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Overview Category Strategy – FM & Construction (under development)

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CATEGORY STATUS OVERVIEW

Key Contacts	Status	RAG
Sponsor Category Lead: DCFO Mark Arkwell (Royal Berkshire Fire and Rescue Service) - arkwellm@RBFRS.co.uk **Category Commercial Lead: Elli Nikolaou (NFCTP)**	Detailed spend and supplier analysis has been undertaken across all Level 1 and Level 2 Categories. It is noted that this includes the Level 1 Stationery Category, which is currently incorrectly allocated to the Professional Services FRS Category overall spend. The Category Prioritisation Matrix has also been populated and shared with the attendees of the most recent NFEG meeting. It will now be discussed in greater detail with the Category Sponsor prior to sharing it with individual FRS Estates Managers for their feedback / buying in.	

Category Description

The FM & Construction FRS Category encompasses the following Level 1 spend areas (listed in order of total spend – highest to lowest – based on FY 2019/2020 FRS **reported** expenditure):

1.Works – Construction; 2. Facilities and Management Services; 3. Utilities, 4. Environmental Services, 5. Consultancy (only related to property matters), 6. Building Construction Materials, 7. Catering, 8. Furniture & Soft Furnishings, 9. Horticultural, 10. Stationery, 11. Sports and Playground Equipment & Maintenance, 12. Mail Services and 13. Highway Equipment and Materials

N.B: The FY 19/20 data does not include spend for: Cornwall, Staffordshire, Hertfordshire, North Yorkshire, East Sussex, Scotland, Wales and Northern Ireland.

FM & Construction (based on reported FY 19/20 data - £166.9m)

Works – Construction

- £82.6m total spend across 1,018 suppliers
- 49.37% of total FM & Construction spend
- Wide geographical supplier coverage - top 10 suppliers contribute 49% to total spend
- ROI / Minor Works DPS – **P1**

Facilities & Management Services

- £48.9m total spend across 1,825 suppliers
- 29.47% of total FM & Construction spend
- Relatively high FRS synergy - top 10 suppliers contribute 64% to total spend
- Aggregated outsourcing & in-contract savings - **P1**

Utilities

- £18.5m total spend across 104 suppliers
- 11% of total FM & Construction spend
- High FRS synergy - top 10 suppliers contribute 77% to total spend
- Collaborative purchasing with optimised contract terms = better rates – **P2**

Environmental Services

- £5.1m total spend across 231 suppliers
- 3.1% of total FM and Construction spend
- Relatively high FRS synergy – top 10 suppliers contribute 60% to total spend
- £1.5m spend with Bureau Veritas
- Quick wins in some Level 2 areas – **P1**

Key Stakeholders

- NFEG – National Fire Estates Group
- NPEG – National Police Estates Group
- NFCC – National Fire Chiefs Council
- NFCTP – National Fire Commercial Transformation Programme
- Individual Fire and Rescue Services
- FM & Construction Supplier Base
- Other National Category Leads
- Home Office
- Current FM & Construction supply chain
- Other Bluelight Bodies
- Public Buying Organisations (PBOs) including but not limited to Crown Commercial Service, ESPO and YPO

The top four (4) Level 1 Categories of spend represent 92.94% of the overall FM & Construction spend

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CATEGORY STATUS OVERVIEW

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Consultancy

- ***Only relates to the Property Level 2 Category***
- £1.1m total spend across 16 suppliers
- 0.66% of total FM & Construction spend
- High FRS synergy - top 10 suppliers contribute 98% to total spend
- It is noted that consultancy (incl. legal) costs are much higher but hidden in other Level 1 Categories
- Reduction of costs via sharing docs and lessons learned – **P2**

Building Construction Materials

- £2.9m total spend across 269 suppliers
- 1.73% of total FM & Construction spend
- The supplier base is too wide for the overall level of annual spend for such category - large supplier geographical coverage from local and regional supply chains for the majority of the Level 2 sub-categories – top 10 suppliers contribute just 36% to total spend
- Better pricing to be achieved by way of offering the market aggregated / volume-based opportunities (DPS with non exclusivity provisions) – **P2**

