



## Strategic Commercial Committee

### Terms of Reference

**Name of Group:** Strategic Commercial Committee

**Directorate:** Sector Resources

#### 1. BACKGROUND

- 1.1 The Fire and Rescue Service spends circa £600m a year on goods and services via third parties suppliers. This is a significant figure and in the current fiscal climate it is essential that these monies are spent wisely to protect the front line and provide a source of funding for transformation. Stakeholders including UK taxpayers need to be confident that the fire and rescue service is delivering Value for Money (VFM).
- 1.2 In 2013 the then Chief Fire Officers Association (CFOA) National Procurement Group worked together with the Department for Communities and Local Government on a spend analysis project resulting in the publication of the “Fire and rescue procurement aggregation and collaboration report” in March 2014. This report provided hard evidence that was used by CFOA to develop a short, high level national procurement strategy. This strategy sets out a compelling case for Chief Fire Officers by showing how savings could be achieved by adopting a category management approach that delivered best practice, professional procurement outcomes through sector led and sector managed projects.
- 1.3 A successful collaborative bid for transformation funds in 2015/16, submitted by three fire authorities (Devon & Somerset Fire and Rescue Authority, Essex Fire Authority and Kent and Medway Towns Fire and Rescue Authority) on behalf of the Sector, has provided funds to develop a small collaborative procurement hub. The Hub provides a national procurement capability for the Sector and it helps identify and facilitate opportunities for savings and efficiencies from collaboration. Three, full time professional procurement appointments have now been made to establish and resource the Hub.
- 1.4 In April 2014, the police service launched an exercise with industry to understand what savings could be achieved if they were to standardise and aggregate their procurement needs and manage their annual £1.7b worth of influenceable spend from a strategic category approach. This exercise led to the formation of the Collaborative Law Enforcement Procurement (CLEP) Programme that has seen significant multi million pound savings through the application of standardisation and aggregation.
- 1.5 Better and more collaborative procurement was a theme that featured in the package for fire reform including a “quick win”: publishing procurement data on 25 comparable items. The Minister announced this at the LGA Conference in March 2016, framing it as increasing transparency and collaboration on procurement. This was also included in the then Home Secretary’s reform speech and the need for the sector to lead their improved commercial strategy.
- 1.6 In response to the Home Secretary’s challenge CFOA are implementing a package of reforms in the commercial operation of the sector under the umbrella of the ‘Commercial Transformation Programme’.

The lessons from police commercial change are being applied where appropriate as is the potential for collaboration with policing and others where there are areas of common spend.

1.7 Governance of the Fire Commercial Transformation Programme shall be through the newly formed Strategic Commercial Committee (SCC), predominantly formed of Chief Fire Officers and Strategic Commercial Representatives.

## 2. CATEGORY SPONSORS, CATEGORY LEADS & NFCC FIRE COMMERCIAL TRANSFORMATION PROGRAMME/PMO

2.1 The appointed NFCC Category Sponsors (Chief Fire Officers) will provide Category Leadership and Accountability, working with Commercial Category Leads to deliver savings and efficiencies through the adoption of the programme principles (Section 5).

2.2 The appointed Commercial Category Leads (Heads of Procurement) shall become the delivery arm of the SCC taking forward the development and delivery of the strategies agreed by the committee.

2.3 The Hub, will have an important role to play in the transformation, taking on both proactive PMO role but also co-ordinating the individual work streams, data gathering and facilitating the sharing of best practice.

2.4 Details of the SCC Membership are stated in Section 8. The Roles & Responsibilities of Category Sponsors, Commercial Category Leads and the PMO are detailed in Appendix 1.

## 3. MISSION STATEMENT

3.1 To pro-actively develop/support and champion a National Fire and Rescue Commercial Strategy that meets the needs of all stakeholders within the FRS community. The Strategic Commercial Committee will build upon the procurement activity already undertaken, encourage and support national and regional sector and cross sector collaboration wherever possible and ensure that VFM is delivered to the Public at both local and national level. The committee remit will cover all categories of third party spend. The remit will also extend to structures and processes utilised to deliver commercial operations e.g. Procurement, Estates and R & D. The aim will be to move to more virtual/shared structures that applies standard process, avoids duplication and meets the needs of the sector as a whole.

## 4. NAME

4.1 The name of the Group is the 'Strategic Commercial Committee' (SCC ).

## 5. PRINCIPLES

Commercial Transformation 3 key principles.

- **Standardised requirements** - developing agreed standard specifications that are developed by the sector, are evidence led and operationally driven.
- **Aggregated volumes** - FRS that bring larger committed volumes to market typically get better deals. Where possible, i.e. non-fire specific goods and services, consider the wider purchasing power of other public sector organisations.
- **Collaboratively managed contracts and suppliers** - joined-up strategic engagement, supplier performance and contract management.

## 6. STRATEGIC OBJECTIVES

- 6.1 To provide a forum where Chief Officers & Heads of Procurement can review options based on fact and evidence and make strategic decisions that lead to significant savings and efficiencies for the sector.
- 6.2 To review progress across a range of work streams, providing senior input where required to either unblock an issue or provide influence to others where a unified sector is required.
- 6.3 To identify and encourage commercial best practice with the expectation that FRS will adopt such best practice as the norm in their day to day related work.

