

Compliance, Coordination and Commercialism

East Sussex Fire Authority Procurement Strategy 2022 to 2025



East Sussex
Fire & Rescue Service

Alternative formats and translation

Albanian	Me kërkesë, një përmbledhje e këtij dokumenti gjendet edhe në gjuhën shqipe.
Arabic	ملخص لهذه الوثيقة متاحاً أيضاً باللغة العربية عند الطلب.
Bengali	এই ডকুমেন্টের সারাংশও অনুরোধে বাংলায় পাওয়া যায়।
Cantonese	本文件的摘要也可應要求製作成中文(繁體字)版本。
Farsi	خلاصه شده این مدرک هم در صورت درخواست به فارسی موجود است.
Russian	Краткое содержание настоящего документа по отдельному запросу предоставляется также на русском языке.
Gujarati	આ દસ્તાવેજનો ટૂંકસાર વિનંતી કરવાથી ગુજરાતીમાં પણ મળી રહેશે.
Kurdish	کورتەیهکی ئەم بەلگەیه ههروهه به پێی داواکاری به زمانی کوردی دەس دهکەوێت
Portuguese	Encontra-se também disponível um sumário deste documento em Português, a pedido.
Polish	Dokument ten jest na życzenie udostępniany w języku polskim.

 **0303 999 1000**

The following formats are available on request:

Large print (reformatted and increased to 18 point sans serif font)

CD ROM in plain text format to enable computer 'reader' systems to access and translate the information. Audio tape, audio CD and braille. Pictorial format suitable for people with learning difficulties ('easy read').

For translations of this document, please contact the Publicity and Media Officer.

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Foreward

Roy Galley | Chairman of East Sussex Fire Authority

I am pleased to present East Sussex Fire Authority's new Procurement Strategy which builds on the firm foundations established in previous strategies. Over the next three years we will see the benefits of our investment in professionalising the function and moving to a category management approach.

With ever increasing pressure on budgets and uncertainty around our future funding, the role of procurement will be essential in supporting the Authority in delivering high performing services to our community at a price we can afford.

Procurement also has a wider role and will be key in enabling us to achieve the national target of net zero greenhouse gas emissions by 2050., and through our Responsible Procurement Policy, ensuring that we use our purchasing power locally and nationally, to drive change and consider the economic, social and environmental impacts and benefits to our community when procuring goods and services.

Dawn Whittaker | Chief Fire Officer

Today's changing world requires us to continually consider our priorities; balancing a strategic approach with the ability to respond swiftly to opportunities and challenges. In this climate of reform, increased data transparency and legislative changes, coupled with the need to modernise Procurement and satisfy greater demand with limited resources, it's clear that how we develop our strategic Procurement capability has never been more vital.

Efficiency remains a significant part of the wider Reform programme and HMICFRS inspections will likely have a keen focus on procurement, as part of a wider assessment of efficiency and effectiveness.

This strategy explains how we will continue to develop and benefit from the professional expertise of our Procurement Department, enabling us to focus our resources, on the vital value adding activities, which drive savings and efficiencies and support the delivery of the Service's purpose and commitments.

By aligning our categories with the national procurement portfolio, we reaffirm our commitment to support the national procurement and reform agenda. We will continue to proactively engage with the National Fire Chiefs Council Procurement Hub to deliver national, collaborative contracts.

In this climate of reform, increased data transparency and legislative changes, coupled with the need to modernise Procurement and satisfy greater demand with limited resources, it's clear that how we develop our strategic Procurement capability has never been more vital.

Welcome

East Sussex Fire Authority's (the Authority) aim is to make our communities safer by providing prevention, protection, and response services to circa 813,000 people within the area of East Sussex and the City of Brighton & Hove.

