



LEE VALLEY REGIONAL PARK AUTHORITY
AUTHORITY MEETING
28 APRIL 2016 AT 14:00

Agenda Item No:

5

Report No:

A/4224/16

FINANCIAL REGULATIONS WAIVERS 2015/16

Presented by the Director of Finance & Resources

SUMMARY

The purpose of this report is to provide Members with a list of waivers to Financial Regulations during the financial year 2015/16, in accordance with Financial Regulation (FR) 8.

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- 1 Financial Regulation (FR) 8 requires the Director of Finance & Resources to make an annual report to Authority of any waivers to the Regulations which have been agreed during the financial year.
- 2 FR8 requires:

“The Director of Finance & Resources 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. The Director of Finance & Resources must keep a written record of any exceptions and submit an annual report to full Authority summarising such decisions”.
- 3 Financial Regulations were waived seven times between April 2015 and March 2016 under delegated authority within Financial Regulations. This compares to a figure of eight waivers in 2014/15, nine waivers in 2013/14, fourteen waivers in 2012/13, thirteen waivers in 2011/12 and five waivers in 2010/11.
- 4 The waivers in 2015/16 were on the basis of exceptions to the competitive process, as a result of:
 - a. retaining existing supplier/consultant due to their knowledge/skills or delivery timescales; and/or
 - b. procuring from a single supplier as the only/specialist/original supplier.

- 5 Appendix A to this report lists the 2015/16 waivers and the reasons that they were agreed.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

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BACKGROUND PAPERS

Financial Regulations

2015

PREVIOUS COMMITTEE REPORTS

Authority Meeting	Paper 3818	Financial Regulation Waivers	23 June 2005
Authority Meeting	Paper 3880	Financial Regulation Waivers	24 June 2006
Authority Meeting	A/3937/07	Financial Regulation Waivers	28 June 2007
Authority Meeting	A/4064/09	Financial Regulation Waivers	25 June 2009
Authority Meeting	A/4087/10	Financial Regulation Waivers	22 April 2010
Authority Meeting	A/4115/11	Financial Regulation Waivers	21 April 2011

Authority Meeting	A/4143/12	Financial Regulation Waivers	19 April 2012
Authority Meeting	A/4164/13	Financial Regulation Waivers	25 April 2013
Authority Meeting	A/4185/14	Financial Regulation Waivers	24 April 2014
Authority Meeting	A/4205/15	Financial Regulation Waivers	30 April 2015

APPENDIX ATTACHED

Appendix A List of Financial Regulation Waivers – 2015/16

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FINANCIAL REGULATION WAIVERS – 2015/16

	Waiver Requested & Agreed By:	Reference	Date	Fin Reg. No.	Reason For Waiver
1.	<p>Requested by: MD Vibrant Partnerships</p> <p>Approved by: CEO LVRPA</p>	E-mail	31/03/2015	FR 572	<p>Contracts with an Expected Value between £10,000 and £25,000. Requirement for three competitive quotes.</p> <p>A requirement for consultants to review and improve the set up and offer of the Lee Valley White Water Centre Food & Beverage provision. The total cost for the consultancy support is £15k (based on an average day rate of £500 per day for 30 days work).</p> <p>There was a request to waive the Regulations, as the review needed to be underway and concluded asap to enable the works to be completed in readiness for the peak season at the Lee Valley White Water Centre, ie June/July. The contractor had undertaken similar work for York University, V&A museum and Daniel Department Store. In addition, the day rate of £500 is competitive when compared to other consultants day rates which tend to typically range from £750 to £1,200.</p>
2.	<p>Requested by: Commercial Development Manager</p> <p>Approved by: Director of Finance & Resources</p>	E-Mail	01/04/2015	FR 571	<p>Contracts with an Expected Value between £1,000 and £10,000. Requirement for two competitive quotes.</p> <p>Following high winds there was significant damage to the 'winning post' food outlet building at Hayes Hill Farm that required contractors on site with scaffold to repair the roof/building. To ensure the building was safe and operational for most of the Easter holidays the requirement to source a second quote was waived and an existing trusted supplier was appointed. The cost was £2,200.</p>

