



**LEE VALLEY REGIONAL PARK AUTHORITY**  
**AUTHORITY MEETING**  
**27 APRIL 2017 AT 14:00**

**Agenda Item No:**

**6**

**Report No:**

**A/4239/17**

## **FINANCIAL REGULATIONS WAIVERS 2016/17**

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 2016/17, 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 6 times between April 2016 and March 2017 under delegated authority within Financial Regulations. This compares to previous years as follows:

Year	No. of Waivers
2015/16	7
2014/15	8
2013/14	9
2012/13	14
2011/12	13
2010/11	5

- 4 The waivers in 2016/17 were on the basis of:
  - a. procuring from a single supplier as the only/specialist/bespoke supplier; and
  - b. prepayment for goods and services.
- 5 Appendix A to this report lists the 2016/17 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 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 should be taken to mitigate risk of potential loss.

These mitigation factors include but are not limited to:

- the 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 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**

- 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
Authority Meeting	A/4224/16	Financial Regulation Waivers	28 April 2016

**APPENDIX ATTACHED**

Appendix A            List of Financial Regulation Waivers – 2016/17

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## FINANCIAL REGULATION WAIVERS – 2016/17

	Waiver Requested & Agreed By:	Reference	Date	Fin Reg. No.	Reason For Waiver
1.	<p>Requested by: Operations Officer</p> <p>Approved by: Director of Finance &amp; Resources</p>	E-mail	08/09/2016	FR 571	<p><b>Contract with an Expected Value between £1,000 and £10,000. Requirement for two competitive quotes.</b></p> <p>Following the five year fixed electrical testing undertaken by Company X through a formal procurement procedure a number of remedial actions were identified that needed to be undertaken. The cost of these proposed actions were £3,650 plus VAT. Ordinarily this being a separate contract would require a second competitive quote, however utilising Company X proved beneficial for the following reasons:</p> <ul style="list-style-type: none"> <li>• Company X having identified the issues could act on them straight away.</li> <li>• A second competitor would require Company X's findings to be issued to them requiring legal consent and therefore possibly incurring time and cost.</li> <li>• Company X had already won the initial contract through competitive procedure (£5840 + VAT). The track record with Company X and quality of their work previously undertaken had already been demonstrated.</li> </ul>
2.	<p>Requested by: Head Gardener</p> <p>Approved by: Director of Finance &amp; Resources</p>	E-Mail	25/11/2016	FR 432	<p><b>Payments are not made unless goods have been received by the Authority, to the correct price, quantity and quality standards.</b></p> <p>A project at Myddelton House Gardens to construct a sheltered seat down in the Rock Garden to mark the 25<sup>th</sup> Anniversary of the Bowles Society required a bespoke structure costing £8,000. This sum included an added incentive of a 10% discount if the order was placed by the end of November. A 75% deposit to cover material costs (£6,000) was agreed and due diligence checks on the supplier's most recent accounts at companies house was completed at the time.</p>

3.	<p><b>Requested by:</b> Head Gardener</p> <p><b>Approved by:</b> Director of Finance &amp; Resources</p>	E-Mail	01/12/2016	FR 432	<p><b>Payments are not made unless goods have been received by the Authority, to the correct price, quantity and quality standards.</b></p> <p>Fifty metres of edging valued at £950 required a 50% deposit in advance of £475. Due to the low value of the transaction and the fact that the Authority had used the company before (supplying similar work) the waiver was agreed.</p>
4.	<p><b>Requested by:</b> Farm Manager</p> <p><b>Approved by:</b> Director of Finance &amp; Resources</p>	E-Mail	14/12/2016	FR 432	<p><b>Payments are not made unless goods have been received by the Authority, to the correct price, quantity and quality standards</b></p> <p>A request was made by Company X to place a deposit for the purchase of a milk vending machine at the farm, the value was 50% of £9,448.50 with the balance paid on receipt of the machine.</p> <p>The UK distributor of the machine were selected as the best fit manufacturer – their supplier (based in Italy), would only proceed to produce the machine on receipt of part payment. This was because the specification of the machine was bespoke and a “one off”, as it provided an enclosed purpose built shed. The machine has now been received.</p> <p>Other quotes on similar machines were received which were either not suitable for Authority purposes and/or more expensive. Due diligence and other customer feedback was undertaken before committing to the purchase.</p>

5.	<p><b>Requested by:</b> Green Spaces Manager</p> <p><b>Approved by:</b> Director of Finance &amp; Resources</p>	E-Mail	27/02/2017	FR571	<p><b>Contract with an Expected Value between £1,000 and £10,000. Requirement for two competitive quotes.</b></p> <p>There was a need to undertake some ditch clearance work at Wharf Road, a task that was completed previously two years ago but needed further attention. Only one formal quote was received from Company X with two other contractors declining the work.</p> <p>The value was just under £3,000 so two quotes were required under procurement procedures however the Green Spaces Manager believed the quote from Company X represented good value for money and requested the waiver to allow work to proceed without a second quote which was proving difficult to acquire.</p>
6.	<p><b>Requested by:</b> Section Manager AMPD</p> <p><b>Approved by:</b> Director of Finance &amp; Resources</p>	E-Mail	30/03/2017	FR572	<p><b>Contract with an Expected Value between £10,000 and £25,000. Requirement for three competitive quotes</b></p> <p>A design proposal for the PA system at the Hockey &amp; Tennis Centre was required. Only one formal quote was received from Company X with two other contractors declining the work following discussion around the project. The selected contractor had demonstrated expertise in this field and previously carried out work for the Authority at the White Water Centre with experience of other large contracts.</p> <p>The quoted cost of £11,160 was reasonable in terms of value for money - with pre-quotation costs estimated between £12,500 and £18,500. On this basis Financial Regulations were waived and no further competitive quotes sought. .</p>

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