Catering

- £2.6m total spend across 716 suppliers
- 1.55% of total FM & Construction spend
- High level of spend disaggregation (total of 716 suppliers) for a category containing commodity products.- top 10 suppliers contribute just 42% of total spend
- Within the highest spend Level 2 sub-category (Food and Beverages) Brake Bros and Bidvest Group hold 51% of the total spend
- Opportunity for 'quick win' savings via aggregated purchasing and renegotiation of existing contracts – **P1**

Furniture & Soft Furnishings

- £1.8m total spend across 127 suppliers
- 1.08% of total FM and Construction spend
- Various levels of disaggregation across the top 10 FRS – top 10 suppliers contribute 54% of total spend
- £1.5m spend with Bureau Veritas
- Although it is noted that savings can be achieved either by way of contract negotiations or regional collaborative procurements, this is an area that will be very much affected by future working patters and estate planning – **P2 for top 3 Level 2 sub-categories**

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CATEGORY STATUS OVERVIEW

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N.B: The FY 19/20 data does not include spend for: Cornwall, Staffordshire, Hertfordshire, North Yorkshire, East Sussex, Scotland, Wales and Northern Ireland.

Horticultural

- £1m total spend across 16 suppliers
- 0.66% of total FM & Construction spend
- High spend aggregation - top 10 suppliers contribute 73% of total spend
- The Horticultural – General Level 2 sub-category (98.95% of Level 1 overall spend) represents a quick-win savings opportunity both from an in-contract and an aggregation perspective (albeit at a regional rather than national level) – **P2**

Stationery

- £983k total spend across 83 suppliers
- 0.59% of total FM & Construction spend
- High FRS synergy - top 10 suppliers contribute 87% of total spend
- It is noted that the primary stationery suppliers are also paper providers – to be reviewed in conjunction with MFDs provision
- £448k of total annual spend with Banner Group - ability to achieve 'quick win' savings - **P1**

Sports & Playground Equipment

- £783k total spend across 48 suppliers
- 0.47% of total FM & Construction spend
- High FRS synergy - top 10 suppliers contribute 88% of total spend
- High concentration of spend on a single supplier (£360k in FY19/20 with Fitness Warehouse / Gym Gear across vast majority of FRS) - savings can be achieved via collaborative procurement exercises and by commissioning jointly the purchase and maintenance of equipment – **P1 for top two Level 2 sub-categories**

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CATEGORY STATUS OVERVIEW

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The FM & Construction FRS Category encompasses the following Level 1 spend areas (listed in order of total spend – highest to lowest – based on FY 2019/2020 FRS **reported** expenditure):

1.Works – Construction; 2. Facilities and Management Services; 3. Utilities, 4. Environmental Services, 5. Consultancy (only related to property matters), 6. Building Construction Materials, 7. Catering, 8. Furniture & Soft Furnishings, 9. Horticultural, 10. Stationery, 11. Sports and Playground Equipment & Maintenance, 12. Mail Services and 13. Highway Equipment and Materials
N.B: The FY 19/20 data does not include spend for: Cornwall, Staffordshire, Hertfordshire, North Yorkshire, East Sussex, Scotland, Wales and Northern Ireland.

Mail Services

- £611k total spend across 994 suppliers
- 0.37% of total FM & Construction spend
- High disaggregation of spend despite top 10 suppliers contributing 61% of total spend
- Total number of suppliers is significantly disproportionate to the level of spend, however when closely examining the suppliers it is noted that many FRS account for the costs of delivering goods (in most cases operational equipment) as a separate transaction
- Minimal interest to the FM & Construction FRS Category – **P3**

Highway Equipment & Materials

- £39k total spend across 14 suppliers
- 0.02% of total FM & Construction spend
- Top 10 suppliers contribute 98% of total spend
- Mostly local suppliers used - highest spend supplier is Drainology Ltd (£9k) - only 11 FRS have reported spend - minimal interest to the FM & Construction FRS Category – **P3**

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STRATEGIC OBJECTIVES

The implementation of this Category Strategy is intended to provide Fire Authorities and, where possible their Bluelight and wider public sector partners, with the opportunity to support them in the delivery of their corporate objectives as well as the national deliverables set out by the Fire Commercial Transformation Programme in collaboration with NFCC and the Home office by way of:

- Simplifying and reducing delivery timescales of commissioning activities by modernising and standardising procurement and technical documents, thus leading to reduced indirect resourcing costs and prompter contract implementation;
- Achieving in contract savings and improvement of performance standards by re-negotiating current contracts which have been separately commissioned by Fire and Rescue Services, albeit held by the same contractors;
- Reviewing current FM & Construction contractual models and risk profiles with the view of establishing a more commercial thinking and achieving commercial efficiencies;
- Interrogating the results of the FM & Construction Category spend analysis with the view of identifying supply and demand trends, FRS synergies and opportunities for collaborative procurements leading to cashable savings due to aggregation of spend and economies of scales;
- Implementing a Strategic Supplier Engagement Programme, which will include a coordinated approach to the management of FM & Construction current and future key suppliers;
- Creating a joint platform of addressing common issues and challenges;
- Promoting effective communication and transparency between Fire and Rescue Services and supply chains.

In striving to achieve these objectives, the Strategy will also seek to consider its impact on:

- Ensuring delivery of local strategic and operational requirements
- Providing the resources needed to deliver simplification, standardisation, collaboration, aggregation
- Market price increases linked to Brexit and the Covid-19 recovery period;
- Future use of estates resulting from a review of working patterns across FRS;
- Funding challenges emanating from decarbonising Emergency Services

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SUPPLIER FRAGMENTATION ANALYSIS

FM & Construction (based on reported FY 19/20 data - £166.9m)

The FM & Construction supplier base has been analysed using the criteria below for the purpose of ascertaining the level of supplier fragmentation and spend disaggregation across the UKFRS, as well as looking at behavioural spending trends for individual Fire and Rescue Services. These observations will assist in streamlining the supplier base, formulating Category Plans and the wider FM & Construction Category Strategy: - PLEASE APPLY 2-3% TOLERANCE TO ACCOUNT FOR ROUNDING OF SOME FIGURES

- ***% of spend from the top 20% of suppliers per Level 1 Category;***
- ***FRS with 65% or below of their total Level 1 Category spend from their top 20% suppliers (long tail spend criterion)***

The above analysis has been undertaken for the previous three Financial Years (FY 17/18, FY 18/19 and FY 19/20), however only the findings for FY 19/20 have been recorded below.

Works – Construction

- 92% spend from top 20% suppliers – better position than previous FYs;
- 12 FRS with long tail spend out of the 38 FRS who reported spend (31.54%);
- The top five suppliers contribute 35.47% of the total spend (steady increase from the previous Financial Years);
- Average spend with top 20% suppliers is £374k – better position that previous two FYs);
- Average spend with bottom 80% suppliers is £8k

Facilities & Management Facilities Services

- 93% spend from top 20% suppliers – slightly reduced from FY 18/19 (95%);
- 6 FRS with long tail spend out of the 38 FRS who reported spend (15.79%);
- The top five suppliers contribute 46.82% of the total spend but only cover just 4 FRS;
- Average spend with top 20% suppliers is £173k;
- Average spend with bottom 80% suppliers is £3,200

Utilities

- 92% spend from top 20% suppliers – slight reduction from previous FYs;
- 15 FRS with long tail spend out of the 39 FRS who reported spend (38.46%);
- The top four suppliers contribute 52.97% of the total spend – similar levels to the previous Financial Years;
- Average spend with top 20% suppliers is £851k;
- Average spend with bottom 80% suppliers is £17,600

Environmental Services

- 88% spend from top 20% suppliers – slight deep but in fact a better position due to a reduction in the number of suppliers;
- Level 2 Waste Management Category – 28.48% reduction in supplier base; Top four suppliers = 48.20% of spend
- 20 FRS with long tail spend out of 38 FRS who reported spend (52.63% - a 15.79% increase from FY 18/19);
- Average spend with top 20% suppliers is £97k;
- Average spend with bottom 80% suppliers is £3,300

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SUPPLIER FRAGMENTATION ANALYSIS

FM & Construction (based on reported FY 19/20 data - £166.9m)

The FM & Construction supplier base has been analysed using the criteria below for the purpose of ascertaining the level of supplier fragmentation and spend disaggregation across the UKFRS, as well as looking at behavioural spending trends for individual Fire and Rescue Services. These observations will assist in streamlining the supplier base, formulating Category Plans and the wider FM & Construction Category Strategy: - PLEASE APPLY 2-3% TOLERANCE TO ACCOUNT FOR ROUNDING OF SOME FIGURES

- ***% of spend from the top 20% of suppliers per Level 1 Category;***
- ***FRS with 65% or below of their total Level 1 Category spend from their top 20% suppliers (long tail spend criterion)***

The above analysis has been undertaken for the previous three Financial Years (FY 17/18, FY 18/19 and FY 19/20), however only the findings for FY 19/20 have been recorded below.

