

June 2018**Agenda Item: 12****REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT &
IMPROVEMENT****FINANCIAL REGULATIONS WAIVERS 2017/18****Purpose of the Report**

1. To inform Members about requests to waive the Financial Regulations (waivers) in the Period 1st April 2017 - 31st March 2018.

Information

2. The Council's Financial Regulations set out the procedures and standards for financial management and control that must be followed by officers.
3. The Council may only contract with external parties within the legal framework for Local Authority procurement. However there are occasions where it is not practical or possible to procure contracts in accordance with the standard contract procedures. In such instances officers may seek exemption through a waiver. The waiver process acts as a peer challenge to such requests to ensure there is a valid reason for approval.
4. Waiver requests are considered by the Council's Section 151 (S151) Officer who determines whether they can be approved or not. The S151 Officer may also refer any request for a waiver to the Group Manager Legal Services.
5. There are four categories of exemption where the rules for obtaining quotations or running tenders can be suspended. These are:-
 1. The Section 151 Officer, after consulting with the Group Manager for Legal Services where appropriate, may vary, waive or suspend any financial regulation,
 2. The works to be executed or the goods or materials to be supplied consist of repairs to, or parts for, existing proprietary machinery, where such repairs or parts are specific to that machinery or upgrades to existing software packages.,
 3. Works, supplies or services are urgently needed for the immediate protection of life or property, or to maintain the immediate functioning of a public service for which the Council is responsible. In such cases the contract must only last as long as is reasonably necessary to deal with the specific emergency,

4. The Corporate Director, in consultation with the Group Manager for Procurement, decides that special circumstances make it appropriate and beneficial to negotiate with a single firm or that a single tender be invited and that best value for the Council can be achieved by not tendering.

6. The tables below summarise the number of waivers granted in 2017/18 (Table1) compared to the previous year by directorate and value, full details for those waivers are contained in Appendix 1.

Table 1	2017-2018				2016-2017			
Directorate	Number Waivers	Total Value	No. Rejected	Value Rejected	Number Waivers	Total Value	No. Rejected	Value Rejected
Resources	6	244,336	2	£65,306	8	£369,475	3	£173,000
Adult Social Care (ASC) Health & Public Protection & Public Health	2	122,986	0	£0.00	11	£1,041,042	4	£368,254
Children, Families & Cultural Services (CFCS)	3	£114,208	2	£105,000	4	£107,521	2	£89,521
Place	7	£702,612	3	£449,024	3	£78,829	1	£17,200
Schools	0	0	0	0	0	0	0	0
TOTAL	18	£1,184,142	7	£619,330	26	£1,596,867	10	£647,975

7. The total number of waivers has decreased since last year with an overall reduction of 30%. In 2017-18 38% of requests received were rejected, there has been a significant reduction in waiver requests from ASC, the number received from both Resources and CFCS remain consistent but there has been an increase in the number of requests from the Place department.
8. The largest number of high value waivers was for the Place Department, and is a significant increase of the value from the previous financial year, this can be attributed to new projects coming on line.
9. Category Managers continue to work with the directorates to develop procurement category strategies that will aid the continued reduction of waiver requests.

Statutory and Policy Implications

10. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) That Members of the Governance and Ethics Committee to support the detail contained in the report Financial Regulations Waivers 2017/18 and the continued progress in keeping waivers to a minimum.

Nigel Stevenson

Service Director – Finance, Procurement & Improvement

For any enquiries about this report please contact:

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Constitutional Comments (KK 30/05/2018)

11. The proposal in this report is within the remit of the Governance and Ethics Committee.

Financial Comments [RWK 30/05/2018]

12. There are no specific financial implications arising directly from the report.

Background Papers and Published Documents

13. Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All

Appendix 1

Waiver Details

Ref	Exemption	Subject	Value	Department	Waiver Details	Approved/Rejected
FR264	4	Provision of community learning	£9,208	CFCS	The waiver received sought the approval to continue the engagement of a training provider to deliver some additional training courses to the end of July 2017.	Approved - The waiver was approved on the basis that supplier was already delivering this service through a compliant contracting route, and the training programme was already established, this request was not for a new requirement but to allow the training provision to continue to end July.
FR265 did not proceed.						
FR266	4	Education Improvement Service fully hosted portal for schools	£85,000	CFCS	The waiver sought approval to direct award a contract to a supplier to provide an outward facing training solution to schools	Rejected – The waiver was rejected on the basis that there is a market for this type of service and a compliant procurement route should be explored.
FR267	1	Clinical support to the Assessment Beds	£64,986	ASC	The waiver sought the approval to direct award of funds to the CCG to commission a GP service for a one off short term care facilities for a period of 12 months.	Approved - The waiver was approved on the basis that effectively this is a joint procurement with funding from the County Council and the CCG via the Better Care Fund.
FR268	4	Age Friendly Nottinghamshire Pilot	£30,000	Place	The waiver sought to appoint a local university to undertake some analysis work of a pilot project that was being run.	Rejected – The waiver was rejected on the basis that the need for this piece of work was known at the commencement of the pilot 6 months prior to the waiver being requested.
FR269	4	Non Violent resistance training for family service staff	£21,580	Resources	The waiver sought to direct award to one supplier some funding for them to deliver some Non-violence Resistance training	Approved - The waiver was approved on the basis that this was a one off arrangement and once this training was concluded there would be no further approvals.

FR270	4	Property Purchase	£30,000	Resources	The waiver sought to direct award to one supplier to deliver some legal work for a property purchase	Approved - The waiver was approved on the basis that the legal firm had already done work for a previous perspective buyer and therefore could facilitate a quick purchase.
FR271	4	Use of a recruitment agency	£159,000	Place	The waiver sought the appointment of a specialist recruitment agency to appoint at an executive level	Approved - this was approved on the basis that the agency had worked successfully with the council in the past and had a good understanding of our requirements.
FR272	4	Hospital discharge Pilot project	£58,000	ASC	The waiver sought the approval of a pilot programme that worked with the local hospitals around care home assessments for hospital discharges.	Approved - the waiver was approved on the basis that this is a time limited pilot that could deliver longer term benefits.
FR273	4	Development of a housing infrastructure bid	£19,024	Place	The waiver sought to employ the services of a consultant to develop and submit a bid for some grant funding.	Rejected - The waiver was rejected on the basis that the request was retrospective and the work had already been completed
FR274	4	Conservation Action Plan	£14,700	Place	The waiver sought to employ the services of a consultant to develop and submit a bid for some funding.	Approved – The waiver was approved on the basis that previous support with this had been tendered and unfortunately the person had resigned from the project and an urgent replacement was required.
FR275	4	Innovation Centres	£400,000	Place	The waiver sought approval to extend the current arrangements of the innovation centres post the contract expiry date.	Rejected – The waiver was rejected on the basis that the request was retrospective.
FR276	4	Agency employment	£29,306	Resources	The waiver sought to appoint a maternity leave cover employee for a period of time from December 2017.	Rejected – The waiver was rejected on the basis that the value of the request would breach procurement law.
FR277 did not proceed						
FR278	4	Children's Mental Health Support	£20,000	CFCS	The waiver sought to appoint a provider to deliver children's mental health support	Rejected – The waiver was rejected on the basis that the request was retrospective

FR279	4	PFI Review	£19,888	Place	The waiver sought to appoint a provider to undertake a value for money assessment of a PFIs	Approved - The waiver was approved on the basis that the supplier are the leading advisors in the PFI marketplace. The market for this type of advice is very limited and specialist.
FR280	4	Information Governance	£100,000	Resources	The waiver sought to commission some support from another local authority with regard to GDPR	Approved - The waiver was approved on the basis that the supplier has the expert knowledge required to provide the support.
FR281	4	GDPR Internal Training	£27,450	Resources	The waiver sought to direct award a contract for some eLearning training	Approved - The waiver was approved on the basis that the supplier had the required expertise to deliver the training.
FR282	4	Project Support	£60,000	Place	The waiver sought a joint service agreement with the government department regarding a major infrastructure project.	Approved - the waiver was approved on the basis that the provider could deliver the expertise required.
FR283	4	Career Development Portal	£36,000	Resources	The waiver sought to direct award a contract for some eLearning training	Rejected - The waiver was rejected on the basis that there is a market for the learning and it is not a specialist offer and should be competed in the market.