

REPORT REFERENCE NO.	DSFRA/15/27
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	14 DECEMBER 2015
SUBJECT OF REPORT	TREASURER TO AUTHORITY – EXTENSION OF CONTRACT
LEAD OFFICER	Director of Corporate Services
RECOMMENDATIONS	<p><i>(a) that the extension by the Chief Fire Officer, of the appointment of the Treasurer (to 3 November 2017) at the revised contract rate indicated in this report, both in accordance with the terms of the initial contract, be endorsed; and</i></p> <p><i>(b) that a report be submitted to the Authority meeting in December 2016 on the process to secure an Authority Treasurer to serve post- November 2017.</i></p>
EXECUTIVE SUMMARY	This report invites the Authority to endorse the decision of the Chief Fire Officer in extending, in accordance with the contract documentation, the appointment of the current Authority Treasurer for a further two years (to 3 November 2017).
RESOURCE IMPLICATIONS	Costs associated with the appointment extension will be met from within existing resources.
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	The contents of this report are considered compatible with existing human rights and equalities legislation.
APPENDICES	Nil.
LIST OF BACKGROUND PAPERS	<p>A Report DSFRA/13/18 (Arrangements for the Appointment of Authority Treasurer) to September 2013 Authority meeting;</p> <p>B Minutes of the Treasurer’s Appointments Committee held on 16 October 2013 (as reported to the full Authority meeting on 24 February 2014).</p>

1. BACKGROUND

- 1.1 At its meeting held on 10 July 2013, the Authority considered a report of the Chief Fire Officer proposing a procurement process to secure the services of a Treasurer (and Proper Financial Officer) for the Authority following an earlier decision to reduce the overall size of the [then] Senior Management Team.
- 1.2 The Authority resolved to appoint a small Committee to oversee this process (Minute DSFRA/21 refers). The Committee subsequently met on three occasions between July and October 2013, initially to approve the procurement process to be followed, to consider the evaluation and interview process and finally to award the tender.
- 1.3 As a result of the above, KRW Financials Ltd. (the company established by Kevin Woodward, the former Treasurer to the Authority) was awarded a contract with Mr. Woodward appointed as an officer of the Authority to the post of Treasurer and, in the capacity of an officer of the Authority, was designated as the officer with responsibility for the proper administration of the Authority's financial affairs in accordance with the requirements of Section 112 of the Local Government Finance Act 1988.

2. CURRENT POSITION

- 2.1 The contract commenced on 4 November 2013 for an initial period of two years but with the option – at the sole discretion of the Authority – for this to be extended by a further period of two years to expire on 3 November 2017. The terms of the contract specify, amongst other things, that the option to extend shall be exercised on behalf of the Authority by the officer designated in the contract as the Supervising Officer – in this particular case, the Chief Fire Officer.
- 2.2 The contract also contains clauses for price adjustment on extension of the initial contract period – this to be the subject of negotiation and subject to the increase not exceeding the percentage change in the Office of National Statistics (ONS) Consumer Price Index (CPI) between the contract commencement date and six months prior to the end of the initial contract period.
- 2.3 There have been no adverse issues relating to performance over the last two years, with the Treasurer continuing to advise the Authority to a highly professional standard. Mr. Woodward has indicated that he is willing to extend the contract for a further 24 months (to November 2017). There was a 1% increase in Consumer Price Index between November 2013 and May 2015 and following negotiation Mr. Woodward has indicated that he would wish this to be applied.
- 2.4 Consequently, the Chief Fire Officer has written to the Treasurer to extend the contract for a further two years (to 3 November 2017), as provided for by the terms of the contract. It is anticipated that this arrangement will continue to furnish the Authority with high-quality, professional advice at a cost representing considerable savings on in-house appointment of a Treasurer, thereby representing good value for money for the Authority. As such, the Authority is now invited to endorse the extension of the contract.

- 2.5 It will be necessary, however, to undertake a process to identify a Treasurer to serve from November 2017 onwards. At this stage it is proposed that, as previously, this should be a procurement process and it is intended that a further report detailing the proposals should be submitted to the December 2016 Authority meeting for approval.

MIKE PEARSON
Director of Corporate Services