

1st May 2019**Agenda Item: 9****REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT &
IMPROVEMENT****FINANCIAL REGULATIONS WAIVERS 2018/19****Purpose of the Report**

1. To inform Members about requests to waive the Financial Regulations (waivers) in the Period 1st April 2018 - 31st March 2019.

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:-
 - i. The Section 151 Officer, after consulting with the Group Manager for Legal Services where appropriate, may vary, waive or suspend any financial regulation,
 - ii. 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.,
 - iii. 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,
 - iv. 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 2018/19 (Table1) compared to the previous year by directorate and value, full details for those waivers are contained in Appendix 1.

Table 1	2018-2019				2017-2018			
Directorate	Number Waivers	Total Value	No. Rejected	Value Rejected	Number Waivers	Total Value	No. Rejected	Value Rejected
Chief Exec	0	0	0	0	6	244,336	2	£65,306
Adult Social Care (ASC) Health & Public Protection & Public Health	4	£200,750	1	£15,000	2	122,986	0	£0.00
Children, Families & Cultural Services (CFCS)	3	£88,540	2	£38,540	3	£114,208	2	£105,000
Place	8	£548,361.20	1	£340,000	7	£702,612	3	£449,024
Schools	0	0	0	0	0	0	0	0
TOTAL	15	£837,651.20	4	£393,540	18	£1,184,142	7	£619,330

7. The total number of waivers has decreased since last year with an overall reduction of 16.6%. In 2018-19 27% of requests received were rejected.
8. There has been a significant reduction in waiver requests from the Chief Executives department. The number of waiver requests from Children, Families and Cultural Services department have remained the same as last year, whilst the number from Adult Social Care and Health and Place departments have increased since last year. The total value of spend requested through financial waiver has reduced since last year.
9. Category Managers continue to work with the directorates to develop procurement category strategies that will aid the continued reduction of waiver requests.

Other Options Considered

10. Other options were not considered applicable for this annual update report.

Reason/s for Recommendation/s

11. This report is to inform Members about requests to waive the Financial Regulations (waivers) in the Period 1st April 2018 - 31st March 2019. Every effort is made to ensure waivers are kept to a minimum and through this report, members are updated of the detail of spend coming through financial regulation waivers.

Statutory and Policy Implications

12. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment 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) Members of the Governance and Ethics Committee to support the detail contained in the report Financial Regulations Waivers 2018/19 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 10/04/19]

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

Financial Comments [SES 29/03/2019]

14. There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

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

Number	Ref	Subject	Value	Department		
					Waiver Details	Approval/Rejection
1	FR284	A therapeutic mental health service for young people who display sexually harmful behaviour	£50,000.00	CFCS	The waiver sought the approval to direct award the continuation of service delivery to the incumbent provider to align with the CCG recommissioning of the service in 2019. contract	Approved The waiver was approved on the grounds that it would not be economically viable to re-tender the service at this stage and a joint approach would be more beneficial both for the service users and from a financial point of view.
2	FR285	Cotgrave MUC	£10,000.00	Place	The waiver sought to extend the scope of the original project.	Approved The waiver was approved on the grounds that this was not a material change to the original requirement that had already been approved by committee.

3	FR286	Development Programme	£17,000.00	Place	The waiver sought the continued employment of a training provider to identify people to undertake some Learning and Development	Approved The waiver was approved on the basis that conclusion of the programme would enable all necessary training to be completed.
4	FR287	Online electronic Bed system	£15,000.00	ASC	The waiver sought the approval to commence a pilot of an electronic bed system	Rejected - The waiver was rejected on basis that there is no funding to proceed.
5	FR288	Systems Review Contractor	£57,750.00	ASC	The waiver sought the approval to utilise and alternative recruitment agent to the NCC contracted one.	Approved The waiver was approved on the grounds that it would not be economically viable to re-tender the service at this stage and a project is in flow the previous employee supporting the project has left the authority and there is a risk to business failure.
6	FR289	Specialist Support for Toton	£30,000.00	Place	The waiver sought the approval to a specialist marketing company to support the branding work for Toton.	Approved the waiver was approved on the grounds that it would not be economically viable to run a full tender process and the proposed supplier brought a wealth of expertise.

7	FR290	HS2 Consultancy Project	£340,000.00	Place	The waiver sought the appointment of a lead consultant (with sub-contractors) to develop the HS2 business Case	Rejected The waiver was rejected on the basis that the request exceed the OJEU Threshold and it was therefore not legal to sign it off.
8	FR291	Children's Home Safety Equipment Scheme - pilot	£100,000.00	ASC	The waiver sought the approval of a pilot scheme for the provision of safety equipment at residential addresses. On hold at present as legal services are conversing with the department re contract arrangements approval to be sought from Nigel before 07.09.2018	Approved the waiver was approved on the grounds that the project was a pilot and that the cost of tendering would not be economically viable.
9	FR292	purchasing services from NEMS to support independent sector care providers	£28,000.00	ASC	The waiver sought the appointment of a specialist public body to developing a degree level program for staff within care homes	Approved the waiver was approved on the grounds that the provider has specialist knowledge and access to support care homes.
10	FR293	Appointment of London Continental Railways (LCR) to recruit a specialist advisor/support on a short term basis as part of the HS2 Toton Project - also see waiver FR282	£30,000.00	Place	The waiver sought the appointment of a specialist agency to lead the recruitment of a specialist advisor/support on a short term basis	Approved the waiver was approved on the grounds that the provider has specialist knowledge in order to support the recruitment requirements.

11	FR294	Virtual reality headsets, films, and training for staff to work with adopters, foster carers, social workers and others to understand the impact on children of various forms of neglect and trauma	£28,540.00	CFCS	The waiver sought the purchase of a virtual reality system on a pilot scheme for 12 month	Rejected - The waiver was rejected on basis that the request was retrospective.
12	FR295	Creation of the Development Corporation	£25,000.00	Place	The waiver sought to appoint a specialist firm to support with the vision and branding of the Development Corporation and growth opportunities from HS2 developments.	Approved - the waiver was approved on the basis that this short commission requires identified resource for deliveries. All future commissions will take a formal procurement route.
13	FR296	CYP Mental Health Involvement project.	£10,000.00	CFCS	The waiver sought for the extension of a piece of children and young people's mental health involvement and engagement work	Rejected - the waiver was rejected on the basis that the request was retrospective.
14	FR297	Bestwood Country Park	£62,673.00	Place	The waiver sought the approvals to contract with ProLudic Ltd to provide and install new play equipment at Bestwood Country Park.	Approved - the waiver was approved on the grounds that there are no other routes to market and there is risk of losing £50K grant funding for the project.

15	FR298	PJ Associates	£33,688.20	Place	The waiver sought to provide specialist and technical support required to deliver a new smart platform, a print bureau supplier and delivery of hot listing of cards This is a statutory duty of a concessionary travel scheme	Approved given the value and the time restraints it would not make economic sense to put this through a full tendering process or call off from other frameworks.
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