Consultancy

- ***Only relates to the Property Level 2 Category***
- A Supplier Fragmentation Analysis (71% spend from top 20% suppliers) has been undertaken however the expenditure allocated against this Level 2 Property Category it is not representative of all FM & Construction Consultancy spend. As such, the findings cannot be taken into consideration as they would not provide an accurate overall picture.

Building Construction Materials

- 73% spend from top 20% suppliers – more or less stable across the three (3) FYs;
- Very high levels of spend disaggregation, especially in relation to the supply of timber – 26 FRS with long tail spend out of 39 FRS who reported spend (66.66% - that is 14% increase from the previous FY 18/19);
- The top four suppliers contribute just 21.69% of the total spend
- Average spend with top 20% suppliers is £40k;
- Average spend with bottom 80% suppliers

Catering

- 93% spend from top 20% suppliers – steady increase from the previous two FYs;
- High levels of disaggregation – 17 FRS with long tail spend out of the 39 FRS who reported spend (43.6% - a 10% increase from FY 18/19);
- The top four supplies contribute just 22.88% of the total spend;
- Brake Bros Food Service Ltd (top supplier) has seen its market share slowly but steadily increasing;
- Average spend with top 20% suppliers is £17k;
- Average spend with bottom 80% suppliers is £317

Furniture & Soft Furnishings

- 76% of spend from top 20% suppliers – reduction from previous FYs;
- 21 FRS with long tail spend out of 39 FRS who reported spend (53.85% - an 11.74% increase from the previous FY 18/19);
- The top three suppliers contribute 32.11% of the total spend – Thomas Kneale & Co Ltd is the top supplier used by 19 FRS;
- Average spend with top 20% suppliers is £55k;
- Average spend with bottom 80% suppliers is £4,200

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SUPPLIER FRAGMENTATION ANALYSIS

FM & Construction (based on reported FY 19/20 data - £166.9m)

The FM & Construction supplier base has been analysed using the criteria below for the purpose of ascertaining the level of supplier fragmentation and spend disaggregation across the UKFRS, as well as looking at behavioural spending trends for individual Fire and Rescue Services. These observations will assist in streamlining the supplier base, formulating Category Plans and the wider FM & Construction Category Strategy: - PLEASE APPLY 2-3% TOLERANCE TO ACCOUNT FOR ROUNDING OF SOME FIGURES

- ***% of spend from the top 20% of suppliers per Level 1 Category;***
- ***FRS with 65% or below of their total Level 1 Category spend from their top 20% suppliers (long tail spend criterion)***

The above analysis has been undertaken for the previous three Financial Years (FY 17/18, FY 18/19 and FY 19/20), however only the findings for FY 19/20 have been recorded below.

Horticultural

- 78% spend from top 20% suppliers in FY 19/20 – Similar position as in FY 17/18 but slight deep in FY 18/19;
- Two (2) FRS with long tail spend out of the 28 FRS who reported spend (7.14%);
- The top three suppliers contribute 41.8% of the total spend;
- Average spend with top 20% suppliers is £65k;
- Average spend with bottom 80% suppliers is £4,300

Stationery

- 93% spend from top 20% suppliers in FY 19/20 - a slight increase from FY 18/19;
- The top four suppliers contribute 58.3% of the total spend;
- Banner Business Supplies Ltd (top supplier) contribute 45.60% and their market share has been steadily increasing;
- 4 FRS with long tail spend out of the 39 FRS who reported spend (10.26%);
- Average spend with top 20 % suppliers is £57k;
- Average spend with bottom 80% suppliers is £1k