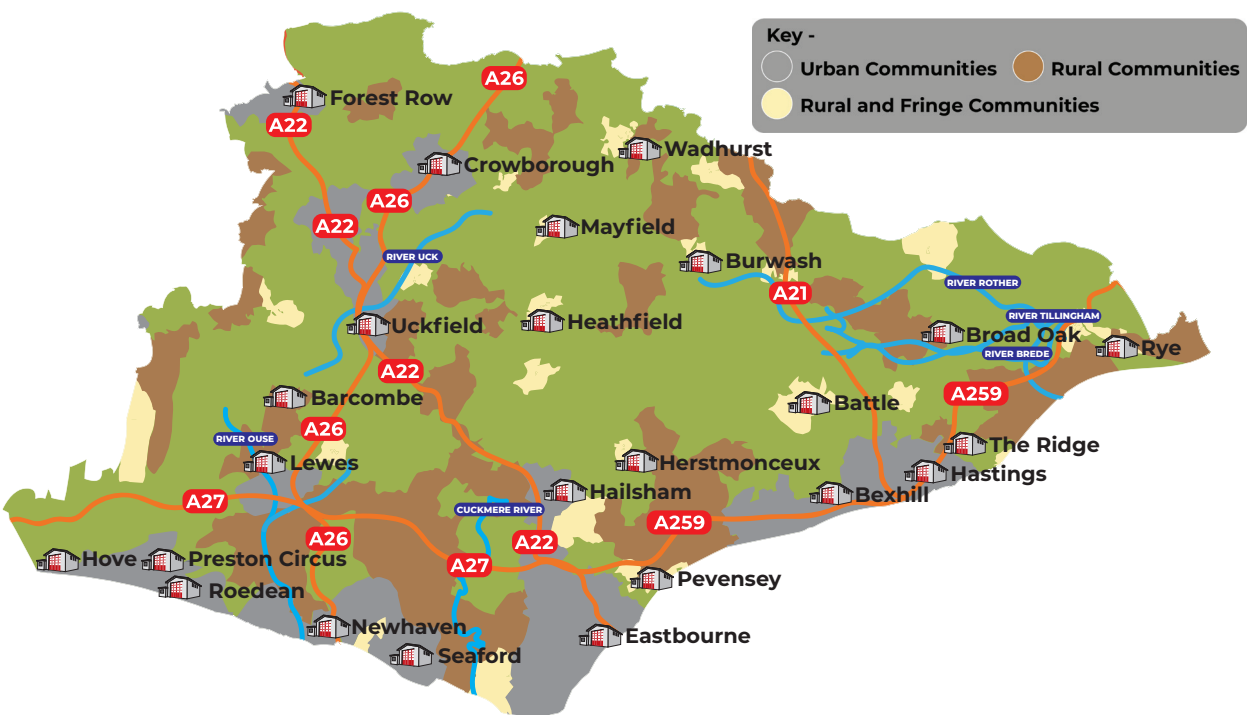
With ever increasing pressure on budgets and reduced funding, it is more important than ever that the Authority's Procurement Strategy aligns with and supports our Purpose and Commitments and delivers efficient and effective services, which meet the needs of our community.

With a net annual spend of circa £11m on goods, services and works, procurement and contract management are key to achieving efficiencies within the organisation. Delivering value for money & optimum management of limited resources, without compromising resilience, are paramount.

This strategy details how the central Procurement Team will support the Authority to respond to the financial challenges we face, whilst maintaining our commitment to keep our community safer and drive out value for the public purse. This refreshed version reflects a change in emphasis, as we continue to embed a category approach, in highlighting less the need to change our ways of working and more the need to continue to deliver against the established themes, respond to changing legislation and embed a responsible approach to procuring.

Centralisation of all complex procurement activity and delivering category strategies which are aligned both internally and with our external partners, will create value, ensure compliance and maximise the impact of Procurement.

The 8 Key Themes of this strategy are central to its delivery and are designed specifically to enable efficient and effective, commercially sound commissioning within ESFA.



Strategic Context

In response to the Home Office’s fire reform programme, the National Fire Chiefs Council (NFCC) has created a strategic committee tasked with harnessing our national buying power, under a category management approach. This has enabled an unprecedented level of data sharing, collaboration and transparency, which will drive significant aggregation of demand and the Procurement Strategy remains designed to directly align with this undertaking.

In December 2020, the Cabinet Office set out proposals for shaping the future of public procurement legislation for a post-Brexit Britain, with the publication of a Green Paper. “The overarching goals of these proposals are to speed up and simplify procurement processes, place value for money at their heart, generate social value and unleash opportunities for small businesses, charities and social enterprises to innovate in public service delivery”. Source- “Transforming Public Procurement”/Parliamentary Secretary in the Cabinet Office/December 2021.

All contracting authorities must have regard to this Statement, which is likely to include creating new businesses, jobs and skills in the UK; improving supplier diversity and innovation, tackling climate change and reducing waste.

