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Shropshire Fire and Rescue Service Asset Management and Procurement Strategy

Purpose

The purpose of the Asset Management and Procurement Strategy is to provide a framework to support the aims and objectives of the Service by ensuring that the required assets and external services are provided and available across the Service.

We aim to improve the safety of the people of Shropshire by ensuring that the employees of Shropshire Fire and Rescue Service have the assets and supplier support they need to provide an effective safe and efficient service.

Introduction

Shropshire and Wrekin Fire Authority owns or leases a wide range of assets, from land, property and vehicles to operational equipment, IT and software. These assets are used to support all Fire Service activities and must, therefore, achieve an appropriate level of performance. Additionally, these assets represent a considerable investment and many have high opportunity costs or the potential to incur high operating costs.

Asset Management Planning will assist the Service in targeting resources effectively and investing appropriately to ensure that these assets contribute towards the continuous improvement of service delivery.

The Service also procures assets, support services and consumable items from a range of suppliers and uses best practice procurement processes to ensure that these are obtained at best value regarding both purchase and process, and that maximum benefit is obtained by the Service through its relationship with its suppliers.

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Why an Asset Management *and* Procurement Strategy

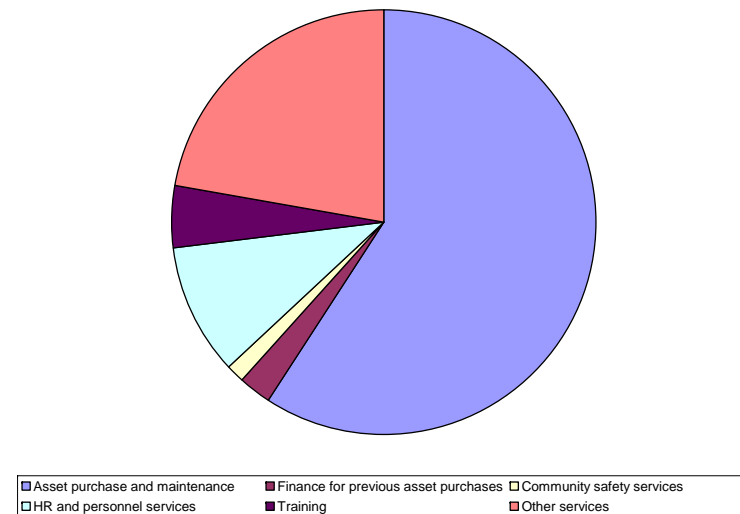
The Fire Authority considers that procurement, whilst a strategic discipline in its own right, is closely linked to the Asset Management function. The first, and most significant, procurement activities are the identification of needs and the best way to meet them. For asset purchases, asset management planning is the system used to do this. The following table shows the potential benefits from each approach.

Within Shropshire Fire and Rescue Service, the majority of revenue expenditure with external suppliers is for the purchase, financing or maintenance of assets, as shown below. In addition all capital expenditure is on assets.

Area of consideration	Savings likely to be achieved	Policy area
Need	Major	Asset Management
Specification	Medium	
Process	Minor	Procurement

Table of benefits to be achieved through procurement and asset management approaches

Revenue Expenditure



Expenditure on groups of services or assets

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Asset Management Planning

Asset Management Planning is a business discipline for managing the life cycle of infrastructure assets to achieve a desired service level while mitigating risk.

The objective is to optimise the whole life business impact of costs, performance and risk exposures (associated with the availability, efficiency, quality, longevity and regulatory/safety/environmental compliance) of the organisation's physical assets.

It encompasses management, procurement, financial, customer, engineering and other business processes. True asset management planning is not a document or a system, but is instead a business discipline enabled by people, process, data, and technology.

This document is an output from this discipline, which collates the information necessary to make informed decisions about investment in operational equipment. It includes details of the resources required at sites and those actually provided, the necessary works are then identified and costs provided. Surplus and under-utilised resources are also identified. This document also includes information on costs associated with maintaining and operating the asset.

The information will assist the Service in:

- Providing assets that meets the Brigade's needs
- Ensuring that asset decisions are consistent with the Brigade's objectives and service requirements, and are integrated into the corporate planning process
- Prioritising decisions on spending and evaluation of capital projects to ensure, and demonstrate, value for money
- Identifying opportunities for innovation, collaboration or income generation
- Identifying surplus or under-utilised assets

The cost information included will enable the Brigade to compare its costs against other organisations and assist in identifying best practice.