Sports & Playground Equipment

- 86% spend from top 20% suppliers in FY 19/20 – a slight increase from the previous FY 18/19 but still lower than FY 17/18;
- No FRS with long tail spend;
- The top two suppliers contribute 59.77% of the total spend and the top supplier (Fitness Warehouse Ltd t/a Gym Gear) contribute 45.98%);
- Average spend with top 20% suppliers is 75k;
- Average spend with bottom 80% suppliers is £2,800

SUPPLIER FRAGMENTATION ANALYSIS

FM & Construction (based on reported FY 19/20 data - £166.9m)

The FM & Construction supplier base has been analysed using the criteria below for the purpose of ascertaining the level of supplier fragmentation and spend disaggregation across the UKFRS, as well as looking at behavioural spending trends for individual Fire and Rescue Services. These observations will assist in streamlining the supplier base, formulating Category Plans and the wider FM & Construction Category Strategy: - PLEASE APPLY 2-3% TOLERANCE TO ACCOUNT FOR ROUNDING OF SOME FIGURES

- ***% of spend from the top 20% of suppliers per Level 1 Category;***
- ***FRS with 65% or below of their total Level 1 Category spend from their top 20% suppliers (long tail spend criterion)***

The above analysis has been undertaken for the previous three Financial Years (FY 17/18, FY 18/19 and FY 19/20), however only the findings for FY 19/20 have been recorded below.

Mail Services

- ***A Supplier Fragmentation Analysis will not be completed for this Level 1 Category due to the fact the majority of the transactions relate to delivery costs for a variety of goods, ranging from ICT equipment, operational equipment and clothing. It is therefore considered that any analysis of the supplier base for this Level 2 Category (based on the transactions allocated against it) will produce a distorted view of the supplier base.***

Highway Equipment & Materials

- 42% spend from top 20% suppliers in FY 19/20 – Substantial reduction from previous FY 18/19 (76% spend from top 20% suppliers);
- 11 FRS reported spend;
- No FRS with long tail spend;
- The top three suppliers contribute 51.28% of the total spend;
- Average spend with top 20% suppliers is £8,190;
- Average spend with bottom 80% suppliers is £1,885

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PRIORITY STATUS 1 (P1) CATEGORIES

Please note that following completion of the spend analysis, it was decided that the delivery of category plans for the Level 2 Testing and Inspection Category and the Level 2 Advertising Category will be assigned to the Professional Services Category.

Level 2 Category	Description
Buildings	This is the highest spend sub-category under the Works – Construction Level 1 Category (49.37% of total FM & Construction spend) and it includes major and minor construction, building re-configuration and re-development projects. The level of expenditure is very much dependent upon the individual FRS capital programmes and availability of funding. There are three types of potential savings: a. consultancy and procurement cost savings, b. design and build cost savings and c. new build running costs. It is acknowledged that construction and building materials costs have substantially increased during the last 12 months and this, along with achieving zero CO2 emissions and decarbonising the emergency services, will have a significant impact on budgets. It is also acknowledged that capital programmes for the next FY will not be finalised until FRS have completed their respective Estates Analysis to take into account the impact on the use of estates from post-Covid staff working models once these are agreed. As such, the first spend area to be targeted will be minor works It is currently not known what % of spend minor works represent but further spend analysis will be undertaken.
Property Management / Cleaning & Janitorial	These are the two highest spend sub-categories under the Facilities and Management Services Level 1 Category (29.47% of total FM & Construction spend). Property management expenditure increased by £12.5m from the previously reported FY 2018/19 with a total spend for FY 2019/20 of £29.4m across 51 suppliers. Cleaning and Janitorial expenditure (covering both provision of services and related consumables) has been relatively stable during the last 3 FYs ranging between £7.5m and £8m. It is noted that although the supplier base has been progressively decreasing, the spend aggregation levels amongst FRS have not increased as anticipated and the top 3 suppliers contribute to just 7 FRS (one being LFB - £1.9m). In terms of Property Management, the first area of spend to be targeted will be planned and unplanned maintenance.