This strategy, supported by the Authority’s Responsible Procurement policy, is intended to align with the change in legislation and build on the transition of Procurement from a tactical function to strategic leadership.

As the Medium-Term Finance Plan outlines, there remains uncertainty about the future of local government funding and this has only been increased as a result of the Covid-19 pandemic. The MTFP under the worst-case option shows a need to deliver further savings of £3.8m by 2026/27. In the best-case scenario this reduces to £0.2m. The mid case scenario forecasts the need for £1m additional savings by 2023/24 rising to £1.5m over the next 5 years. Efficiency remains a significant part of the wider Reform programme and HMICFRS inspections will likely have a keen focus on procurement, as part of a wider assessment of efficiency and effectiveness. It is also part of the sector’s offer to Government in return for a fair and sustainable financial settlement.

As we consider how we can meet the demands and drive the change to manage these challenges, it’s important to recognise that challenges create opportunities.

The drive for reform creates a sense of urgency which anchors the need for change and modernisation and financial pressures open the door for Procurement to play a key strategic role, in driving value and competitive advantage.

As the Government has a stated intention to streamline the procurement legislation, which could provide an opportunity for simplified and improved procedural rules. The reshoring of British supply chains in advance of Brexit could also provide an excellent opportunity for small and local businesses to win new contracts.

In this climate of reform, increased data transparency and legislative changes, coupled with the need to modernise Procurement and satisfy greater demand with limited resources, it’s clear that how we develop our strategic Procurement capability has never been more vital. We are committed to delivering high performing, responsible services, that make effective use of our resources, to meet the needs of our community.

Our Purpose, Commitments and Values

Our Purpose

“We make our communities safer”

Our commitments

- Delivering high performing services
- Engage with our communities
- Have a safe and valued workforce
- Making effective use of our resource

Our values

- We are We are **PROUD** of the service we provide
- We are **ACCOUNTABLE** for our actions
- We show **INTEGRITY** in our work
- We **RESPECT** our colleagues and members of the community

