

PERFORMANCE AND FINANCE COMMITTEE PROTOCOL FOR AGENDA PLANNING AND OPERATION

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Revisions are printed in *italics*

Aims of the sub-committee

The sub-committee has three central aims, as follows:

To promote public discussion and awareness of council performance and improvement in strategic terms, and, where appropriate, to make relevant recommendations

To monitor performance on a by exception basis, identified by analysis of scorecard and Improvement Board data, and where more in-depth study of an issue is required to escalate the matter to Overview and Scrutiny

To examine and discuss high-level strategic performance issues, and in particular at cross-cutting and thematic matters impacting on performance and on the potential for improvement

The agenda planning process outlined below is intended to help deliver those aims in the most value for money manner possible.

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1. PRINCIPLES OF AGENDA PLANNING

1.1 The agenda planning process exists:

- Firstly, to ensure that members receive a wide spread of baseline information to enable them to plan the committee work programme effectively.
- Secondly, to better effect dialogue between service officers, scrutiny officers and scrutiny members when the agenda is being put together
- Thirdly, to ensure that consideration of issues at committee represents a culmination of a period of off-line study of a topic, rather than a stand-alone information gathering exercise for scrutiny members, of limited value and impact both to members and officers.
- Fourthly, to ensure that scrutiny committees, by planning their agendas and work programmes more robustly, are able to demonstrate a value for money service, which is effective and responsive to the needs and concerns of local people.

1.2 Performance and Finance will operate with these key principles in mind. Agenda planning will also have to take especial account of the corporate performance management position. More information on this can be found in section 4.

2. ROLE OF PERFORMANCE AND FINANCE

2.1 The Performance and Finance Scrutiny Sub-Committee (hereafter P&F) exists to hold the executive to account for performance against stated targets and to assist the authority in its service improvement aims.

2.2 The terms of reference, agreed by Overview and Scrutiny at their meeting on 10 July 2007, identifies the terms of reference of P&F as follows:

- To consider / monitor, on an exception basis, the financial and service performance of the organisation.
- To consider / monitor the performance of the Local Area Agreement (LAA)
- To undertake specific investigation of identified "hot spots" through Q&A, reports or challenge panels – subject to endorsement by Overview and Scrutiny Committee.
- To refer "hot spots" to O&S for more detailed investigation where necessary.

- To consider such urgent items as are necessary – ad hoc, CcfA, area scrutiny.
- 2.3 The Committee will, following agreement of the Overview and Scrutiny, examine the following issues:
- Performance and finance information from all areas of the council, as reported to the SPR scorecard – to include all Corporate Director scorecards, and group and service scorecards, as appropriate.
 - Performance information from the NHS.
 - Performance information from the Metropolitan Police.
 - Performance information from schools (where appropriate – see below).
 - HSP scorecards.
 - Other performance information relating to services provided to Harrow residents.
- 2.4 P&F will, by looking at this information, support the policy work of Overview and Scrutiny Committee and of the review groups that established by that body.
- 2.5 It will consider performance-related issues on a “by exception” basis only. Only where performance has been identified as a cause for concern will P&F examine an issue. However, it is not a Star Chamber or probationary body. The emphasis in all discussions will be for members and officers to work collectively to establish how performance in a given area can improve, within existing resource, financial and staff capacity.
- 2.6 Finance issues will be considered alongside performance information, to provide context to the Committee. Occasionally it will be necessary to consider finance information outside this context – for example, to support the annual consideration of the council’s budget.
- 2.7 Performance and Finance will not deliver its own review-based work programme, although at the request of Overview and Scrutiny Committee it can carry out light touch reviews and challenge panels which focus exclusively on performance issues. Although it will carry out its own work at committee, any matters requiring more in-depth (or ongoing discussion) will, as a matter of course, be referred to the Overview and Scrutiny Committee, which will make a decision on whether to proceed based on a recommendation from P&F.

