

FINANCIAL REGULATIONS WAIVERS 2014/15

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 2014/15, in accordance with Financial Regulation (FR) 8.

RECOMMENDATION

Members Note: (1) the contents of the report.

BACKGROUND

- 1 Financial Regulation (FR) 8 requires the Corporate Director of Resources & Business Development 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 eight times between April 2014 and March 2015 under delegated authority within Financial Regulations. This compares to a figure of 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 2014/15 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 2014/15 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 2012

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

APPENDIX ATTACHED

Appendix A **List of Financial Regulation Waivers – 2014/15**

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FINANCIAL REGULATION WAIVERS – 2014/15

Waiver Requested & Agreed By:	Reference	Date	Fin Reg. No.	Reason For Waiver
<p>1. Requested by: Assistant Corporate Director Parklands and Venues</p> <p>Approved by: Corporate Director of Resources & Business Development</p>	E-mail	10/04/2014	FR569	<p>Exception to the competitive process – Estimated value between £5,000 & £20,000. Requirement for three competitive quotes.</p> <p>Sewardstone Campsite hot water heaters were problematic with one unit beyond repair and the other unit overheating the water, causing expansion into the cold water tank. The cold water tank temperature when the boiler was operating was 42° and therefore a high legionella risk. Plumbers worked on site to repair both boilers with no success. These heaters were 18 years old and various components were starting to fail and both were heavily contaminated with lime scale. The conclusion was to replace both boilers that had time expired.</p> <p>With the toilet/shower block closed this seriously affected how many customers could use the site to comply with the site licence requirements. The site had a number of bookings over the Easter period and without the use of the toilet/shower 100 customers would have to be told they could not stay at the site over this period. This would lose an estimated £10,000 in income.</p> <p>A quotation from the contractor who tried to repair the boilers to replace the two heaters with one more modern unit (that would be considerably more energy efficient therefore reducing gas bills) with all other associated works included was estimated at £20,000. The building surveyor considered this to be a reasonable sum.</p> <p>With the tight timeline before Easter to get works completed there was only time to acquire a single quote to allow the site to remain open over the 2014 Easter period.</p>

2.	<p>Requested by: Senior Venues Manager</p> <p>Approved by: Assistant Corporate Director Resources & Business Development</p>	E-mail	6/05/2014	FR569	<p>Exception to the competitive process – Estimated value between £5,000 & £20,000. Requirement for three competitive quotes.</p> <p>With the later than anticipated hand over of the Lee Valley Hockey & Tennis Centre (LV H&TC) following transformation there was an urgency to get WiFi operational ahead of the Investec international Hockey Tournament in July. In order to have the WiFi installed there was a need to proceed with the installation following a site survey with the same contractor used as at the VeloPark (prior to the Revolution and Sport Relief events). This waiver would be on the basis that all WiFi across Authority venues would need to be procured as part of a main contract in 2016/17.</p> <p>The contract value at LV H&TC including installation was £18,500.</p>
3.	<p>Requested by: Senior Venues Manager</p> <p>Approved by: Corporate Director of Resources & Business Development and Corporate Director of Parklands & Venues</p>	E-Mail	8/05/2014	FR570	<p>Exception to the competitive process – Estimated value between £20,000 & £50,000. Contracts let by a simple procurement procedure.</p> <p>As host to the slalom World Cup at the Lee Valley White Water Centre (LVWWC) in the 1st week of June, the British Canoe Union (BCU) needed WiFi to be available for media, coaches and public throughout the event. BCU were willing to contribute a budget of £20,000 to part fund the capital outlay, which has been received.</p> <p>The LVWWC had been identified as a priority venue for providing public WiFi within a paper that went through the Communication & Access Steering Group.</p> <p>The quote to install WiFi at the LVWWC was for £40,000. In order to deliver WiFi in time for the World Cup an urgent order needed to be placed.</p>

<p>A waiver was requested to the procurement process to accept the contractors quote to install WiFi at the LVWVC.</p> <p>The reasons for the waiver were:</p> <ul style="list-style-type: none"> - it allowed WiFi to be installed ahead of the World Cup Event in 1st week of June; - it reduced the Authority's capital outlay by £20,000 as it enabled the project to be part funded by BCU; - the WiFi provision will be included within the Authority wide contract in 2016/17; - the contractor had previously been through a competitive process; - contracting with the original supplier ensured the WiFi customer experience was consistent with our other Venues. 				<p>4.</p> <p>Requested by: Corporate Director of Parklands & Venues</p> <p>Approved by: Assistant Corporate Director Resources & Business Development</p>
<p>Contacts with an Expected Value between £1,000 and £5,000. Requirement for two competitive quotes.</p> <p>The waiver request was for a community arts program, funded through the Olympic Delivery Authority (ODA) Leyton Marsh funds from the money set aside for community arts projects this year. As this was a low value arts project tendering was neither practicable or cost effective.</p> <p>The commission was for an artist who made sculptures from scrap. Following discussions the artist put together a proposal for a litter wildlife sculpture trail (temporary) at the Marshes over the summer that tied in with some of our other events and provided an awareness campaign at the Marshes to proactively support Lee Valley Regional Park Authority that we 'encourage people to take their litter home'. The total value was £3,000.</p>	<p>FR568</p>	<p>30/06/2014</p>	<p>E-Mail</p>	