PRIORITY STATUS 1 (P1) CATEGORIES

Level 2 Category	Description
Waste Management	Bywaters (Leyton) Ltd (£391k), who were solely commissioned by LFB, the other top two suppliers are SITA UK (Ltd) (£253k) and Veolia ES (UK) Limited (£120K). These three suppliers represent 48% of the total spend. Below that, there is a very wide supplier base when compared against the total annual spend (£1.6m for FY 19/20) for services which can be standardized - opportunity for 'quick win' savings as a result of collaborative procurement both within and outside of the Bluelight Services arena. It is also noted that at the time when this version 0.8 High Level Category Plan was drafted, there is an ongoing investigation from the Competition and Markets Authority into Veolia's proposed acquisition of Suez Group, which intends to include the appropriation of Suez Recycling and Recovery UK. Should the acquisition of Suez's business in the UK is realized, it would further strengthen Veolia's market share in the UK Fire Sector and possibly affect future levels of competition.

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P1 LEVEL 2 CATEGORY SPEND – BUILDINGS

Level 3 Sub-Category	£	% of Level 2 Category Spend	No of Suppliers
Buildings - General	£31m	46.97%	175
Construction	£24.3m	36.82%	39
Repair & Maintenance	£9.8m	14.85%	511
Roofing	£727k	1.10%	26
Surveys	£188k	0.28%	22

Source: Jaggaer FRS Spend Data for FY 2019 / 20 as reported by Fire and Rescue Services (except for: Cornwall FRS, Staffordshire FRS, East Sussex FRS, Hertfordshire FRS, North Yorkshire FRS, Scotland, Wales and Northern Ireland)

Total Level 2 Buildings Spend: £66m / 723 suppliers

The top 10 suppliers contribute 60% to the overall Level 2 Category Spend

N.B: Future pipelines will be interrogated and discussed within individual FRS as well as NFEG for the purpose of aligning needs and identifying collaborative procurement opportunities.

TOP 5 SUPPLIERS (JAGGAER REPORTED SPEND FOR FY 19/20)
1. ISG Construction Ltd
£7.9m total spend (2 FRS – Cheshire £7.8m)
2. Kingerlee
£6m total spend (1 FRS - Buckinghamshire)
3. Blue 3 (Staffs) Limited (*also appear under the Property Management Level 2 Category)
£5.7m total spend (1 FRS - LFB)
4. Wates Group
£4.7m total spend (1 FRS - Merseyside)
5. McPhillips
£4.5m total spend (1 FRS – Hereford & Worcester)

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P1 LEVEL 2 CATEGORY DRIVERS – BUILDINGS

Objective/metric: To be determined in line with the findings of the spend analysis and category prioritisation matrix. A Benefits Realisation Plan will be produced and agreed with NFEG

Resource availability status	
Stakeholder complexity	

Start date	End date	Overall status at
1st January 2022	TBD	07/12/2021

Key Drivers	Actions	RAG	Comments
ESG	TBD		Not started
FRS synergy/ standardisation	TBD		Not started
Blue Light synergy	TBD		Not started
Operational benefits	TBD		Not started
Cost savings	TBD following key suppliers and UKFRS engagement		Not started

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P1 LEVEL 2 CATEGORY SPEND – PROPERTY MANAGEMENT

Level 3 Sub-Category	£	% of Level 2 Category Spend	No of Suppliers
Property Management - General	£29.4m	100%	51

TOP 5 SUPPLIERS (JAGGAER REPORTED SPEND FOR FY 19/20)
1. Balfour Beatty
£7.2m total spend (1 FRS – Merseyside)
2. Collaborative Services Support (NE) Limited
£4.9m total spend (1 FRS - Northumberland)
3. TW Accommodation Services
£4.5m total spend (1 FRS – Tyne & Wear)
4. Blue 3 (Staffs) Limited
£3.4m total spend (1 FRS - Gloucestershire)
5. Land Group
£3.1m total spend (1 FRS – Suffolk)

Source: Jaggaer FRS Spend Data for FY 2019 / 20 as reported by Fire and Rescue Services (except for: Cornwall FRS, Staffordshire FRS, East Sussex FRS, Hertfordshire FRS, North Yorkshire FRS, Scotland, Wales and Northern Ireland)

Total Level 2 Property Management Spend: £29.4m / 51 suppliers

The top 10 suppliers contribute 95% to the overall Level 2 Category Spend

N.B: Future pipelines will be interrogated and discussed within individual FRS as well as NFEG for the purpose of aligning needs and identifying collaborative procurement opportunities.