3. ROLE OF CHAIRMAN

- 3.1 The Chairman, with the Vice-Chairman, is responsible for setting the agenda for each meeting. Both members will do so with reference to the Scrutiny Principles, and to the overriding principle that work undertaken must be “value for money”.
- 3.2 The Chairman and Vice-Chairman will hold a meeting once a month with the Scrutiny Officer, which the Director of Finance, and an officer from the Corporate Performance Improvement Team, will be invited to attend. The aim of these meetings will be to establish which items should be included on the agenda for the subsequent committee meeting, and to monitor performance on a wide range of issues affecting Harrow’s residents. More on these meetings can be found in sections 4 and 5.
- 3.3 The Chairman and Vice-Chairman will liase closely with other members of the committee. In particular, it is important to note that both members’ roles will require an ongoing, high level of commitment, necessitated by the frequent and detailed consideration of performance issues outside of the ordinary context of committee meetings.

4. INPUT FROM OFFICERS, IMPROVEMENT BOARDS AND THE CORPORATE ROLE: DEVELOPING AGENDA PROPOSALS

- 4.1 Success for P&F will depend on effective agenda planning. This, in turn, depends upon an acute understanding of the work that the executive is carrying out to improve performance. The Committee has to ensure that its work focuses in on these areas, and areas in general where it can have a meaningful and positive impact. Members have previously agreed that the Committee should focus upon:
- Identified financial risk areas
 - Performance of priority services
 - Performance “failures”
 - Priority risks
 - “in-year” issues, as identified by Cabinet
 - Issues arising from area-based scrutiny or the CcfA.
- 4.2 To be able to look at these areas effectively, members must have access to officers involved in making judgments on performance at a corporate level. For example, examining financial risk relies on a consideration of the Director of Finance’s identification of those services constituting a financial risk to the authority at a given time. For the municipal year 2007/08 this includes social care expenditure, delivery of the council’s savings plan and the impact of the Primary Care Trust turnaround plan on council finances.
- 4.3 Input from a number of corporate, and officer, groups will be important, in order to put the information in context.
- 4.4 High Performing Harrow – Scrutiny has a regular item on the monthly High Performing Harrow agenda. HPH is an officer-level group which discusses strategic issues relating to performance monitoring and management in the council. HPH may raise issues which they may consider members should examine. Likewise, the Performance and Finance Committee would be expected to keep HPH informed of its activities, so that officers engaged in performance work in service departments are aware of the P&F work programme.
- 4.5 Improvement Boards – these are bodies established by both officers and executive members to examine work being carried out to improve performance in a given area. They examine performance and identify opportunities for change and improvement. The work of the Improvement Boards, and that of P&F, will need to be closely aligned, to make sure that P&F’s work has maximum impact, and to ensure that the risk of duplication is minimised – with the important caveats below. It may be that P&F can pick up more detail of work carried out by Improvement Boards, or carry out some background work in advance of Improvement Boards, to submit to those boards for their consideration. In any event, liaison between officers and members will be important. At the same time, outcomes from Improvement Boards will, as a matter of course, be considered by Overview and Scrutiny. P&F will advise Overview and Scrutiny on any detail pertaining to Improvement Board work that might indicate that scrutiny work on a given subject ought to be carried out.

Inevitably P&F will, therefore, be carrying out investigate work into similar issues to the Improvement Boards. Duplication in terms of subject matter can be expected, but not duplication in terms of approach and outcomes. P&F will also integrate democratic

accountability into the Improvement Board framework by providing backbench members the opportunity to discuss key performance issues in a public setting. Members' different approaches, and the cross-cutting nature of P&F itself, will naturally lend themselves to a different approach and correspondingly different, but complementary, outcomes to those of the Improvement Boards. Naturally, should members consider that the input of P&F in a particular issue being considered by Improvement Boards will constitute duplication, they will proceed accordingly, in consultation with officers from the Scrutiny Unit and Corporate Performance, and the Director of Finance.

- 4.6 Corporate Improvement Programme – P&F will have to consider the work being carried out under the Corporate Improvement Programme. The CIP is linked to the corporate priorities, and sets out a suite of improvement priorities, each of which is backed up by one of a series of “flagship actions”. Progress on meeting the objectives set by these actions could be something to observe, although detailed monitoring will be carried out at a corporate level. Both O&S and P&F will also undertake specific pieces of work to support delivery of the corporate improvement programme.
- 4.7 Activities being carried out under the aegis of these three bodies and plans – as well as other information, where relevant – will be reported to the Chairman and Vice-Chairman as appropriate. It is anticipated that P&F will also be able to assist in the scrutiny of the Year Ahead Statement and Corporate Plan. There is more on this below.