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Procurement

Procurement is the process of obtaining supplies, services and works spanning the life cycle of the asset or service contract. The term 'procurement' has a far broader meaning than that of purchasing, buying or commissioning. It is about securing services and products that best meet the needs of the users and the local community in its widest sense.

'Life cycle' may be defined as being from the initial definition of the business need through to the end of the useful life of the asset or service contract.

Procurement is carried out to enable the Service to obtain the assets, services and supplier support it needs to deliver its aims and objectives.

The Fire Authority has adopted the following as its procurement strategy and policy.

Shropshire Fire and Rescue Service will operate Procurement Processes that:

- *Challenge the provision of the service and the need for expenditure*
- *Ensure a methodology for competition and for quality, yet*
- *Encourage an open and flexible approach with users, suppliers and partners*
- *Develop appropriate use of collaboration and partnership arrangements with other brigades, public authorities or the private or voluntary sector*
- *Make use of modern processes and techniques*
- *Measure the life costs, improvements and success of the procurement, the process and sets performance specifications*

In support of the Authority's strategy and policy the Service has developed a suite of procurement and asset management Brigade Orders to provide a framework to ensure that all items purchased meet the Authority's and Service's needs.

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The Brigade Orders have been written to reflect the principles of Best Value. The challenge, compare, consult, compete principle required to assess the organisation's services can easily be applied to the procurement of equipment and services, as follows:

- **Challenge**
Are the products or services necessary and, if so, in what form are they needed?
- **Compare**
How do they perform alongside other ways of meeting the need?
- **Consult**
Ensure that the proposed equipment meets the requirements of all stakeholders.
- **Compete**
Demonstrate value for money.

By adopting these Orders the Brigade will ensure that any decision to review, monitor and make decisions on procurement is taken as an organisation, rather than by individuals, and that the following basic requirements are carried out:

- The Brigade's need is clearly identified and methods of overcoming that need, other than through purchase, are assessed.
- An analysis of products available to meet the need is carried out.
- Methods of obtaining the equipment are identified and assessed.
- Implications for training and other enabling costs are identified.
- Safety issues are identified and risk assessments carried out.
- Equipment life, stock requirements, maintenance and renewal requirements are identified and full life cycle costs assessed.
- A structured approval and purchasing system is used to demonstrate compliance.

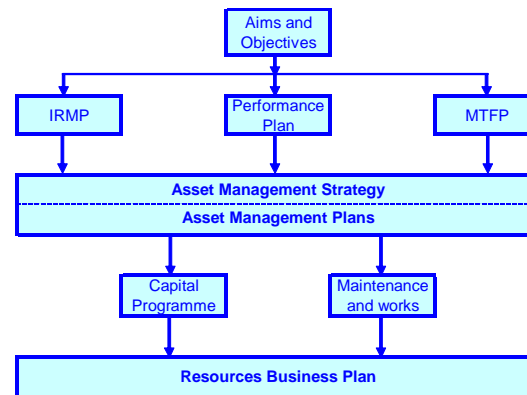
Shropshire Fire and Rescue Service Asset Management and Procurement Strategy

How the Asset Management and Procurement Strategy Fits

The Asset Management and Procurement Strategy encompasses the management of assets and procurement within Shropshire Fire and Rescue Service. It is important that other strategies and frameworks affecting the Service are taken into account in the development of a local Strategy. Where practicable, Shropshire and Wrekin Fire Authority supports the achievement of strategies and associated objectives, set at a national and regional level. At the same time, our focus must also be on providing a Service that puts Shropshire's safety first. To that end the following strategies and framework have informed the development of our Asset Management Strategy:

- Fire and Rescue Service National Procurement Strategy
- Procuring the Future – Sustainable Procurement National Action Plan
- West Midlands Regional Management Board Procurement Strategy
- Shropshire and Wrekin Fire Authority Performance Plan

The Asset Management and Procurement Strategy should not be viewed as a stand-alone Strategy, as it feeds the Resources Business Plan 2006-2009, which details how we will support the achievement of the Authority's aims and objectives, shared priorities and direction of travel, whilst also recognising the importance of our day-to-day work. The document map below shows how this Strategy and the Asset Management Plans fit in relation with the Service's other plans.



Shropshire Fire and Rescue Service Asset Management and Procurement Strategy

Mission

Our mission is 'Putting Shropshire's Safety First'. This cannot be achieved, unless we have the appropriate assets and supplier support, provided in a way which maximises value.