<p>3. Requested by: Head of Parklands</p> <p>Approved by: Director of Finance & Resources</p>	<p>E-Mail</p>	<p>09/04/2015</p>	<p>FR 571</p>	<p>Contracts with an Expected Value between £1,000 and £10,000. Requirement for two competitive quotes.</p> <p>A financial waiver was requested to enable the Authority to purchase bespoke bench parts to repair benches at Three Mills Green.</p> <p>Three Mills Green was refurbished in 2011 as part of the Olympic Delivery Authority Olympic fringe regeneration project. Many of the design features and fittings including the benches were of a bespoke nature and not standard for the park. As part of routine maintenance, the timber slats need replacing on some of the benches to keep the site in good order. 8 replacement timber slats = £2,298.</p> <p>The cost from the contractor for the required number of slats is above the £1k threshold for a single quote however they are the only supplier of this product.</p> <p>The alternatives to repairing were either removing them entirely, which would significantly reduce the utility of the site, or to replace all the seats with an alternative which would cost considerably more than repairing.</p>
<p>4. Requested by: Head of Parklands</p> <p>Approved by: Director of Finance & Resources</p>	<p>E-Mail</p>	<p>04/06/2015</p>	<p>FR573</p>	<p>Exception to the competitive process – Estimated value between £25,000 & EU Thresholds. Requirement for competitive procurement procedures to be followed.</p> <p>The Authority sought quotes for a second hand combine-harvester hire. Two formal quotes were received and a third company confirmed they hadn't got anything suitable to put out on hire other than a brand new machine. The formal quotes received were:</p> <ol style="list-style-type: none"> 1. Contractor A - 5 year contract including servicing £11,052 per year, delivery £280. 2. Contractor B - 5 year contract including servicing £10,500 per year. OR (b) 5 year contract including

<p>servicing £13,500 per year and at the end of the contract ownership of the combine outright.</p> <p>3. Contractor C - No second hand combines available that they would be happy to warranty and service at their risk for five years.</p>				
<p>The preferred option was contractor B option (b) and at the end of five year contract to assess the situation as to whether to retain the combine and have no rental costs for as long as it remains reliable or sell/ trade it in.</p>				
<p>The farm manager believes we will know if it is a good machine, having operated it for 5 years with the assurance that it will have been looked after and serviced by the contractor so that it should be a good reliable machine on the relatively small arable acreage.</p>				
<p>The waiver of a formal procurement process was approved as there are no other dealers willing to contract hire a second hand combine for this small acreage. This would mean the Authority relying on a contractor at the same money with all the pitfalls that entails i.e. lack of flexibility at harvest time, very important if there is only a small weather window (as in previous years) which can directly lead to lost tonnage, quality and therefore income.</p>				
<p>The Authority has used contractors in the past but run into trouble as contractors are local and are fellow farmers, therefore their harvest takes priority and that results in our crop quality and therefore additional costs for drying etc.</p>				

5.	<p>Requested by: Director of Venues</p> <p>Approved by: CEO LVRPA and MD Vibrant partnerships</p>	E-Mail	24/07/2015	FR573	<p>Exception to the competitive process – Estimated value between £25,000 & EU Thresholds. Requirement for competitive procurement procedures to be followed.</p> <p>The PA system at the Lee Valley White Water Centre was failing and was inadequate for the operation in terms of customer experience. It urgently required an upgrade for this reason and beneficial to be installed ahead of the 2015 World Canoeing Championships. There was a two to three week fit out time in August ahead of the Championships in September. All warranties on the existing system had expired and repairing was assessed to be costly and may prove less reliable. The preferred contractor provided a quote of circa £40K, a secondary quote was obtained from another contractor which proved to be more expensive. Given the deadline to achieve installation a full competitive process with advertising in accordance with PCR 2015 was waived.</p>
6.	<p>Requested by: Head of Sport & Leisure</p> <p>Approved by: Director of Finance & Resources</p>	E-mail	05/11/2015	FR573	<p>Exception to the competitive process – Estimated value between £25,000 & EU Thresholds. Requirement for competitive procurement procedures to be followed.</p> <p>A late request from the Tennis Foundation to improve the lighting ahead of the Wheelchair Masters event provided insufficient time to undertake a full procurement process. The total cost of the improvement was circa £38k with contributions from the Authority and Tennis Foundation of £13.5k each and £11k from the Leisure Trust for the upgrade and approval for the project was given by both the Chief Executive and the Managing Director of the Trust as this would critically affect the outcome of the first major tennis event at this venue. Temporary solutions were considered to reduce costs but would not have produced the outcomes required.</p>

7.	<p>Requested by: Senior Ranger Approved by: Director of Finance & Resources</p>	E-Mail	15/02/2016	FR571	<p>Contracts with an Expected Value between £1,000 and £10,000. Requirement for two competitive quotes.</p> <p>A financial waiver was requested for replacing the struts on the Hammocks at Three Mills, at a cost of just over £3k. The urgent replacement was required under health and safety as the struts were crumbling and so the works needed to be completed as soon as possible. Sourcing of other companies to carry out the works proved difficult due to lead in times of at least three months.</p>
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