5. INPUT FROM MEMBERS: SCRUTINY PERFORMANCE AND POLICY LEADS

- 5.1 The scrutiny leads – the performance leads in particular – play an important role in the development of the work programme and committee meeting agendas.
- 5.2 It has been agreed by O&S that the scrutiny leads will act to provide a gateway into the scrutiny function both for officers and for members of the public. As such it is appropriate that they play a central role in the agenda development process for P&F.
- 5.3 The points below relating to the Chairman’s Meetings, and the meetings of the sub-committee themselves, reflect this necessary involvement, but this section sets out some general principles as well as some more specific requirements.
- 5.4 Performance leads, and support for the work of the committee – the performance leads will have a number of opportunities both to impact upon and support the work of the committee. When a performance matter comes to the attention of a lead, he/she will, with the agreement of the policy lead, be able to:
- request that the issue in question be considered in detail at their next quarterly briefing with the policy lead
 - ask that the issue be considered at the next P&F, in consultation with the Chairman and Vice-Chairman and assuming that the issue meets the “by exception” criteria (the informal escalation process)
 - raise the issue at the next P&F as an element of the “Performance Issues” item (the formal escalation process)
 - conduct their own informal investigation into the issue and present any findings to the Chairman and Vice-Chairman at their monthly meeting, with any findings and comments being directed immediately to the officers involved. This would be an informal process for looking at certain issues where escalation might not be appropriate, and would allow certain matters thought important by members to be

investigated even when the “by exception” criteria are not met. Scrutiny Officers would not be able to provide support for such investigations.

- 5.5 Providing information to the performance leads – to carry out any of the above will require performance leads to have an understanding of performance within the terms of reference for which they are responsible. This will be provided by the following means – some of which are laid out elsewhere in this protocol.
- Performance information from monthly meetings relating to a particular subject area will be made available in “digest” form for the leads’ quarterly meetings.
 - Action sheets from the monthly meetings to be circulated to all performance leads as a matter of course.
 - Performance leads to have relevant scorecards circulated to them electronically when they become available, in advance of the relevant monthly meeting.

5. CHAIRMAN’S BRIEFINGS AND CHAIRMAN’S REPORT

- 5.1 On a monthly basis, the Chairman and Vice-Chairman of the committee will meet the Scrutiny Officer and an officer from Corporate Performance. The purpose of this meeting will be twofold:
- To monitor and consider performance information in 2.3, above, when it is available.
 - To monitor information which has been identified by P&F as required ongoing scrutiny.
 - To monitor and consider broader cultural issues relating to performance management, with a view to escalating issues to committee when necessary.
 - When appropriate, to plan the agenda for the next committee meeting

These meetings will not be committee meetings. Substantive matters will be discussed but, constitutionally, no decisions can be made. They will be an information-gathering forum only, to support the work of P&F being carried out at committee itself.

- 5.2 In advance of the meeting, the Chairman and Vice-Chairman will be sent copies of all the relevant, new performance information made available in the previous month, as well as copies of the agreed actions from the previous month’s meeting (this information will also be copied, for information, to all scrutiny performance leads). The Scrutiny Officer will also provide a short precis, with some context on the performance information provided, comparing it to previous scorecards and identifying any potential issues. Information will also be made available to the performance leads as appropriate. It may be that this information can be made electronically on the scrutiny internet site, and this option is being pursued.
- 5.3 The Chairman and Vice-Chairman will also be provided with key information from the most recent Improvement Boards, on a quarterly basis, including any other relevant performance information (including recommendations on Improvement Boards made at, and approved by, Cabinet). This will help to identify future plans for improvement as part of the “by exception” criteria.
- 5.4 It is expected that in time a broad suite of performance information, much of it high-level, will be available on a monthly basis. For the moment, however, this will not be occurring. As such, the monthly meetings themselves will not, at the outset, be able to consider real-time performance information, as had originally been hoped. Instead, they will look

at comparative information from other boroughs (and best practice information relating to performance management and will also examine systemic issues relating to the development of a performance management “culture” in Harrow – for example, issues relating to data quality, improvement, service plans, resourcing, and so on.

