 The survey also asked FRSs for information on the most recent purchase in question. For some FRSs, this was several years prior to the survey, and the general cost of certain items (electronic items in particular) would have changed significantly in the intervening period.

3. Our Approach to Procurement and the Basket of Goods

- 3.1 Shortly after publication the Service analysed its basket of goods and how it compared to other FRSs.
- 3.2 This exercise was complicated by the fact that our data was submitted as the two former Services so we did not have, and in some areas, still do not have, an exact comparison of goods.
- 3.3 Appendix A, shows the detailed analysis of our products and goods procured, compared to the basket of goods survey. For virtually all of the 25 items in the basket of goods, within both the former FRSs, either one or the other and on many occasions both former Services, goods were procured below the national average.
- 3.4 The Service now routinely, when procuring goods, compares the costs against the matrix where there is a like-for-like comparable product, ie the 'basket of goods' exercise has provided us with a benchmark in terms of pricing.
- 3.5 It is likely that the Home Office will release another exercise within next few months to include additional categories. We will use the information from this to see how our price comparison has improved and if we are still procuring below the national average.
- 3.6 One key aspect of the Ministers direction was also for the sector to work more collaboratively. The Service is currently utilising the Chief Fire Officers Association (CFOA) Pipeline and Procurement database as a means of looking at our future procurement opportunities and collaboration opportunities. A couple of good examples of the these are as follows:
- 3.6.1 DWFRS has raised a potential opportunity for sector wide collaboration nationally with Crown Commercial Services (CCS) for the procurement of Mobile Data Terminals (MDTs). The CFOA Procurement Hub and ICT Category Manager will be maintaining an active interest in this, as we take the lead on this. To date, expressions of interest have been made by 17 other FRS, looking to procure these items. The potential value of this framework could be in the region of £2 million.
- 3.6.2 DWFRS have also been involved with National Smoke Alarm Evaluations and will be looking to utilise this framework shortly.

- 3.7 Other significant collaborative procurements we are currently engaged in include the CFOA National Fire Appliances Framework, Occupational Health Services, Payroll and Pensions.

4. Summary and Key Points

- 4.1 The basket of goods for the procurement of common items within the fire service was published by the Government to increase transparency, encourage greater collaboration to achieve potential savings through buying collectively, and also to increase opportunities for operational benefits through the standardisation of common goods we purchase.
- 4.2 Both the former Wiltshire and Dorset FRSs compared very favourably against the average price for goods within the 'basket', with the majority of goods purchased below the average for the Sector.
- 4.3 Despite this, we are not complacent and continue to strengthen our procurement practices and forge new collaborative arrangements to continue to obtain the best value in our purchases.

Ben Ansell

Chief Fire Officer
7 July 2017