Objectives

The objectives of the Asset Management and Procurement Strategy are to support the organisation in the achievement of its objectives by ensuring that Shropshire Fire and Rescue Service:

1. Provides the assets required to enable our employees to achieve our mission
2. Ensures that the most effective use is made of existing resources and assets
3. Ensures that those assets are safe, legally compliant and available for use
4. Procures assets, support services and consumable items using best practice procurement processes
5. Procurement obtains at best value
6. Gains maximum benefit from its relationships with suppliers

Drivers for Change

We sit within a wide context of change and many of our drivers are listed above as they influence this Strategy.

In 2005 Fire and Rescue Services underwent the Comprehensive Performance Assessment process. Our Service was officially rated as 'Good'. We have also been subject to National Framework Documents since 2004, defining for us the areas where we 'must' and 'should' make progress or make changes. Happily for us, long before national mandate, Shropshire Fire and Rescue Service has been an innovative and forward thinking Service, making pragmatic, reasoned and sometimes fundamental changes, where necessary. We are not afraid to change but equally will change only where the justification is clear. This has been demonstrated by the use of innovative assets and maintenance arrangements, which has ensured that these assets contribute to putting Shropshire's safety first.

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Our Structure

Our structure changed in 2005, following significant change at Executive level. A new Chief Fire Officer, Deputy Chief Fire Officer and Assistant Chief Officer took up their posts and began work on developing a structure to support the achievement of the Fire Authority's aims and objectives.

The Service is organised through 5 distinct departments:

- Community Safety
- Executive
- Human Resources, Training and Development
- Performance Improvement
- Resources

The Asset Management Strategy takes account of this structure and aims to be supportive and flexible in enabling us to meet our primary focus.

Member Champion for Asset Management and Procurement

The Fire Authority has appointed a Member Champion for Asset Management and Procurement. The role of a Member Champion or Lead Member is to promote, encourage, challenge and drive improvement in the area they champion.

The National Procurement Strategy for Local Government advocates that:

...the strategic importance of procurement should be reflected in an executive portfolio – creating a member – ‘procurement champion.’

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Although Shropshire and Wrekin Fire Authority does not operate executive arrangements, it has recognised the importance of procurement as a strategic driver of improvement and efficiency in the appointment of a Member Champion. The Fire Authority considers that procurement, whilst a strategic discipline in its own right, is closely linked to the Asset Management function and it has, therefore, established a joint Champion for Asset Management and Procurement.

The role of the Asset Management and Procurement Champion is:

- To instigate Best Value Reviews of procurement or asset provision
- To champion the corporate procurement strategy, its alignment with corporate objectives and the Performance Plan and its implementation
- To champion the corporate asset management strategy, its alignment with corporate objectives and the Performance Plan and its implementation
- To ensure systems are in place for procurement and contract management, supplier management and asset management and that they are operating effectively
- To ask challenging questions about value for money, sustainability and risk management in relation to procurement and assets
- To ensure effective systems are in place to factor equality and sustainability into the strategy and that they are considered at each stage of the procurement process
- To ensure that systems are in place to facilitate Member engagement in the making of key decisions in the procurement cycle for major projects (which would include agreeing the outline business case as well as awarding contracts)
- To advocate the need for the completion of Gateway Reviews on high value/high risk projects
- To ensure effective systems are in place for monitoring the performance of partnerships and other key contracts, and their impact on staff
- To ensure effective systems are in place for capturing lessons learnt from major projects and partnerships
- To report at least annually to the Fire Authority on their role

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Our Core Values

What Shropshire and Wrekin Fire Authority expects of its employees in values and behaviours:

Service to the Community

We value **service to the community** by:

- Working with all groups to reduce risk
- Treating everyone fairly and with respect
- Being answerable to those we serve
- Striving for excellence in all we do

Diversity

We value **diversity** in the service and the community by:

- Treating everyone fairly and with respect
- Providing varying solutions for different needs and expectations
- Promoting equal opportunities in employment and progression within the Service
- Challenging prejudice and discrimination

People

We value all of our employees' by practising and promoting:

- Fairness and respect
- Recognition of merit
- Honesty, integrity and mutual trust
- Personal development
- Co-operative and inclusive working

Improvement

We value **improvement** at all levels of the service by

- Accepting responsibility for our performance
- Being open-minded
- Considering criticism thoughtfully
- Learning from our experience
- Consulting others

Our assets are provided, and procurement carried out, in support of these core values.