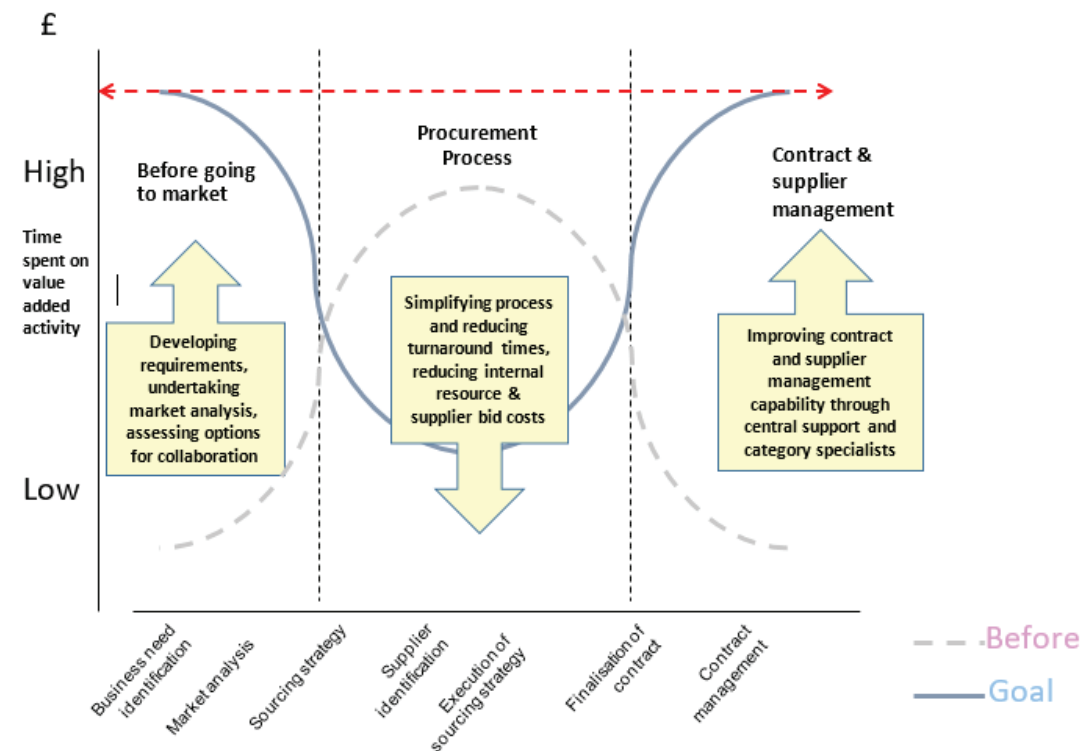
LIVING OUR VALUES



Our Vision for Procurement

A CORPORATE, COMMERCIAL SERVICE, DELIVERED CENTRALLY AND COLLABORATIVELY, ON BEHALF OF THE AUTHORITY

The best value from any contract is at the beginning when it's being shaped and at the end when it's being managed. This diagram illustrates how we aim to reverse the focus of the central Procurement team, to maximise value and harness commercial advantage. (Fig 1 below)

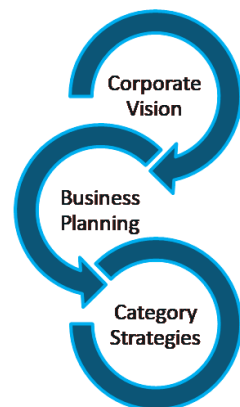


Source: Adapted from “CCS Commercial DNA 2014”

To gain best access to these opportunities, we must focus our efforts and resources into the pre-tender activities (identifying needs, market research and supplier engagement) and into the post-tender activities (contract management, continuous improvement, negotiation).

Centralising all complex pre-procurement & post award activity significantly enhances our capability to identify scope for improvement, whether in the specification or contract management stages.

For the procurement activities undertaken within the Authority to align with our corporate business plans and the National Agenda for reform and standardisation, we will maintain a centralised, coordinated. category approach.



Centralised procurement activity, under the professional expertise of the Procurement Department, gives an opportunity to better organise & coordinate external spend and improve leverage in contracting and negotiation, by forming a better orchestrated approach to the supply base.

The central team will work with the subject matter experts in the key commissioning departments, to craft category strategies which Procurement will manage & deliver.

Centralised Procurement enables:

- ☐ alignment with corporate objectives
- ☐ better pre-procurement market engagement
- ☐ early identification of the optimum route to market
- ☐ a targeted approach to identifying opportunities for collaboration
- ☐ outcome based specifications which drive value and are fit for purpose
- ☐ increased compliance and control
- ☐ a consistent process
- ☐ robust contracts, which balance risk and commercial advantage
- ☐ increased purchasing power & better leverage
- ☐ technical and Service standardisation
- ☐ demand management
- ☐ improved contract management and problem resolution
- ☐ lower training costs
- ☐ improved transparency, spend management/data capture, reporting & audit
- ☐ reductions in process costs

Tactical, low value purchasing will remain within the remit of the individual business areas, accessing corporate contracts via a One Stop Shop, utilising Procurement Cards (P/Cards) & electronic requisitions.

Requests for Quotes and tenders will made via the central Procurement Team - this hybrid structure supplements local buyers and teams with a corporate team that leverages spend into coordinated categories.

The primary aim of a hybrid approach is to enable limited professional Procurement resources to devolve transactional activity, to focus on value adding activity. Procurement will act strategically to lead and guide the process of procurement within ESFRS, not to actively procure low value, high volume commodities.

The Key Themes to Deliver Our Vision

8 KEY THEMES SUPPORTING COMPLIANCE, COORDINATION AND COMMERCIALISM

These core principles will focus our activities on delivering efficient and effective, commercially sound commissioning. The themes reflect the importance of our pre and post procurement activities and focus effort and resources where they add most value.



Theme 1

Technology, clear and efficient processes, coordinated and supported by the central team, modernising and simplifying the process of procurement to make better use of technology and e-procurement tools, such as P/cards and electronic requisitions.

The Service have embarked on the implementation of a new back-office Enterprise Resource Planning (ERP) solution to replace the existing SAP system.