- 5.5 The Chairman and Vice-Chairman will discuss this information at the meeting. They will consider the data provided and decide whether certain matters should be referred to P&F for their consideration. It will also extract useful information to assist O&S’s ongoing work on policy development issues. It will conduct these activities on a “by exception” basis. This will be explained in detail in section 6.
- 5.6 Attendance at chairman’s briefing – as explained above, the briefing will be attended by the Chairman, Vice-Chairman, the scrutiny officer and an officer from corporate performance. Service officers will not normally be invited or expected to attend – the venue for discussions with service officers should be P&F committee itself. Scrutiny performance leads might choose to attend, with prior agreement, to discuss any matter due to be discussed on which they had a particular interest.
- 5.7 The action sheets will be made available on the internet and intranet, and the dates and times of the meetings will appear on the scrutiny internet/intranet site as well. However, the briefings not being formal meetings of a council body, they will not be listed on the council calendar. Notwithstanding this, any member of the public expressing an interest in attending should be able to sit in and observe. However, in the normal course of events, public concerns would be directed through the scrutiny leads as appropriate.
- 5.8 Actions following the meeting - After the meeting, an action sheet will be drawn up, identifying each issue discussed and the proposed action to be taken as a result – whether to look at an issue more closely, continue monitoring normally or refer a matter to P&F. If deciding to look at an issue more closely, the Chairman and Vice-Chairman can request additional performance information – perhaps including specific service scorecards, longer-term historical data, or evidence from any relevant BV reviews or Improvement Boards – for the next meeting.
- 5.9 Detailed minutes of the meeting will not be taken. It will be an informal briefing session and will not under any circumstances purport to take the place of the Performance and Finance Committee. As a rule of thumb it will probably not last longer than an hour and a half and will not have a formal agenda.
- 5.10 The action sheet will be sent to all scrutiny performance leads in advance of the next meeting along with the next meeting’s data pack, to inform members of ongoing issues. It will also provide performance leads with the opportunity to raise any performance-related issues of which they are aware, which can then be placed onto the agenda of the next meeting.
- 5.11 Support for work at Overview and Scrutiny – on occasion the Overview and Scrutiny Committee will, as agreed, consider issues relating to performance. This will generally be when a regular report will cut across policy and performance issues and will be the exception rather than the norm and would apply in the circumstances below:
- The annual Crime and Disorder Reduction Strategy report.
 - The Annual Health Check from the NHS

That these two items relate to the two issues where scrutiny has (or shortly will have) a statutory responsibility to scrutinise a partner is not directly related to this special treatment.

- 5.12 Under these circumstances, the Chairman and Vice-Chairman would, at the relevant monthly meeting, look in particular detail – along with the performance lead for the relevant issue – at the subject under discussion. An informal briefing based on these discussions would then be provided to assist Overview and Scrutiny at committee.
- 5.13 More broadly, findings at Performance and Finance could well support ongoing discussion of any item being considered at Overview and Scrutiny through the ordinary process of references between committees, as laid out in the council's Constitution. In particular, P&F will be able to provide assistance in the consideration of the Year Ahead Statement and Corporate Plan. Relevant performance information can be passed in précis form to Overview and Scrutiny as an element in a reference report to provide the baseline evidence for a policy-based discussion at the parent committee. If the committee dates do not align to permit this process to occur formally, an informal meeting between members (probably at the briefing or agenda planning stage) would easily allow the evidence to be shared.

The reference report process is explained later.

