

Item No.	Classification: Open	Date: 25 th February 2003	Meeting Name: Executive
Report Title:	Scrutiny Recommendations in respect of Re-negotiation of Council Tax and Housing Benefit Contract		
Ward(s) or Groups Affected:	All		
From:	Overview & Scrutiny Committee		

RECOMMENDATION

1. That the Executive agree the recommendations made by Finance & General Purposes Scrutiny Sub-Committee in respect of the re-negotiation of the Council Tax and Housing Benefit Contract as set out in Appendix A.

BACKGROUND INFORMATION

2. The Executive received this report at its meeting on 28th January 2003 and agreed that the report be considered at the same time as the report on the Re-negotiation of the Council Tax and Housing Benefit Contract due to be considered by the Executive on 25th February 2003.
3. Finance & General Purposes Scrutiny Sub-Committee met on Monday, 13th January 2003 and received a briefing from Keith Brown, Chief Finance Officer, on the Liberata Revenues and Benefits Contract and the conference on 'Revenues and Benefits: The Way Forward' held in October 2002.
4. Sub-Committee Members questioned the Chief Finance Officer on the detail of the contract with Liberata and future service provision for the processing and collection of council tax and housing benefit, and made recommendations as detailed in Appendix A, for consideration by OSC and onward transmission to the Executive.
5. On 15th January 2003 Overview & Scrutiny Committee received and ratified the Sub-Committee's recommendations (set out at Appendix A) for transmission to the Executive. In order that scrutiny's recommendations might be taken into account as part of the contract re-negotiation, the Leader of the Council has been advised of these recommendations in advance of the current meeting.
6. Accordingly the matter stands referred to the Executive for consideration.

ISSUES FOR CONSIDERATION

7. The recommendations are attached at Appendix A to this report.

LEGAL IMPLICATIONS

8. There are no additional legal implications raised by this report.

RESOURCE IMPLICATIONS

9. There are no specific resource implications raised by this report.

EQUALITIES IMPLICATIONS

10. There are no additional equalities implications raised by this report.

Audit Trail

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Dated	14 th February 2003

CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER

Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	No	No
Chief Finance Officer	No	No
Executive Member	No	No

<u>Background Papers</u>	<u>Held At</u>	<u>Contact</u>
<ul style="list-style-type: none">• Background papers are highlighted in the scrutiny report attached at Appendix A.• Health and Social Care Act 2001• Local Authority Health Scrutiny Draft Regulations	Corporate Strategy Unit, Town Hall, Peckham Road, London SE5 8UB	Eamon Lally Corporate Strategy Tel: 0207 525 7179
Overview & Scrutiny Committee: Agendas and Minutes	Constitutional Support Unit Rm 3.16, Town Hall, Peckham Road, London SE5 8UB	Lucas Lundgren Constitutional Support Officer Tel: 0207 525 7224
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Finance and General Purposes Scrutiny Sub-Committee (13 January 2003)
Recommendations on the Re-negotiation of Council Tax and Housing Benefit Contract

- 1 The Sub-Committee noted the original officer advice had been to extend the contract by 5 years, whereby Liberata were prepared to take risk on investing in future service development to achieve Council targets at no additional cost to the Council, and recommend that the Executive consider the 5 year contract extension proposal in good time before March 2004, when the contract is next reviewed with Liberata.
- 2 The Sub-Committee noted with some concern that there was no provision for liquidated damages from Liberata to the Council in the case of serious, irrecoverable breach of contract, and this be considered by the Executive in time for the annual review in March 2004.
- 3 The Sub-Committee was advised there was no open book accounting as part of the negotiated contract with Liberata, although there were partnership arrangements in place detailed in the contract. The Sub-Committee recommends there should be open book accounts if such bonus schemes exist.
- 4 The Sub-Committee noted the obligations of the Council within the contract, for example the eventuality of failure of IT provision would fall as an obligation to the Council. The Sub-Committee recommends the Executive investigate in some detail the downside of such Council obligations within the contract.
- 5 The Sub-Committee noted the bonus point for collection of Council tax in 2003/04 was expected to be achieved, and was concerned that the Council was not pushing for negotiated harder targets. The Sub-Committee recommends that this be taken into account with the review of contractor performance as a whole, and this be kept under review at annual intervals.
- 6 The Sub-Committee noted external advisors had been brought into negotiations to advise the Council, but that the external advisors had not been part of the annual review of contract arrangements. The Sub-Committee recommends that the Executive enquire further into the past and the appropriate future role of external advisors, particularly in the light of the sizeable bonuses available to the contractor.