The objectives of the MBOS programme are as follows:

- Efficiency - Eliminate repetitive processes and greatly reduce the need to manually enter information
- User experience - Save time on transactional activity and spend more time on developing insights into user, customer, supplier & partner needs, and performance
- Workforce competencies - Change the competency requirements of the organisation as it moves from a transaction base to data intelligence led organisation
- Integrated access to information - Data accessed through a single Reporting and Business Intelligence solution, integrated across all platforms, keeping data consistent, accurate, and unique

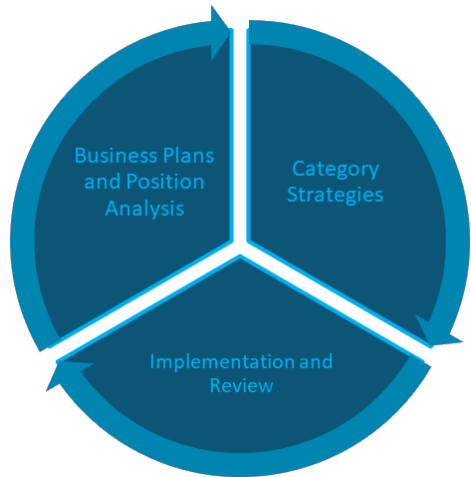
Procurement will develop and deploy E-learning packages to strengthen the governance induction process and maintain competency.

We will make better use of social media to alert and target local enterprises and SMEs in both the private and 3rd sector, to new procurement opportunities.

Theme 2

Category management is a structured, coordinated, strategic approach which links directly to business planning for the procurement of goods and services, and manages the process from identification of need to delivery and ongoing supplier performance. It focuses on the majority of organisational spend and seeks to reduce demand, simplify the way we buy and aggregate spend across the entire organisation or multiple organisations.

HOW WILL THIS WORK IN PRACTICE?



- 1.Categories directly align with the NPOC and include: clothing, meet, operational equipment, ICT, facilities management and construction and professional services.
2. Analysing key areas of spend to enables identification of savings and or/collaborative opportunities and maximises the value of spend.
- 3.In partnership with our key commissioning departments, strategies are developed which make sourcing decisions based on objective information and which follow a Position, Choice, Action approach, using market analysis and spend data, to provide a broad understanding of the supply market, the opportunities and the threats. (Fig. 2)

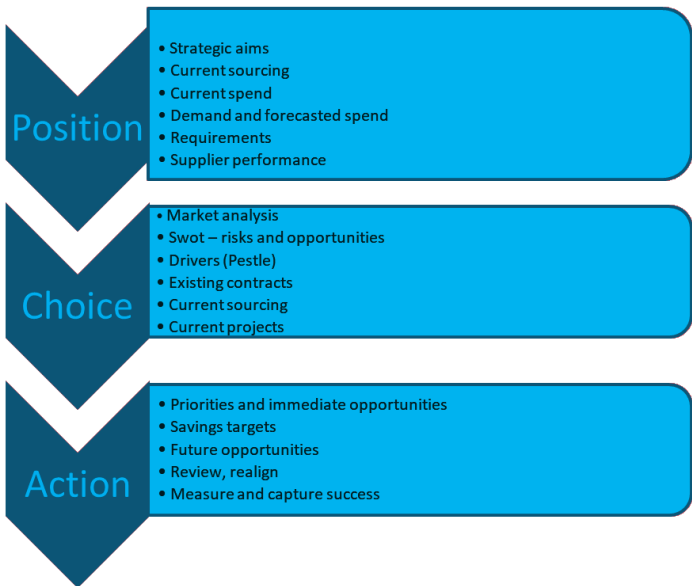


Fig. 2

4. Key commissioning departments will be supported by a Business Partner approach, with the central team working with colleagues to create and implement category strategies, measure performance and review outcomes.

Theme 3

We will support Partnering and Collaboration by aligning our categories with the national agenda, aggregating spend through effective collaboration or by sharing services on common goods and services, without compromising the outcome.

Pre-procurement activity and sourcing strategies underpinning the category approach, will enable us to identify & target any opportunities for collaboration either nationally, locally or both ahead of going to market.

The Procurement Department will proactively engage with and support the national Procurement Hub to deliver national, collaborative contracts.

Theme 4

Successful Contract Management is most effective where pre-award activities are properly carried out and there is robust performance monitoring and transparency. A category led approach to contract management, will oversee contract delivery, optimisation and performance.

Securing best value through proactive supplier relationship management and central monitoring of KPIs and SLAs, with our key internal customers, this central oversight will ensure agreed benefits do not leak away. This enables continuous improvement and in essence, ensures we not only get the negotiated result but continue to realise benefits.

Theme 5

People and continued Development of their skills is fundamental to the success of our strategy.

The recentralisation of complex procurement activity will see a reduction in planned training costs across the service.