- 5.14 Support for the work of the Overview and Scrutiny Committee in respect of education matters – education policy matters are being considered by Overview and Scrutiny, and education performance matters by Performance and Finance, the same as other topics. However, the situation is made somewhat more complex by the presence of the education co-optees.
- 5.15 Education co-optees provide an important, statutory, accountability to local authority scrutiny of education services. Representing the interests of schools, they also provide an additional and useful source of expert opinions.
- 5.16 The education co-optees will sit on Overview and Scrutiny but not on Performance and Finance. This means that in the first instance education performance issues will be considered without the co-optees being present.
- 5.17 However, the reference report to O&S (see below) will, when it considers education items, provide a detailed summary of discussions upon which the education co-optees will have an opportunity to comment. Discussions can also be reopened on the topic in question to consider the wider implications insofar as they affect policy considerations. It may under certain circumstances – for example, when information has recently become available – be appropriate for O&S to consider performance information of this kind before P&F. However, if this does happen it would be as general background information to support a discussion on policy issues.
- 5.18 The process will be given further transparency by the co-optees being provided with key performance information from P&F as and when it is considered at the monthly Chairman's meetings.
- 5.19 Chairman's Report – at every meeting of P&F the Chairman will table a report, summarising his and the Vice-Chairman's discussions at their monthly meetings. This report will contain:

- combined action sheet information, advising the committee of all issues considered by the Chairman and Vice-Chairman at their meetings since the previous P&F.
- Proposed recommendations for dealing with ongoing performance issues, which will require the committee's ratification.

5.20 This will ensure that all formal decisions remain with the Performance and Finance Committee, as the formally constituted body, and that all matters discussed in the Chairman's Briefings are reported fully to the Committee, thus maintaining a high level of openness and transparency. This will be discussed in more detail below.

6. REPORTING "BY EXCEPTION"

6.1 All reporting to committee will be "by exception". The Chairman and Vice-Chairman will between them make a decision, at the monthly Chairman's Meeting, as to whether a particular issue meets a strict set of "by exception" criteria.

6.2 These criteria exist to ensure that committee only considers issues that are of a high priority, and those issues on which the scrutiny function has the opportunity to add most value. They also aim to ensure that duplication will be limited between the role of Performance and Finance Scrutiny Sub-Committee, and any executive-side bodies which also act to improve performance.

6.3 The criteria are as follows.

Performance and Finance Committee should look at an issue only:

- when it relates to a priority for the council (identified through the Corporate Priorities or through statutory requirements), and
- when performance has been exceptional (either high or low) for a sustained period, and
- where costs appears to be high, possibly demonstrating poor value for money, and
- when it relates to an issue within the council's control, and
- where it appears that it is possible, within existing resources, to improve performance, and
- it is unclear whether a plan has been put in place to improve performance, or the plan is failing, and
- where there is significant risk attached to poor performance.

OR

- when poor performance relates to a significant area of concern for local people, as identified by lead members or directly by local people through the CCA regime.

OR

- when Overview and Scrutiny Committee have requested that Performance and Finance examine an issue.

6.4 When an issue meets one of these three broad sets of criteria, it will ordinarily be considered at the next available P&F meeting, with the Chairman's Report (see 7.2 below) making clear which criteria have been used.

7. COMMITTEE MEETINGS

- 7.1 Meetings of Performance and Finance Committee will be held every quarter
- 7.2 Chairman's Report - The first item on the agenda will be the Chairman's Report. It will identify the provenance of all items on the agenda, as well as issues considered for inclusion on the agenda, but where the Chairman considers that inclusion is not justified.
- 7.3 Members will make a decision whether to endorse the Chairman's decisions for the agenda. In practice, this should be a formality, as members of the committee would have been informed of the results of the Chairman's Briefings on a regular basis, and would have had an opportunity to comment on the agenda in advance.
- 7.4 Performance Issues – the second item on the agenda will be a verbal item. It will provide an opportunity for scrutiny performance leads to raise, formally, any performance-related issues which have come to their attention. Performance and Finance Committee would then decide what course of action they wished to take to resolve such situations – subject to the principles established at XXXXX.
- 7.5 The rest of the agenda will be given over to substantive discussion of performance and finance issues. The Committee will consider:
- Background to the scorecard and relevant indicators
 - Reasons for poor performance
 - Implications of continued poor performance
 - Steps being put in place to improve performance
 - Other bodies carrying out work to monitor performance
 - Further steps necessary to monitor performance and deliver improvements.
- 7.6 In relation to finance issues, members will also consider:
- impact on financial risk areas
 - impact on annual budget
 - impact on other priority services
- 7.7 Portfolio holder attendance and service officer attendance – it may be useful for the committee to speak to the portfolio holder or to specific officers about a certain performance issue. However, officers and portfolio holders will not be invited to attend for general discussions or Q&As on undefined issues.
- 7.8 *Actions taken as a result of committee consideration* – *the committee may take one (or a combination of) a number of options which are outlined on the committee report itself. These are:*
- *Make comments and recommendations as appropriate, and decide to escalate the issue to Overview and Scrutiny, for that committee to commission work on the subject.*
 - *Request that the matter be reported to committee at the next meeting for the purpose of further information being provided, subject to the principles set out in 7.9 below.*
 - *Make comments and recommendations as appropriate, and resolve to consider the item again only insofar as it meets the "by exception" criteria in the future.*

