

FINANCIAL REGULATIONS WAIVERS 2023/24

Presented by the Head of Finance

SUMMARY

The purpose of this report is to provide Members with a list of waivers to Financial Regulations during the financial year 2023/24, in accordance with Financial Regulations (FR) 9.

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- 1 Financial Regulations (FR) 9 requires the Section 151 Officer to make an annual report to Authority of any waivers to the Regulations which have been agreed during the financial year.
- 2 Financial Regulations (FR) 9 also states that the Section 151 Officer in consultation and agreement with the Chief Executive or Deputy Chief Executive can allow exceptions to the Financial Regulations if it is believed that the interests of the Authority would be best served if the Regulations were not applied. The Section 151 Officer must keep a written record of any exceptions and submit an annual report to full Authority summarising such decisions. The Authority has a Service Level Agreement in place with the London Borough of Enfield (LBE) to provide to the Authority the services of a Section 151 Officer. All waivers have been approved by the relevant LBE officer and the Head of Finance has retained the written record of the exceptions on behalf of the Authority.
- 3 Financial Regulations were waived 20 times between April 2023 and March 2024 under delegated authority within Financial Regulations, with an approved value of £477,000. The total net value of Authority purchase in 2023/24 was £12.2m, made up of 7,014 separate invoices/credit notes. The value of Financial Regulations waivers accounted for 3.9% of total purchases.
- 4 Appendix A to this report lists the 2023/24 waivers and the reasons that they were agreed.
- 5 The waivers in 2023/24 were on the basis of:

- procuring from a single supplier as the only/specialist/bespoke supplier;
- insufficient time to seek alternative estimates, or complete a full tendering exercise;
- extension of existing contract; and
- purchase of second-hand equipment/vehicles when not possible to obtain comparable quotes/conduct full procurement exercise.

Wherever possible, where a full procurement exercise could not be completed, officers undertook research to understand if the prices quoted offered value for money, before any agreement to waive Financial Regulations was requested.

- 6 The Authority's Financial Regulations (FR) were last revised in October 2020, and following the changes in procurement regulations and practices brought in by the Procurement Act 2023, due to come into force in Autumn 2024, officers will be carrying out a review of our Financial Regulations to ensure they are compliant with new regulations. Along with this, it will provide us an opportunity to review threshold limits that have not changed since 2015, and also update Financial Regulations in line with current operations.

As our Financial Regulations are built around Public Sector Procurement regulations, as well as best practice within the public sector, because of the nature of some aspects of the Authority's business, there can be some tension between our procurement needs and Financial Regulations. This is especially true where we have specialist venues requiring bespoke solutions or specialist equipment.

Whilst Financial Regulations cannot be designed to meet every possible procurement situation, we need to ensure that they are fundamentally fit for purpose in a significant majority of cases. Where this is not possible, the ability to waive Financial Regulations is therefore required.

ENVIRONMENTAL IMPLICATIONS

- 7 There are no environmental implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

- 8 There are no financial implications arising directly from the recommendations in this report.

HUMAN RESOURCE IMPLICATIONS

- 9 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

- 10 There are no legal implications arising directly from the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

- 11 The standard terms and conditions for the Authority require payment for goods/services after they have been received. In some circumstances this may be waived but measures are taken to mitigate against the risk of potential loss.

These mitigation measures include, but are not limited to:

- value of the transaction is relatively low;
- due diligence checks on the company requesting payment in advance are carried out, e.g. verifying their latest set of accounts; previous transaction/work history with the company; checking their website and other sources of recent customer feedback; and
- where negotiable, only a deposit should be paid and final payment on receipt of goods to secure against potential loss.

EQUALITY IMPLICATIONS

- 12 There are no equality implications arising directly from the recommendations in this report.

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BACKGROUND REPORTS

Financial Regulations

October 2020

PREVIOUS COMMITTEE REPORTS

Authority	Paper A/4333/23	Financial Regulations Waivers 2022/23	27 April 2023
Authority	Paper A/4318/22	Financial Regulations Waivers 2021/22	28 April 2022
Authority	Paper A/4298/21	Financial Regulations Waivers 2020/21	29 April 2021

APPENDICES ATTACHED

Appendix A	List of Authority Financial Regulation Waivers 2023/24
Appendix B	Summary of relevant Financial Regulations