To support the central team however, a joint Finance & Procurement training needs analysis exercise will be conducted across the Service for all staff engaged in commissioning activity and Procurement Development Plans will be developed. This will enable us to enhance our skills across the organisation in relation to contract management, specification writing and commercial behaviour.

We will support the organisation with regular updates, standard templates, training guides and e-learning packages to embed best practice across the Authority.

Theme 6

Clear governance, the right structure, processes and people in place will allow us to coordinate and control spend.

Procurement activity will be strongly linked to Corporate objectives and Business Plans via the Category Strategies.

A centre led approach will foster consistent, compliant processes and central monitoring will track spend against contract value.

Procurement will support colleagues to procure transparently, ethically and with integrity.

Theme 7

Risk Management. Identifying and mitigating risk is integral to the formulation of the category strategies and associated contracts.

Category Strategies will use the Kraljic Matrix approach to segment supplies according to value & risk of supply. (Fig 4)

This will enable a risk-based assessment for each category, which will be used to decide on a relevant approach for supplies.

Devolving purchasing of the tactical, low value, low risk supplies to the wider Service via P/Card purchasing, allows Procurement to focus on the strategic, bottleneck and leverage items where we can add real value.

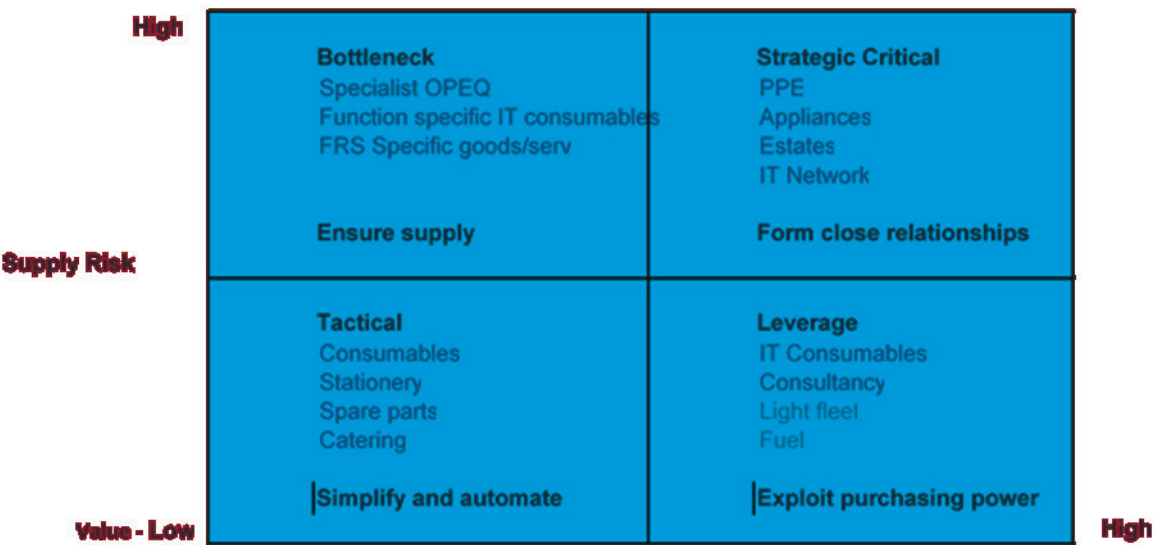


Fig. 4
In relation to contracts, Procurement will ensure that contracts contain sufficient and appropriate recourse and remedies, including financial recompense and non-punitive damages, where appropriate to the impact.

Commodity Risk Assessments will enable early identification of any potential exposures and opportunities, in relation to our supply chain, contractual arrangements and future procurements.

Theme 8

Responsible Procurement represents the additional social, economic and environmental value created by our developments throughout their lifetime for the communities and regions where we operate.

The Social Value Act 2012 has acted as a catalyst for change in the Public Sector, by requiring Public authorities to have regard to economic, social and environmental well-being of communities and allowing them to deliver additional growth, skills, jobs and other community benefits, directly via their tendering activity and resulting contracts.

These benefits can be encouraged, captured and measured by how we approach the market. If our potential suppliers see significant rewards and weightings within tender opportunities for Responsible Procurement outcomes, it will clearly signal that we value their innovation in these areas.

Responsible Procurement considerations will form part of the award weighting for all relevant opportunities, so that we consider the economic, social and environmental benefits to our community.