<p>5.</p> <p>Requested by: Senior Parklands Manager</p> <p>Approved by: Corporate Director of Parklands & Venues and Assistant Corporate Director Resources & Business Development</p>	<p>E Mail</p>	<p>18/12/2014</p>	<p>FR 569</p>	<p>Exception to the competitive process – Estimated value between £5,000 & £20,000. Requirement for three competitive quotes.</p> <p>The requested waiver was to enable the Authority to undertake the removal of unauthorised grazing animals.</p> <p>Ramney Marsh West owned by the Authority was subject to fly grazing by seven horses of unknown ownership. The presence of the horses represented a risk to the property title via grazing rights, a risk to the public and an animal welfare concern as the animals were uncared for. Their presence adjacent to the M25 added an additional risk should they escape onto the motorway and therefore they needed to be removed to an alternative location.</p> <p>Signage in accordance with the Animals Act 1971 was posted on site to notify any owner of their removal and the statutory notice period expired giving the Authority the right to remove them.</p> <p>The horses were untamed and unhaltered with no market value and were also very hazardous to handle as they could kick and bolt without warning. Animal welfare charities were approached, however due to the increasing numbers of such cases across the country they did not have the capacity to help.</p> <p>Removal was possible via specialist contractors known as Equine Bailiffs, however only two such companies have been found to exist in the UK. Both the above companies were approached for a quotation for removal services and only one responded, therefore no competitive quote could be obtained. The total value was £5,070.</p>
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6.	<p>Requested by: Senior Parklands Manager</p> <p>Approved by: Corporate Director of Parklands & Venues and Assistant Corporate Director Resources & Business Development</p>	E Mail	20/02/2015	FR568	<p>Contacts with an Expected Value between £1,000 and £5,000. Requirement for two competitive quotes.</p> <p>The requested waiver was to enable aeration of the grass circle at Three Mills and following a review of the compaction depth the Authority required the use of the contractor that undertook the works at Leyton Marsh (temporary basketball area) and VeloPark. To our best knowledge these are the only contractors in the UK that can penetrate the depth required (1.5m) and therefore no competitive quote could be obtained. The total value was £4,800.</p>
7.	<p>Requested by: Assistant Corporate Director Parklands and Venues</p> <p>Approved by: Corporate Director of Parklands & Venues and Assistant Corporate Director Resources & Business Development</p>	E Mail	18/03/2015	FR569	<p>Exception to the competitive process – Estimated value between £5,000 & £20,000. Requirement for three competitive quotes.</p> <p>The waiver request was to use one specific contractor to provide the Authority with specialist disability cycling equipment.</p> <p>The reason for the waiver request was as follows:</p> <ul style="list-style-type: none"> - no other company could provide the total package required; - the contractor could supply adapted disability bikes and assemble them within the price; - the contractor would provide service maintenance on the bikes for the next two years included within the cost; - the contractor could also store the bikes and move them across to the VeloPark and back when required for disability cycling sessions, no other company could provide this. We were unable to store the bikes on site at the VeloPark due to lack of space, therefore there is a potential cost saving on storage. <p>The total value was £18,000.</p>

8	<p>Requested by: Corporate Director of Parklands & Venues</p> <p>Approved by: Executive Committee</p>	<p>Executive Committee Report</p>	<p>26/03/2015</p>	<p>FR571</p>	<p>Exception to the competitive process – Estimated value between £50,000 and EU thresholds.</p> <p>Reason for requesting a waiver of Financial Regulations for procurement of a big screen on the main hockey pitch at the Hockey & Tennis Centre</p> <p>There are many major hockey events taking place at the Centre over the next few years from the annual end of season finals to the Womens' World Cup in 2018. Included in the contractual requirements of many of these events is at least one big screen which, if not provided on a permanent basis, has to be hired especially for the event.</p> <p>Sport England, England Hockey and the Authority agreed a jointly funded project for improvements to the Centre for major events support and the intention is to install a permanent big screen with some of the project funding.</p> <p>At a meeting held on Wednesday 25th March 2015 England Hockey agreed that the Authority's preferred supplier was best placed to provide the equipment. However the timescales for procurement were very tight with the order needing to be placed by Wednesday 1st April to ensure installation by mid-July. This is the last possible date before the build started for the European Hockey Championships which are being hosted at the Centre in August 2015.</p> <p>The timescale did not allow for a tender process but officers wished to waive this Financial Regulation requirement anyway as it wished to use its preferred supplier who have supplied the four big screens in the Velodrome. The reasons for selecting this supplier are set out below:</p>
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					<ul style="list-style-type: none"> • the Authority undertook a full OJEU tender process for the big screens at the VeloPark which commenced in September 2013. Of 55 suppliers who expressed an interest at this stage the preferred supplier met all the technical requirements of the specification and came first for quality and price. This process was managed by Authority officers with the additional technical help of a consultant who assisted with the specification; 2 quotes were obtained for the work at the Hockey & Tennis Centre, one from the preferred supplier and one from England Hockey's contractor. The preferred supplier quote met the specification and was the cheaper of the two; • the preferred supplier has vast experience of installing outdoor screens at sports venues with Wembley, the Aviva Stadium (Lansdowne Road, Dublin), Twickenham and Dallas Cowboys as high profile examples; • after working with the preferred supplier for almost two years there is practical evidence of the exceptional operational support offered; • the preferred supplier have also quoted for a high level of event support which is a requirement of England Hockey; • using the same supplier of equipment as installed at the VeloPark will realise the benefit of being able to use staff from the VeloPark to support the Hockey and Tennis Centre (and vice versa) with training, support events, maintenance and trouble shooting. Over a dozen VeloPark staff have already been trained in the use of the system; • the screen and software meet all of England Hockey's requirements and they will be able to link additional temporary screens as and when required.
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