ABBREVIATIONS

FR	Financial Regulations
LBE	London Borough of Enfield

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Ref	Waiver Requested By	Waiver Agreed By	Reference	Approved	Fin Reg No	Reason for Waiver
1	Head of Asset Maintenance	Chief Executive Section 151 Officer (KB)	Email	07/06/2023	FR571	Estimated Value between £25,000 and the E.U. Thresholds White Water CCTV. Upgrade or existing system. By using the existing system, and purchasing from same supplier, there is no need to fully replace system. Different manufacturers equipment is available, but not compatible. Continuing with existing supplier significantly better value.
2	Corporate Director	Chief Executive Section 151 Officer (KB)	Email	03/04/2023	FR570	Estimated Value between £10,000 and £25,000 Campsite Booking System Extend support for software for additional three years. System used is specifically designed for LVRPA, and cost would be significant to redevelop with other party
3	Head of Parklands	Chief Executive Section 151 Officer (KB)	Email	16/05/2024	FR571	Estimated Value between £25,000 and the E.U. Thresholds Ranger Vehicles Purchase of new electric vehicles. Quotes actually obtained demonstrates robust process, but value of each vehicle £30k above threshold. Full procurement not practical for this type of purchase.
4	Head of Parklands	Chief Executive Section 151 Officer (KB)	Email	16/05/2024	FR571	Estimated Value between £25,000 and the E.U. Thresholds Meadows Cut Prior year Procurement exercise did not produce any bids, and waiver agreed in 2022. Quotes again sourced for 2023, and FR waiver to use same contractor as prior year. Our main GM contractor would sub-contract works to same supplier, but would charge a premium.
5	Corporate Director	Chief Executive Section 151 Officer (KB)	Email	18/07/2024	FR569	Estimated Value between £1,000 and £10,000 Crane replacement Purchase of second-hand crane at Stanstead Marina. Was only possible to obtain single quote due to specialist nature of equipment required

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6	Head of Asset Maintenance	Chief Executive Section 151 Officer (KB)	Email	30/08/2024	FR571	Estimated Value between £25,000 and the E.U. Thresholds Failed Chillers @ WWC Due to failure of chillers responsible for keeping the pump controls at White Water Centre in good working order. Use of original company to upgrade/replace system in order to be compatible with existing Building Management System (BMS). Use of separate supplier would require replacement of BMS as well, which is not practical cost wise
7	Head of Business Support	Deputy Chief Executive Section 151 Officer (KB)	Email	08/09/2023	FR569	Estimated Value between £1,000 and £10,000 Boat Removal Approached a number of different companies for removal and disposal of Ferrocement boat at Stanstead Marina. Only able to obtain single quote due to specialist nature of requires service
8	Head of Business Support	Deputy Chief Executive Section 151 Officer (KB)	Email	14/09/2023	FR569	Estimated Value between £1,000 and £10,000 Fibre Works at WWC Urgent works required to replace fibre cables at White Water prior to major event (ICF Slalom World Championships)
9	Corporate Director	Chief Executive Section 151 Officer (KB)	Email	26/09/2023	FR569	Estimated Value between £1,000 and £10,000 Commercial Boat Services For removal, storage, and disposal of boats at Marinas. As each task will be individual, exact pricing not available, so request to appoint the one contractor who has been identified as being able to provide the service. This will be reviewed after 12 months. However, contractor is one used by Canal & Rivers Trust (CRT), so has extensive experience of required service.

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10	Corporate Director	Chief Executive Section 151 Officer (KB)	Email	13/10/2023	FR569	Estimated Value between £1,000 and £10,000 Badger Set removal Initial survey undertaken by contractor identified badger sett in Waltham Abbey Gardens. Timing subject to licence from Natural England, and required to be done quickly, otherwise 9 month wait. Due to specialist nature, and that original contractor had already identified exact works required, waiver agreed to proceed
11	Head of Property	Chief Executive Section 151 Officer (KB)	Email	26/10/2023	FR571	Estimated Value between £25,000 and the E.U. Thresholds Ramme Marsh Studies Appointment of agents to undertake ground, access, and capacity studies on Ramme Marsh. Timescales to meet LVRPA & LBE requirements meant full procurement exercise not practical
12	Corporate Director	Chief Executive Section 151 Officer (KB)	Email	20/11/2023	FR569	Estimated Value between £1,000 and £10,000 Crane Service Service and certification of Crane. Only one company can provide the works, and as per 2023, FRs waived to allow to proceed.
13	Corporate Director	Deputy Chief Executive Section 151 Officer (KB)	Email	09/01/2024	FR569	Estimated Value between £1,000 and £10,000 Crane cable replacement Following service, subsequent works identified replacement of crane cable required. FRW24 company sourced and fit, and will obtain best price.
14	Head of Project & Funding Delivery	Deputy Chief Executive Section 151 Officer (KB)	Email	09/01/2024	FR569	Estimated Value between £1,000 and £10,000 MH Boiler repair Following failure of boiler at Myddelton House, quotes sourced for repair. Only possible to get quote from existing service company due to specialist nature of pellet boiler.
15	Head of Project & Funding Delivery	Chief Executive Section 151 Officer (AT)	Email	12/02/2024	FR569	Estimated Value between £1,000 and £10,000 MH Alarm Update Following theft of ground equipment at Myddelton House, extension of existing Alarm system to give better coverage of storage areas required.