To supplement this strategy, the Responsible Procurement policy aims to support our collective responsibility to limit any negative impact and promote the Authority's commitment to deliver responsible and sustainable outcomes, across three primary areas.

1. Social Value
2. Ethical Sourcing
3. Environmental Sustainability

Our primary focus will be to ensure that we assess how a provision:

- 1.supports the local economy – exploring opportunities to encourage local or Small Medium Enterprises (SMEs) and voluntary and diverse businesses, number of local and diverse suppliers used within the supply chain and number of apprenticeship placements.
- 2.minimises carbon emissions and the carbon footprint of goods, services, and suppliers contract delivery methodology
- 3.allows the supplier to innovate via the use of non- prescriptive specifications, which allow the market and suppliers to speak on innovative solutions and/or new technology, where it has sustainable benefits.

For Equality and Diversity to be embedded within our supply chain, we will:

- ensure equality factors are considered in procurement activities from the outset, as with all responsible procurement considerations
- consider equality-related contract conditions where they relate to the performance of the contract
- include proportionate equality-related award criteria in the tendering process
- include equalities issues and reviews in performance monitoring during the life of the

contract/framework

Measuring Success

HOW WILL WE MEASURE OURSELVES?

Our 3-year priorities are summarised in Section 8 and covered in more detail within the Procurement Business Plan. These measures are indicative of how Procurement will

Principle	Measure	Target
Control of Spend	% applicable spend managed by robust contracts	95%
	% influence-able spend managed by central procurement team	80%
	% procurements with evidence of appropriate process	95%
Systems	% low value transactions processed via P/card	80%
	% opportunities advertised via e-tendering portal	90%
People	No. of staff trained in Procurement relative to role	90%
Policy	No. of exceptions/waivers per no. of procurements	< 10%
	No. of retrospective POs and FV60 invoices	< 10%
	Evidence of carbon emissions reduction	Qualitative assessment
	No. of SMEs registered on e-tendering portal	10% of supply base
	No. of contracted apprenticeship placements	TBA
Contract Management	% of key contracts performance managed by Procurement	50% growing to 90%
	Staff responsible for SCM trained	90% by 2024
	No. of significant contractual disputes	2 or less
	% of key contracts evidencing regular, effective supplier management	60%
Customer Satisfaction	360' Annual Feedback Survey of internal colleagues	Qualitative Assessment
Savings	Actual savings (individual categories) NFCC Savings Register	Targets set annually
	% annual saving on influence-able spend	Not < 5%
Benchmarking	NFCC National Spend Data	Bi-annual reporting

Priorities

PLAN DO CHECK ACT

Our priorities, which are detailed within the Procurement Business Plan, are summarised below:

Year 1 - 22/23
Deliver local implementation of SAP replacement as part of the ESCC MBOS project
Continue to implement full category approach, to deliver savings targets in MTFP
Recruit Assistant Category Specialist
Set savings targets/identify opportunities - achieve minimum £25K annual savings
Engage in National & Local Collaboration
Commence joint Training Needs Analysis with Finance
Embed Responsible Procurement (RP) – with a focus on local economy, carbon footprint and supplier innovation.
Year 2 - 23/24
Utilise MBOS to develop a Procurement dashboard
Set savings targets/identify opportunities - achieve minimum £25K annual savings
Review and rationalise corporate tail end spend and enable automated catalogue purchasing via embedded P/cards.
Conduct P/Card Review
Continue TNA & implement Procurement Development Plans
Engage in National & Local Collaboration
Ahead of Year 3
Review performance against targets
Set savings targets/identify opportunities - achieve minimum £25K annual savings
Refresh Category Plans
Refresh Procurement Strategy
Review progress against RP targets

Contact us

We listen to our communities and want you to help us improve the services we provide. If you want to get involved, or would like more information about our services, please get in touch and have your say.

Phone: 0303 999 1000

E-mail: enquiries@esfrs.org

Write to: Liz Ridley

Assistant Director Planning and Improvement

East Sussex Fire and Rescue Service

Service Headquarters

Church Lane

Lewes

BN7 2DZ

East Sussex Fire Authority is responsible for the preparation of this performance plan and for the information and assessments set out within it, and the assumptions and estimates on which they are based. The Authority is also responsible for setting in place appropriate performance management and data quality control systems for which the information and assessments in the performance plan have been derived.



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