



FINANCE AND GENERAL PURPOSES SCRUTINY SUB-COMMITTEE

MINUTES of the FINANCE AND GENERAL PURPOSES SCRUTINY SUB-COMMITTEE meeting held on MONDAY 13 JANUARY 2003 AT 7.00pm at Southwark Town Hall, Peckham Road, London SE5 8UB

MEMBERS Councillor Toby Eckersley (Chair)
PRESENT: Councillors Lisa Rajan (Vice-Chair), Fiona Colley, Gavin O'Brien and Andy Simmons

OFFICERS: Rob Bollen - Corporate Strategy
Keith Brown - Director of Finance
Eleanor Rees - Constitutional Support Unit

APOLOGIES

Apologies for absence were received from Councillors Alison Moise, Stephen Flannery and Jonathan Hunt.

NOTIFICATION OF ANY ITEMS OF BUSINESS THAT THE CHAIR DEEMS URGENT

There were no urgent items.

DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no interests and dispensations declared at the meeting.

RECORDING OF MEMBERS' VOTES

Council Procedure Rule 1.17(5) allows a Member to record her/his vote in respect of any motions and amendments. Such requests are detailed in the following Minutes. Should a Member's vote be recorded in respect to an amendment, a copy of the amendment may be found in the Minute File and is available for public inspection.

The Sub-Committee considered the items set out on the agenda, a copy of which has been incorporated in the Minute File. Each of the following paragraphs relates to the item bearing the same number on the agenda.

48 RE-NEGOTIATION OF COUNCIL TAX AND HOUSING BENEFIT CONTRACT AND THE BUDGET PROCESS (CSL) (agenda pages 1 – 25)

48.1 Keith Brown, Director of Finance, provided a briefing to the Sub-Committee on the Liberata Revenues and Benefits Contract and the conference on 'Revenues and Benefits: The Way Forward' held in October 2002.

- 48.2 Members questioned the Director of Finance on the detail of the contract with Liberata, and agreed the following recommendations listed below, be referred to the next Overview and Scrutiny Committee for consideration.

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.

49 CUSTOMER SERVICE CENTRE – BREAKDOWN OF COSTS (see agenda page 26)

The information detailed in the report was noted for information only.

50 WORK PROGRAMME 2002/03 (see agenda pages 27 – 28)

50.1 The Chair requested the Budget Timetable for January and February 2003 provided by the Chief Financial Officer be circulated at the meeting.

50.2 The Chair noted the business for the next Sub-Committee meeting to be held on 21 January 2003, and the following was agreed:

Work Programme

Officers be requested to resubmit a revised version of the Work Programme to include scheduled meeting dates against scrutiny topics.

Customer Call Centre

The two reports previously requested by the Sub-Committee be submitted to the meeting and an invitations to attend the next meeting be made to the Executive Member for Service Delivery, Cllr Gurling, and also to officers Bill Murphy.

Review of District Audit's Management Letter and Audit Report

Officers be requested to inquire whether the District Auditor would be willing to attend two meetings, one with the Executive and the other with the Scrutiny Sub-Committee. Arrangements for the District Auditor to attend a future meeting of the Scrutiny Sub-Committee be reported at the next meeting.

50.3 The Sub-Committee noted the updated Budget Plan would not be available for the meeting on 21 January 2003, and the Executive would receive the Budget Plan on 28 January 2003. The Chair requested an additional special meeting of the Sub-Committee be proposed for 30 January, or alternatively, 4 February 2003, to consider the Budget Plan and the decisions taken by the Executive, and the Executive Member for Finance, Cllr Zuleta, be invited to attend the proposed special Sub-Committee meeting to answer questions on the Budget Plan.

The meeting ended at 9.25 pm

CHAIR:

DATE: