

REPORT TO: Audit and Governance Board

DATE: 4 June 2025

REPORTING OFFICER: Director of Finance

PORTFOLIO: Corporate Services

SUBJECT: Annual Report on Waivers of Procurement Standing Orders

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 This report sets out the Council's arrangements for the waiver of Procurement Standing Orders and provides details of all the waivers approved in 2024/25.

2.0 RECOMMENDATIONS: That:

- (i) The Board confirms its assurance in the appropriateness of the processes followed for the approval of waivers to Procurement Standing Orders;
- (ii) The waivers of Procurement Standing Orders approved in 2024/25 be noted.

3.0 SUPPORTING INFORMATION

3.1 The purpose of Procurement Standing Orders is to provide a robust structure within which procurement decisions are made and implemented and to ensure that the Council:

- Undertakes legally compliant procurement
- Ensues fairness in allocating public contracts
- Achieves best value from its procurement activity
- Demonstrates high standards of integrity
- Safeguards its reputation from any implication of dishonesty or corruption
- Undertakes procurement activity strategically to help deliver corporate priorities

- 3.2 The Council's procurement arrangements allow, in specific circumstances, for the award of contracts without following all the provisions contained in Procurement Standing Orders. However, it is important to note that a waiver of Procurement Standing Orders cannot override legal obligations. Furthermore, any use of a waiver must remain fully compliant with public procurement law and any other applicable legislation.
- 3.3 There are three procedures for the approval of requests to waive Procurement Standing Orders:
- Emergency Procedures
In cases of unforeseen emergency requiring urgent action, the Chief Executive may waive Procurement Standing Orders as needed. All such instances must be reported in writing to the next available Executive Board meeting.
 - Non-Emergency Procedures (exceeding £100k)
Approval to waive any of the provisions of Procurement Standing Orders must be obtained from the Executive Board.
 - Non-Emergency Procedures (up to £100k)
Approval to waive any of the provisions of Procurement Standing Orders must be obtained from the Head of Procurement.
- 3.4 Inappropriate use of waivers can undermine confidence that the Council is achieving best value in procurement. However, when used appropriately, waivers can offer several advantages. These include:
- **Speed and efficiency:** Waivers allow for quicker procurement when there is urgency (e.g. emergency works or tight funding deadlines), avoiding a lengthier tender process.
 - **Continuity of service:** Allows for continuity where a change in supplier would cause disruption or inefficiency, e.g. ongoing projects or services where a provider already has critical knowledge.
 - **Specialist expertise:** Waivers may be appropriate where only one supplier has the specialist skills or intellectual property necessary to deliver a requirement.
 - **Cost-effectiveness:** In some cases, direct awards under a waiver can represent better value for money, especially if pricing is competitive and if switching suppliers would be disruptive or incur additional costs.
 - **Compliance with grant conditions:** Where external funding has short timescales or named delivery partners, waivers can enable compliance with those conditions without breaching procurement law.

- **Capacity:** Using a waiver to directly award lower value contracts can support continuity and timely service delivery when internal capacity is limited, by avoiding the delays and resource demands of a full procurement process. This enables service managers and the Council's Procurement Team to prioritise its limited resources on more complex, higher value contracts where greater value can be added.

3.5 Requests for non-emergency waivers must be submitted through the Council's online 'I Want Procurement' portal. The process requires the submission of various details in support of the waiver request. These include:

- Description of the goods, services or works to be procured
- Period covered by the waiver
- Details of the supplier selected and any quotations obtained
- The terms and conditions to be applied, i.e. contract, SLA, purchase order
- A business case to support the waiving of Procurement Standing Orders

3.6 Additionally, the following checks and confirmations are applied in respect of each waiver request:

- Financial Management are contacted to confirm budget availability for the proposed expenditure. The waiver request will not progress without confirmation of budget availability.
- The Insurance Team is consulted regarding any specific insurance requirements relating to the proposed contract award. The waiver request will not progress without confirmation that the supplier meets the Council's requirements in terms of insurance cover.
- The Information Governance Team is consulted regarding any data protection implications. The waiver request will not progress until the Information Governance team provides confirmation that they are satisfied that appropriate arrangements are in place.
- Where appropriate to the procurement, assurance is also sought that the supplier meets the Council's requirements in respect of safeguarding. Again, the waiver request will not progress unless this requirement is satisfied.

3.7 During 2024/25, an additional control was introduced for waiver requests. All requests must now be reviewed by the relevant Executive Director and the Director of Finance before submission. The Executive Director must also confirm both their support for the waiver and that the proposed expenditure is essential. Waiver requests will not proceed without this confirmation.

- 3.8 External audit reviewed the Council's waiver arrangements during 2024 and noted in their 2023/24 Annual Report that the Council "has a robust process in place to agree waivers involving finance and other corporate services".

4.0 **WAIVERS – 2024/25**

- 4.1 A summary of the waivers approved in 2024/25 is provided in the following table:

Type of waiver	No. approved
Emergency	1
Non-emergency – approved by Executive Board	6
Non-emergency – approved by Procurement (up to £100k)	81
Total	88

- 4.2 Further details regarding each waiver approved and the supporting business case can be found appended to this report.

- 4.3 The total potential value of waivers approved in 2024/25 was approximately £5.9 million, some of which relate to contracts spanning multiple financial years. This represents a small proportion of the Council's overall spend on goods, works, and services in 2024/25, which exceeded £189 million.

- 4.4 As would be expected, most waivers approved in 2024/25 related to lower value contracts (up to £100k). Notably, 19 non-emergency waivers were for amounts under £25,000 and therefore did not strictly require a waiver of Procurement Standing Orders, as separate provisions apply to procurements under this threshold.

- 4.5 While the reasons for seeking waivers vary, several common themes are evident:

- IT related expenditure - where purchases can only be made from a particular supplier, e.g. licences, support, maintenance, upgrades etc.
- Agency placements – where the Council's existing agency arrangements cannot provide the staff required
- Consultancy work – awarded to suppliers with specialist or prior knowledge of the Council's requirements
- Continuity of provider – continuation with existing providers due to satisfactory performance and value
- Extension – short-term contract extensions to enable continuity of provision whilst future service needs are reviewed.

- 4.6 While there may be a perception that waivers of Procurement Standing Orders result from poor planning or time constraints, the analysis in the appendices to this report clearly demonstrates that this is not the case. In the vast majority of instances, waivers are underpinned by robust and well-evidenced business cases. The Council's procurement processes are designed to support early engagement, enabling service managers to make informed decisions about the most appropriate procurement route.

5.0 **POLICY IMPLICATIONS**

- 5.1 There are no direct policy implications arising from this report. Procurement Standing Orders include appropriate provisions to waive procurement rules in specific circumstances, ensuring flexibility and responsiveness where standard procedures may not be practical or in the Council's best interests. The waiver approval process is designed to maintain compliance with all relevant procurement legislation and uphold good governance.

6.0 **FINANCIAL IMPLICATIONS**

- 6.1 There are no financial implications arising directly from the contents of this report. Ensuring that contracts are procured effectively is however key for delivering best value.

7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

7.1 **Improving Health, Promoting Wellbeing and Supporting Greater Independence**

Procurement Standing Orders provide a framework to help the Council achieve best value in its procurement activities and ensure compliance with relevant legislation. Robust procurement practices, including the use of waivers in appropriate circumstances, therefore support the delivery of all the Council's priorities.

7.2 **Building a Strong, Sustainable Local Economy**

See 7.1

7.3 **Supporting Children, Young People and Families**

See 7.1

7.4 **Tackling Inequality and Helping Those Who Are Most In Need**

See 7.1

7.5 **Working Towards a Greener Future**

See 7.1

7.6 **Valuing and Appreciating Halton and Our Community**

See 7.1

8.0 **RISK ANALYSIS**

- 8.1 Waivers of Procurement Standing Orders, when used appropriately, can help the Council manage risk by providing the flexibility to respond quickly and effectively to unforeseen circumstances, urgent requirements, or situations where traditional procurement processes may not be suitable. However, it is important to manage waivers of procurement rules robustly to ensure transparency, accountability, and value for money when spending public money.

9.0 **EQUALITY AND DIVERSITY ISSUES**

- 9.1 None directly arising from this report. However, any issues are considered at the time a waiver request is submitted.

10.0 **CLIMATE CHANGE IMPLICATIONS**

- 10.1 None directly arising from this report. However, any issues are considered at the time a waiver request is submitted.

11.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None