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16	Head of Asset Maintenance	Deputy Chief Executive Section 151 Officer (AT)	Email	13/02/2024	FR569	Estimated Value between £1,000 and £10,000 Ice Centre Showers Leaks identified at both Ground and First floor showers. Plumbing contractor appointed to investigate, and cause discovered. Leaks caused some damage, mainly at Male First floor showers. Some repairs also needed at 1Female too. Need to conclude works quickly before proceeding to GF Showers. Practical to appoint same contractor to do works.
17	Head of Parklands	Deputy Chief Executive	Email	15/02/2024		Estimated Value between £1,000 and £10,000 Fly tip at Spitalbrook Reported under waiver as tonnage was not established at time of quote. Prices accepted were lowest/best value. Once final values are known, value will be reported approving waiver.
18	Head of Active Communities	Deputy Chief Executive Section 151 Officer (KB)	Email	13/03/2024	FR569	Estimated Value between £1,000 and £10,000 BoxUp lockers LVRPA received some external funding to deliver community projects. Included was requirement to purchase specific "BoxUp" lockers. As this is above threshold, but required as per agreement, then waiver required.
19	Head of Parklands	Chief Executive Section 151 Officer (KB)	Email	15/03/2024	FR571	Estimated Value between £25,000 and the E.U. Thresholds Fisheries truck. Vehicle involved in Road Traffic Accident. Assessor believed vehicle was repairable, but on investigation garage deemed uneconomical and write off. Insurance value £22,000 but new vehicle then needed to be purchased. As per other vehicle purchases, three quotes obtained, but not practical to conduct full procurement
20	Head of Parklands	Chief Executive Section 151 Officer (KB)	Email	23/03/2024	FR569	Estimated Value between £1,000 and £10,000 Combine Harvester at Holyfieldhall Vehicle developed fault and on investigation works required totalled £6,500 on top of investigation. Company have previously serviced Combine Harvester.

SUMMARY OF RELEVANT FINANCIAL REGULATIONS

- 9 The Section 151 Officer in consultation and agreement with the Chief Executive or Deputy Chief Executive can allow exceptions to these regulations if it is believed that the interests of the Authority would be best served if the regulations were not applied. They must keep a written record of any exceptions and submit an annual report to full Authority summarising such decisions.
- 451 Payments should not normally be made if goods or services have not been received by the Authority. However, if, in exceptional circumstances, it is deemed necessary to make a payment in advance of goods and services being supplied, to ensure that the agreement of the Head of Finance (in consultation with the Chief/Deputy Chief Executive) has been obtained before the order is placed.

Thresholds for the Relevant Competitive Process, Including EU Thresholds

Estimated Value up to £1,000

- 568 Goods and Services up to £1,000 can be commissioned on the basis of one formal quote, subject to that good/service being of a one-off nature and in the opinion of the officer concerned represents good value for money and delivery capability before the order is placed. Orders should be placed in accordance with the normal procedures outlined in these Financial Regulations including the aggregation rules outlined in FR 567.

Estimated Value between £1,000 and £10,000

- 569 Providing the procedures outlined throughout these rules have been followed then at least two competitive quotes must be obtained and documented by the Chief Executive, Deputy Chief Executive or a Corporate Director giving consideration to value for money and delivery capability before an order is placed. Orders should be placed in accordance with the normal procedures outlined in these Financial Regulations including the aggregation rules outlined in FR 567.

Estimated Value between £10,000 and £25,000

- 570 Providing the procedures outlined throughout these rules have been followed then at least three competitive quotes must be obtained and documented by the Chief Executive, Deputy Chief Executive or a Corporate Director given consideration to value for money and delivery capability before an order is placed. Orders should be placed in accordance with the normal procedures outlined in these Financial Regulations including the aggregation rules outlined in FR 567.

Estimated Value between £25,000 and the E.U. Thresholds

- 571 These contracts must be let by following the competitive procurement procedures as defined in the Public Contract Regulations 2015. Advertisements must comply with the Public Contract Regulations 2015 and as a minimum be published on the Authority website using the appropriate standard template and the Contract Finder portal as defined in Public Contract Regulations 2015.

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