## 7. RESPONSIBILITIES

The key responsibilities of the Strategic Commercial Committee are to:

- Identify and agree a National Procurement Strategy (NPS), Plan and Priorities which meets the operational needs of the sector and delivers VFM / maximises savings and efficiencies.
- Commission / Task the Category Leads and other stakeholders as appropriate to implement the NPS via category strategies.
- Ensure that opportunities for increasing VFM are being fully optimised, delivered against the NPS plan.
- Maintain a strategic oversight of how procurement opportunities fit with other fire sector projects and initiatives.
- Keep a strategic oversight of developing Central Government and wider public sector initiatives to identify opportunities for the fire sector to benefit from aggregating its purchasing power.
- Encourage and promote standardisation wherever possible. When category strategies are being developed, ensure that all relevant stakeholders are consulted and engaged.
- Hold the Category Sponsor and/or Commercial Category Lead (or any agreed delivery agents) to account for non-delivery or lack of progress in delivery of activities it has commissioned. Review the work of the category teams and make recommendations about final contract award / category strategies.
- Providing assistance or escalating issues where blockages or delays have been identified, particularly in relation to individual FRSs.
- Ensure that category strategies include provisions for effective Strategic Relationship Management.
- Encourage and facilitate professionalism and best practice throughout the sectors procurement community, ensuring FRSs have effective procurement professionals and processes.
- To quantify the business benefits / VFM for the sector for the next four years including the delivery of opportunities that drive VFM and to assist in the reporting of the VFM delivered to highlight to stakeholders the benefit which the fire procurement community helps to deliver.
- Ensure that risks and issues that could prevent the delivery of the Fire Commercial Transformation Programme are reviewed regularly and addressed including agreeing contingency plans.
- Escalate issues that cannot be resolved at this Committee to the National Fire Chiefs Council (NFCC).

## 8. MEMBERSHIP AND ALIGNMENT

- 8.1 The Group shall be Fire owned and led, with specialist commercial support from the Home Office - Commercial Directorate.
- 8.2 To reflect the multiple stakeholder landscape there will need to be representation from range of organisations. The proposed membership is as follows;

<b>Name</b>	<b>Title</b>
Ann Millington	SCC Chair – Chief Executive Kent FRS
Rob Eason	Home Office, Commercial Directorate
Ian Currie	Independent – BTP (British Transport Police)
Luke Malton	Programme PMO/CFOA Procurement Hub
Stuart Errington	CFO Sponsor – Fleet –Durham & Darlington FRS
Melanie Walsh	Fleet Category Lead – Devon and Somerset FRS
Phil Loach	CFO Sponsor – Operational Equipment – West Midlands FRS
Mandy Beasley	Operational Equipment Category Lead – West Midlands FRS
Ann Millington	CFO Sponsor – Clothing (Inc. PPE) – Kent FRS
Tina Butler	Clothing (Inc. PPE) Category Lead – Kent FRS
Dan Stephens	CFO Sponsor – Construction & FM – Merseyside FRS

## 9. BUSINESS MANAGEMENT PROCESS

- 9.1 Meetings will be chaired by the Chief Executive of Kent Fire and Rescue as the NFCC Board lead for this area.
- 9.2 Meetings will be administered by Fire Commercial Transformation PMO.
- 9.3 It is envisaged that there will be quarterly meetings with other meetings, possibly via telephone conference to minimise travelling time and costs, at intervals to be agreed in between the quarterly meetings. In addition, specific sub groups may be formed and meet at intervals as priorities and opportunities emerge.

## 10. AMENDMENTS TO THE TERMS OF REFERENCE

- 10.1 Committee members may request a review or change to the Terms of Reference, which shall be considered at the next quarterly meeting. Such changes must be in accordance with current Commercial Transformation objectives.

## Appendix 1 – Roles & Responsibilities

### Category Sponsor

- Consult and communicate with other Category Sponsors and Chief Fire Officers as necessary
- Ensure communications to other FRSs are consistent and reflect the programme principles
- Liaise with the Category Lead and support the category strategy
- Where appropriate or required, liaise with other NFCC groups and functions related to their category
- Communicate on behalf of the sector to FRS Authorities, Local Authorities, Fire Authorities, or Suppliers, where appropriate, the purpose/outlook/plans and aspirations of the Category they are responsible for

### Category Lead

- Supporting their Category Sponsor acknowledging that the Sponsors may have limited knowledge of their categories and they may not be the Category Leads own CFO
- Member of the Strategic Commercial Committee attending SCC meetings as required
- Setting the category and sub-category strategies ensuring sufficient consultation and communication with key stakeholders
- Resource management - establishing virtual teams and working with partners (e.g. Home Office, Police, PBO's) to deliver commercial activity
- Taking the national lead role for their designated category
- Defining the category structure (i.e. identification of sub-categories)
- Prioritisation of commercial activity (demand & opportunity driven)
- Establishing supplier engagement and the Supplier Relationship Management strategy for their designated categories
- Interaction with other groups and functions (e.g. R&D Hub, TOG etc.)
- Consult and communicate with other Category Leads to ensure best practice, consistency whilst adhering to the programme principles
- Establish a virtual team of procurement professionals to support in setting up national contracts/frameworks

### PMO

- Project Management Office
- Support the CFO Category Sponsor's with Communication
- Support Category Leads with Category Strategies, including development of options appraisals and analysis, identifying benefits and risks (referring to and reporting in the RAIDD Log)
- Supporting FRS collaboration and aggregation
- Support FRS with Supplier Relationship Management (SRM), see SRM Strategy
- Support Category Leads and virtual with spend and market analysis
- Support each Category Lead in developing a programme of work
- Collate FRS work plans
- Support Category Leads and the virtual teams in producing the definitions, scope and governance for each category