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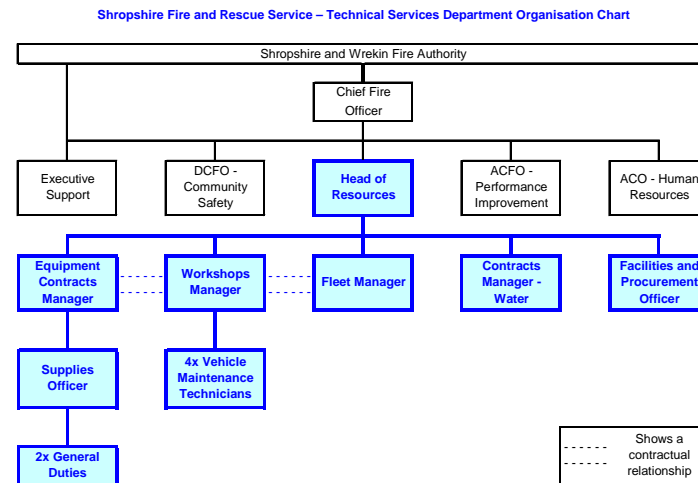
Our Asset Management and Procurement Capacity

Assets are managed by the Resources Department, which is structured as two distinct, but closely-related, teams responsible for ensuring the provision of appropriate resources and supplier support to the Service.

The Technical Services Team provides the specialist skills required to manage the range of resources and suppliers used by the Service. The team also provides procurement and environmental management for the whole Service.

The Service's Workshops provide an in-house maintenance service for vehicles and specialist equipment, managed by the Workshops Manager.

These roles are all supported by a number of suppliers, maintenance contractors and consultants.



On behalf of the Service, the Resources Department has achieved the ISO 9001 Quality Management standard for its Asset Management and Procurement activities and is registered with the British Standards Institution (BSi).

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Implementation

Asset management and procurement forms part of the Resources Department Business Plan.

Each asset management plan has an identified lead person to take responsibility for its implementation.

Procurement Brigade Orders define officers responsible for their implementation.

Monitoring and Evaluation

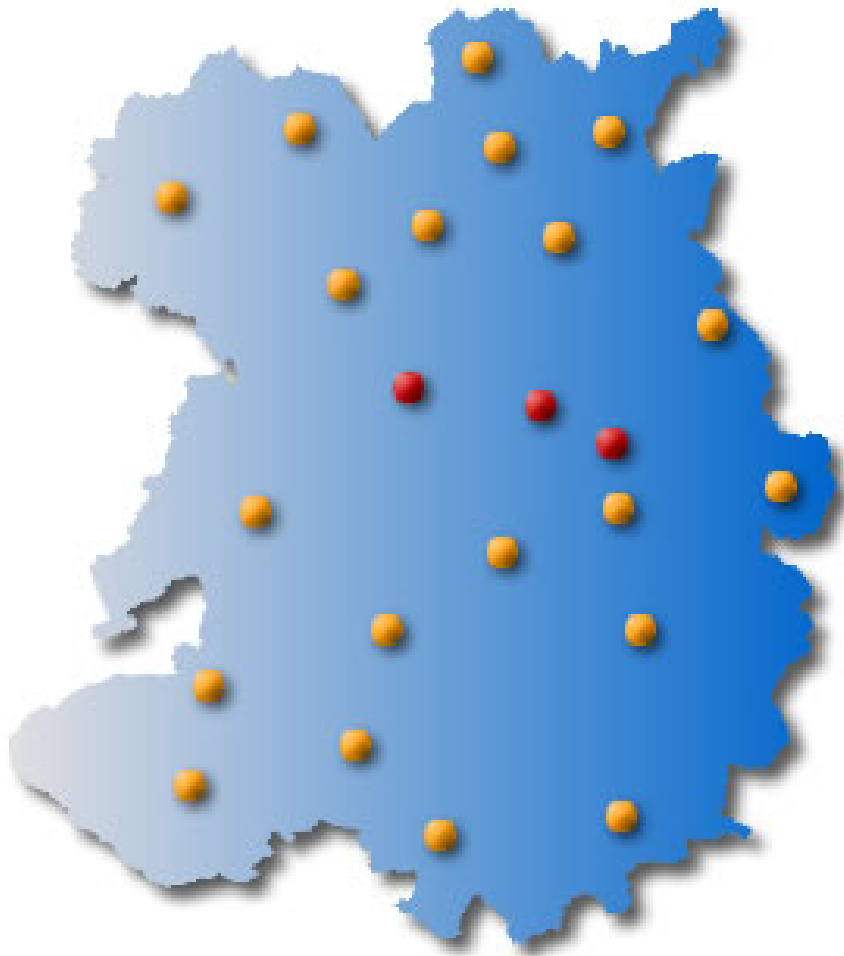
All departmental plans are monitored by the Audit and Performance Management Committee, which meets quarterly.