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P1 LEVEL 2 CATEGORY DRIVERS – PROPERTY MANAGEMENT

Objective/metric: To be determined in line with the findings of the spend analysis and category prioritisation matrix. A Benefits Realisation Plan will be produced and agreed with NFEG

Resource availability status	
Stakeholder complexity	

Start date	End date	Overall status at
1st January 2022	TBD	07/12/2021

Key Drivers	Actions	RAG	Comments
Commercial Improvement	TBD		Not started
FRS / Bluelight Synergy and Standardisation	TBD		Not started
ESG	TBD		Not started
Operational Benefits	TBD		Not started
Cost savings	TBD following further detailed spend analysis of constituent parts and engagement with internal and external stakeholders		Not started

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P1 LEVEL 2 CATEGORY SPEND – CLEANING & JANITORIAL

Level 3 Sub-Category	£	% of Level 2 Category Spend	No of Suppliers
Cleaning Service	£5.8m	72.50%	76
Laundry Service	£915k	11.44%	15
Cleaning Materials	£792k	9.90%	85
Cleaning & Janitorial - General	£439k	5.50%	22
Laundry Equipment	£48k	0.60%	6
Washroom Sanitation Service	£20k	0.25%	3
Laundry Equipment Maintenance	£2k	0.025%	1

Source: Jaggaer FRS Spend Data for FY 2019 / 20 as reported by Fire and Rescue Services (except for: Cornwall FRS, Staffordshire FRS, East Sussex FRS, Hertfordshire FRS, North Yorkshire FRS, Scotland, Wales and Northern Ireland)

Total Level 2 Cleaning and Janitorial Spend: £8m / 187 suppliers

The top 10 suppliers contribute 65% to the overall Level 2 Category Spend

N.B: Future pipelines will be interrogated and discussed within individual FRS as well as NFEG for the purpose of aligning needs and identifying collaborative procurement opportunities.

TOP 5 SUPPLIERS (JAGGAER REPORTED SPEND FOR FY 19/20)
1. Interserve Plc (*currently in administration)*
£1.9m total spend (1 FRS – LFB)
2. Solo Services Group
£686k total spend (4 FRS)
3. Elite Cleaning and Environmental Services Limited
£503k total spend (2 FRS)
4. Berendsen UK Limited
£431k total spend (11 FRS)
5. Monthind Limited
£303k total spend (1 FRS – Essex)

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P1 LEVEL 2 CATEGORY DRIVERS – CLEANING & JANITORIAL

Objective/metric: To be determined in line with the findings of the spend analysis and category prioritisation matrix. A Benefits Realisation Plan will be produced and agreed with NFEG

Resource availability status	
Stakeholder complexity	

Start date	End date	Overall status at
1st November 2021	31st March 2023	07/12/2021

Key Drivers	Actions	RAG	Comments
Commercial Improvement	TBD by 31/12/2021		Not started
FRS / Bluelight Synergy and Standardisation	TBD by 31/12/2021		Not started
ESG	TBD by 31/12/2021		Not started
Operational Benefits	TBD by 31/12/2021		Not started
Cost savings	TBD following key suppliers and UKFRS engagement		Not started

P1 LEVEL 2 CATEGORY SPEND – WASTE MANAGEMENT

Level 3 Sub-Category	£	% of Level 2 Category Spend	No of Suppliers
Waste Management - General	£782k	48.88%	35
Waste Disposal	£202k	12.63%	35
Waste Collection	£196k	12.25%	37
Recycling	£147k	9.19%	5
Sewerage	£116k	7.25%	3
Waste Collection for Recycling	£79k	4.94%	6
Consumables	£67k	4.20%	15
Abandoned Vehicles	£6k	0.40%	2
Toxic and Hazardous Waste	£5k	0.32%	8

Source: Jaggaer FRS Spend Data for FY 2019 / 20 as reported by Fire and Rescue Services (except for: Cornwall FRS, Staffordshire FRS, East Sussex FRS, Hertfordshire FRS, North Yorkshire FRS, Scotland, Wales and Northern Ireland)

Total Level 2 Waste Management Spend: £1.6m / 108 suppliers

The top 10 suppliers contribute 71% to the overall Level 2 Category Spend

N.B: Future pipelines will be interrogated and discussed within individual FRS as well as NFEG for the purpose of aligning needs and identifying collaborative procurement opportunities.

