

FINANCIAL REGULATIONS WAIVERS 2018/19

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 2018/19, 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 10 times between April 2018 and March 2019 (compared to 15 times the previous year) under delegated authority within Financial Regulations.
- 4 The waivers in 2018/19 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 2018/19 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. The value of the waivers (circa £120K) in relation to the gross revenue and capital expenditure budgets for 2018/19 represented 0.7% of expenditure.

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 are taken to mitigate against the risk of potential loss.

These mitigation measures 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 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

- 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 23 June 2005
Waivers

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
Authority Meeting	A/4239/17	Financial Regulation Waivers	27 April 2017
Authority Meeting	A/4252/18	Financial Regulation Waivers	26 April 2018

APPENDIX ATTACHED

Appendix A List of Financial Regulation Waivers – 2018/19

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FINANCIAL REGULATIONS WAIVERS – 2018/19

Waiver Requested & Agreed By:	Reference	Date	Fin Reg. No.	Reason For Waiver
<p>1. Requested by: Parklands Manager Approved by: Director of Finance & Resources</p>	E-Mail	16/03/2018	FR 572	<p>Contract with an Expected Value between £10,000 and £25,000. Requirement for three competitive quotes</p> <p>A need to undertake maintenance and replacement works at Holyfield Hall Farm on the Photo Voltaic Cell Inverters. The cost of the works was circa £21k and capital funds were already allocated for this. Only 2 quotes were received rather than the required 3 (the unsuccessful quote was £24K). This request fell near the end of the financial year and as works were completed and paid for in 2018/19 it has been reported as part of this financial year's waiver report.</p>
<p>2. Requested by: Parklands Manager Approved by: Director of Finance & Resources</p>	E-mail	16/03/2019	FR 571	<p>Contract with an Expected Value between £1,000 and £10,000. Requirement for two competitive quotes.</p> <p>Due to 3 false intruder alarm alerts at Myddelton House the police response to alarm activations ceased until they could be confirmed as actual break-ins. As a response our alarm company undertook a full review of our alarm systems to ensure they met current standards. The review identified a need to upgrade before the police would sign it off and resume coming out to activations. The cost of this work was circa £6k. Given that our alarm company already have their kit installed (and for us to retain existing warranties etc) we could not go to a third party to obtain any further comparable quotes unless there was a change to the whole system which would not be cost effective.</p> <p>This request fell near the end of the financial year and as works were completed and paid for in 2018/19 it has been reported as part of this financial year's waiver report.</p>

<p>3. Requested by: Senior Project Manager APMD</p> <p>Approved by: Chief Executive Officer</p>	E-mail	27/03/2018	FR 573	<p>Contract with an Expected Value between £25,000 and the EU Thresholds. Requirement for competitive tender.</p> <p>Following the café fit out at Lee Valley White Water Centre the request was to use the same electrical contractor to undertake the electrical works required to enable the kitchen fit out works to take place. As for the café this involved specialist equipment and required detailed knowledge of the site which the existing contractor had. In order to meet the tight deadline ahead of the main season for these works there was a lack of time to be able to go out to formal tender. The value of the equipment and works was circa £40k.</p> <p>This request fell near the end of the financial year and as works were completed and paid for in 2018/19 it has been reported as part of this financial year's waiver report.</p>
<p>4. Requested by: Conservation Manager</p> <p>Approved by: Director of Finance & Resources</p>	E-Mail	14/05/2018	FR 432	<p>Payments are not made unless goods have been received by the Authority, to the correct price, quantity and quality standards.</p> <p>Two companies quoted to undertake an asbestos survey on a disused Pill Box in River Lee Country Park. The cheapest came in at £225 but required payment before they issued the report. The inspection found no evidence of asbestos.</p>
<p>5. Requested by: Head of Parklands</p> <p>Approved by: Director of Finance & Resources</p>	E-Mail	28/06/2018	FR 571	<p>Contract with an Expected Value between £1,000 and £10,000. Requirement for two competitive quotes.</p> <p>This was for replacing broken furniture in the Park with exactly the same units as the furniture designs etc across the whole Park. The waiver was requested as only one company can meet the design requirements. The value was circa £2k.</p>
<p>6. Requested by: Head of Parklands</p> <p>Approved by: Director of Finance &</p>	E-Mail	31/07/2018	FR 571	<p>Contract with an Expected Value between £1,000 and £10,000. Requirement for two competitive quotes.</p> <p>One quote was obtained for fixing the river railings and posts at East India Dock Basin that were damaged by a boat. Unfortunately there</p>

Resources	<p>were no witnesses to the event. Only one company supplied a written quote due to the requirement to replicate what is already there and given the heritage status of the site, it was difficult to get more than one quote. The works were also urgent due to the health and safety nature of the damage. The value of the works was circa £8k.</p>	
7.	<p>Requested by: Head of Sport & Leisure</p> <p>Approved by: Chief Executive Officer</p>	<p>FR 572</p> <p>24/01/2019</p> <p>E-Mail</p>
<p>Contract with an Expected Value between £10,000 and £25,000. Requirement for three competitive quotes</p> <p>This related to additional specialist support and advice regarding the procurement of the Leisure Services Contract (LSC). Phase 1 was procured through a competitive quotes process (costing circa £28k).</p> <p>A further phase of support is required up to the letting of the contract stage with an estimated cost of £23k. The justification for not seeking two alternative quotes was on the grounds of commercial sensitivity, key project deadline(s) and a requirement to retain continuity and confidentiality.</p>		
8.	<p>Requested by: Parklands Manager</p> <p>Approved by: Director of Finance & Resources</p>	<p>FR 571</p> <p>05/02/2019</p> <p>E-Mail</p>
		<p>Contract with an Expected Value between £1,000 and £10,000. Requirement for two competitive quotes.</p> <p>The provider of commercial grazing of the goat herd has increased the price to c£4.5k per year - up from £1.5k. This is the only supplier locally providing a goat herd. Alongside the price increase is an increase in the number of goats on site, the supply of Redpoll Cattle at no extra cost and a fixed 3 year agreement. These will bring additional benefits to the grassland management regime.</p> <p>Alternatively officers have looked in to purchasing our own herd, but the current agreement also covers any insurances and vet bills. At this stage the Authority lacks the staff resources and necessary skills to be able to cost effectively manage our own herd.</p>

9.	<p>Requested by: Conservation Officer</p> <p>Approved by: Director of Finance & Resources</p>	E-Mail	14/02/2019	FR432	<p>Payments are not made unless goods have been received by the Authority, to the correct price, quantity and quality standards.</p> <p>This was to use the contractor to install fencing at Cheshunt Marsh. Their terms required a 50% advance deposit with the balance paid as normal on completion of works. The total cost of the works were £10k so the 'deposit' was £5k. Due diligence on the contractor was completed before agreeing these terms.</p>
10	<p>Requested by: Conservation Manager</p> <p>Approved by: Director of Finance & Resources</p>	E-Mail	04/03/2019	FR 571	<p>Contract with an Expected Value between £1,000 and £10,000. Requirement for two competitive quotes.</p> <p>This was required for external management of the S106 habitat enhancement project at Glen Faba. Originally the commissioned contractor had drawn up the design and completed soil sampling to the value of £12k – both these areas of work were procured competitively.</p> <p>In order to ensure the smooth running of this project and compliance to the design brief it was desirable to use the existing contractor to oversee the scheme. The value of this work was circa £3.5k.</p>