An annual Asset Stewardship report is considered by the Strategy and Resources Committee.

The Strategy is available to all staff and will be published on the website.

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Asset Locations



Fire Station Locations

Wholetime

Shrewsbury
Wellington
Telford Central

Retained

Whitchurch
Ellesmere
Market Drayton
Prees
Oswestry
Wem
Hodnet
Baschurch
Newport
Albrighton
Tweedale
Minsterley
Much Wenlock
Bridgnorth
Church Stretton
Bishop's Castle
Craven Arms
Clun
Clebury Mortimer
Ludlow

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Fire Service Asset and Procurement Needs

The Fire Authority's assets are procured and provided solely to support Fire Service activities to meet the Authority's 5 strategic aims. Assets are not provided for income generation, social or community development purposes. However, where existing property may be suitable, the Brigade will consider investment in the property to enable this use.

The standard asset needs have been developed using the following structure:

Strategic Aim	Activities	Assets required to support activities	Procurement required to support activities
1. Reduce the risk to life and material loss from fire and other emergencies in the community	Community fire safety	Community facilities Vehicles Educational and demonstration equipment Uniform clothing	Contracts for provision of equipment. Contracts for provision of information resources design, media advice and advertising services
2. Save life, protect property and the environment from fire and other emergencies	Fire fighting Rescue	Fire stations Fire appliances Equipment Protective equipment Hydrants	Contracts for purchase and maintenance of equipment and resources. Contracts for provision of waste disposal and environmental services
3. Secure the highest level of safety and welfare for all staff by providing effective supervision, training, equipment and systems of work	Supervision Training Equipment provision	Office accommodation Training facilities and equipment	Contracts for purchase and maintenance of equipment and resources. Contracts for provision of training. Contracts for provision of health, safety and welfare services.

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Strategic Aim	Activities	Assets required to support activities	Procurement required to support activities
4. Provide a service that demonstrates quality and Best Value in Service provision	Effective management of assets and procurement	Well maintained assets which meet Service needs	Well managed procurement to deliver Service needs
5. Provide a service committed to the highest levels of equality and fairness	Staff development Community support	Office accommodation Community facilities Training facilities 'Dignified facilities' Equipment suitable for use by a diverse workforce.	Contracts for purchase and maintenance of equipment and resources Sustainable and ethical procurement

Sustainability and Environmental Impact

Sustainable Management of Assets

The Service will seek to operate assets, which are sustainable in their manufacture (construction), use and disposal. To achieve this we will seek to do the following:

- Manufacture or Construction
 - Use suppliers with appropriate environmental and sustainability policies
 - Incorporate environmental standards into our specifications and tender evaluation, including:
 - Environmental impacts
 - Materials selection (recycled and low impact materials)
 - Consideration of end-of-life disposal (design for dismantling and material selection)

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- Use
 - Review sustainability in use and consider improvement actions
 - Use assets efficiently
 - Maximise the life of the asset through effective maintenance
 - Use recycled or low impact components during maintenance
- Disposal
 - Consider the impact when deciding how to dispose of assets when it no longer meet our needs
 - Seek disposal in a way which ensures re-use
 - Consider end-of-life disposal during purchase

Sustainable Procurement

Shropshire Fire and Rescue Service will endeavour to meet its needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the Service, but also to society and the economy, whilst minimising damage to the environment.

We will attempt to consider the environmental, social and economic consequences of:

- Design
- Non-renewable material use
- Manufacture and production methods
- Logistics
- Service delivery
- Use
- Operation
- Maintenance
- Re-use, recycling options and disposal and
- Suppliers' capabilities to address these consequences throughout the supply chain

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This approach will assist the Service in supporting the UK sustainable development strategy, which sets out four key priority areas for action:

- Sustainable consumption and production
- Climate change and energy
- Protecting natural resources
- Creating sustainable communities and a fairer world

The Service has an ethical purchasing policy, which addresses the sustainability and environmental impact of our suppliers.

Equality and Diversity

An initial equality impact assessment has been carried out on this policy. There are no discriminatory practices or differential impacts upon specific groups arising from this policy.

The Service will seek to operate assets and procurement processes, which support the Service's equality and diversity policies. Actions to achieve this may include:

- Use of appropriate suppliers and suppliers with appropriate equality and diversity policies
- Incorporating equality and diversity standards into our specifications and tender evaluation, including:
 - Weight, positioning and ergonomics
 - Sizing, fit and religious or cultural preferences for clothing and personal protective equipment
 - Provision of building facilities and signage
- Making reasonable adjustments or considering alternative equipment provision to meet individual needs, where possible.