TOP 5 SUPPLIERS (JAGGAER REPORTED SPEND FOR FY 19/20)
1. Bywaters (Leyton) Ltd
£391k total spend (1 FRS - LFB)
2. SITA UK Ltd
£253k total spend (9 FRS)
3. Veolia ES (UK) Limited
£120k total spend (10 FRS)
4. Southern Water
£77k total spend (1 FRS - Hampshire)
5. Grundon Waste Management Ltd
£58k total spend (3 FRS)

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P1 LEVEL 2 CATEGORY DRIVERS – WASTE MANAGEMENT

Objective/metric: To be determined in line with the findings of the spend analysis and category prioritisation matrix. A Benefits Realisation Plan will be produced and agreed with NFEG

Resource availability status	(green)
Stakeholder complexity	(amber)

Start date	End date	Overall status at
1st November 2021	31st March 2023	07/12/2021

Key Drivers	Actions	RAG	Comments
Commercial Improvement	TBD by 31/12/2021		Not started
FRS / Bluelight Synergy and Standardisation	TBD by 31/12/2021		Not started
ESG	TBD by 31/12/2021		Not started
Operational Benefits	TBD by 31/12/2021		Not started
Cost savings	TBD following key suppliers and UKFRS engagement		Not started

RISKS & OPPORTUNITIES

Risks

- Differing capital priorities and budgets
- Autonomous decision making at a local level
- Internal and external stakeholder buy-in
- Continuously increasing cost of construction work and materials due to Brexit and Covid – unavailability of key building materials (namely concrete and timber)
- Achievement of decarbonisation targets will require significant investment – financial benefits to be achieved as ROI
- Review of local Estates plans to embed revised working patterns and use of buildings may delay the delivery of some category strategies – this is also considering the fact that FRS are working on various speeds
- Low levels of collaboration amongst FRS and the wider Bluelight sector due to differing strategic objectives and / or appetite and / or differing pipeline timelines

Opportunities

- Review of how NFEG and relevant sub-groups operate with the view of increasing visibility, engagement, efficiency and benefits realisation
- Home Office focus on FM & Construction to support and promote engagement and results
- Closer collaboration between NFEG and NPEG
- Availability of PBO Frameworks
- Opportunity for quick-wins in non-emotive categories of spend where supplier aggregation is high

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SAVINGS TARGET

Category	Annual Expenditure (£m)	Savings Opportunity (%)	Savings Opportunity (£)
- Buildings (Level 2 under Works – Construction) - Mechanical & Engineering Services (Level 2 under Works – Construction) - Property Management (Level 2 under Facilities Management Services) - Cleaning & Janitorial (Level 2 under Facilities Management Services) - Testing & Inspection (Level 2 under Environmental Services) - Waste Management ((Level 2 under Environmental Services) - Catering (Level 1) - Stationery (Level 1) - Sports & Playground Equipment & Maintenance (Level 1)	£66m / Spend on pipeline TBC £5.8m / Spend on pipeline TBC £29.4m / Spend on pipeline TBC £8m / Spend on pipeline TBC £1.6m / Spend on pipeline TBC £1.6m / Spend on pipeline TBC £2.6m / Spend on pipeline TBC £983k / Spend on pipeline TBC £783k / Spend on pipeline TBC	*To be populated once initial engagement with Key Suppliers per Category and NFEG has been undertaken*	*To be populated once initial engagement with Key Suppliers per Category and NFEG has been undertaken*

Benchmarking & Data Summary

To be populated once initial engagement with Key Suppliers per Category has been undertaken

N.B The current version of the FM & Construction Prioritisation Matrix identifies the sub-categories of spend and attributes Level 1 (High), Level 2 (Medium) and Level 3 (Low) priorities to each one of them based on a set of criteria (including but not limited to spend, FRS synergy, innovation and social value benefits). The Prioritisation Matrix will be shared with NFEG as well as the FM & Construction National Strategic Task and Finish Group for the purpose of a. obtaining feedback, b. increasing transparency and maximising buying-in, c. sense-checking the findings and d. discussing any recommendations received with the Task and Finish Group, the National Procurement Hub and the market prior to concluding on the savings targets per sub-category.

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