- *As above, but request that performance information on this issue be – where possible – be made available monthly to permit the Chairman and Vice-Chairman to monitor this matter closely.*

7.9 Repeat reports – occasionally it may be necessary for an issue to return to the next meeting of P&F. This will occur when:

- *the discussion led to a wider performance or finance-based query on a particular issue that could not be answered at the time, but is sufficiently significant that it would not be appropriate for it to be dealt with in the form of a written response.*
- *it would be clearly valuable to receive evidence from a partner or another stakeholder on a given issue.*
- *consideration of the item is more likely than not to result in a recommendation to O&S that a piece of work be commissioned on a given topic.*

A repeat report will not be requested when:

- *it has not been made clear how the additional report will add value to performance improvement in the service in question.*
- *the repeat report will only be providing an update on ongoing performance.*
- *the repeat report will deal with an issue or issues which could adequately be dealt with in the form of an information report.*
- *the consideration at committee is as the result of a request for a repeat report at a previous meeting.*

As such only one repeat report will be taken, at the next available committee meeting. After this time it is impossible to justify further reports on an issue. If it is important enough to justify a further call on scrutiny's time then this is a prima facie justification for review work to be carried out (through an escalation). If not then it does not need to be considered further.

7.10 Reference report – the final item on the agenda will be a resolution to provide a summary of items discussed, and decisions made, to the next meeting of Overview and Scrutiny. This will be considered in more detail in the next section.

8. REFERENCE TO O&S AND FUTURE WORK

8.1 Reference report – the reference report will be drafted after the meeting, highlighting issues considered by Performance and Finance, to brief Overview and Scrutiny on work that has been carried out. It is also an opportunity for Performance and Finance to seek Overview and Scrutiny's endorsement that a challenge panel or other form of review be established to look at a particular issue. It may also make a recommendation that an issue be escalated for further analysis either to Cabinet or to the next relevant Improvement Board (or to both, if appropriate).

8.2 The reference report will be submitted to the next available Overview and Scrutiny meeting. Overview and Scrutiny will then consider it, noting and endorsing (at their discretion) elements of it as requested, and as appropriate. If the recommendation is to conduct a piece of review work into an issue, the scope will be presented to the Overview and Scrutiny with a view to starting work immediately. Ordinarily (but not necessarily, a performance-based challenge panel or light touch review would be led by the relevant performance lead.

8.3 This ensures that Overview and Scrutiny is able to integrate its work with the valuable evidence being gathered by Performance and Finance – it also maintains Overview and Scrutiny’s agreed role as the commissioning body for all scrutiny work being carried out outside of committee.

9. COMPLETION

9.1 Performance and Finance will not request, at committee, to receive a report on an issue at the next committee to “follow up”, or further monitor. This ongoing monitoring is being carried out at the Chairman’s Briefing, to ensure that time at committee is spent considering only matters which have been recently established as demonstrating poor performance – the principle of “exception” monitoring.

9.2 As a result, there will be no regular items, other than those identified above. This includes items on statutory matters such as health and the police, which will only be considered as necessary. However, at the Chairman’s Briefings, such issues will be considered regularly, and where appropriate information can be provided to the relevant policy and performance leads to support other scrutiny work.

DIAGRAM SHOWING AGENDA PLANNING PROCESS FOR PERFORMANCE AND FINANCE - GENERAL

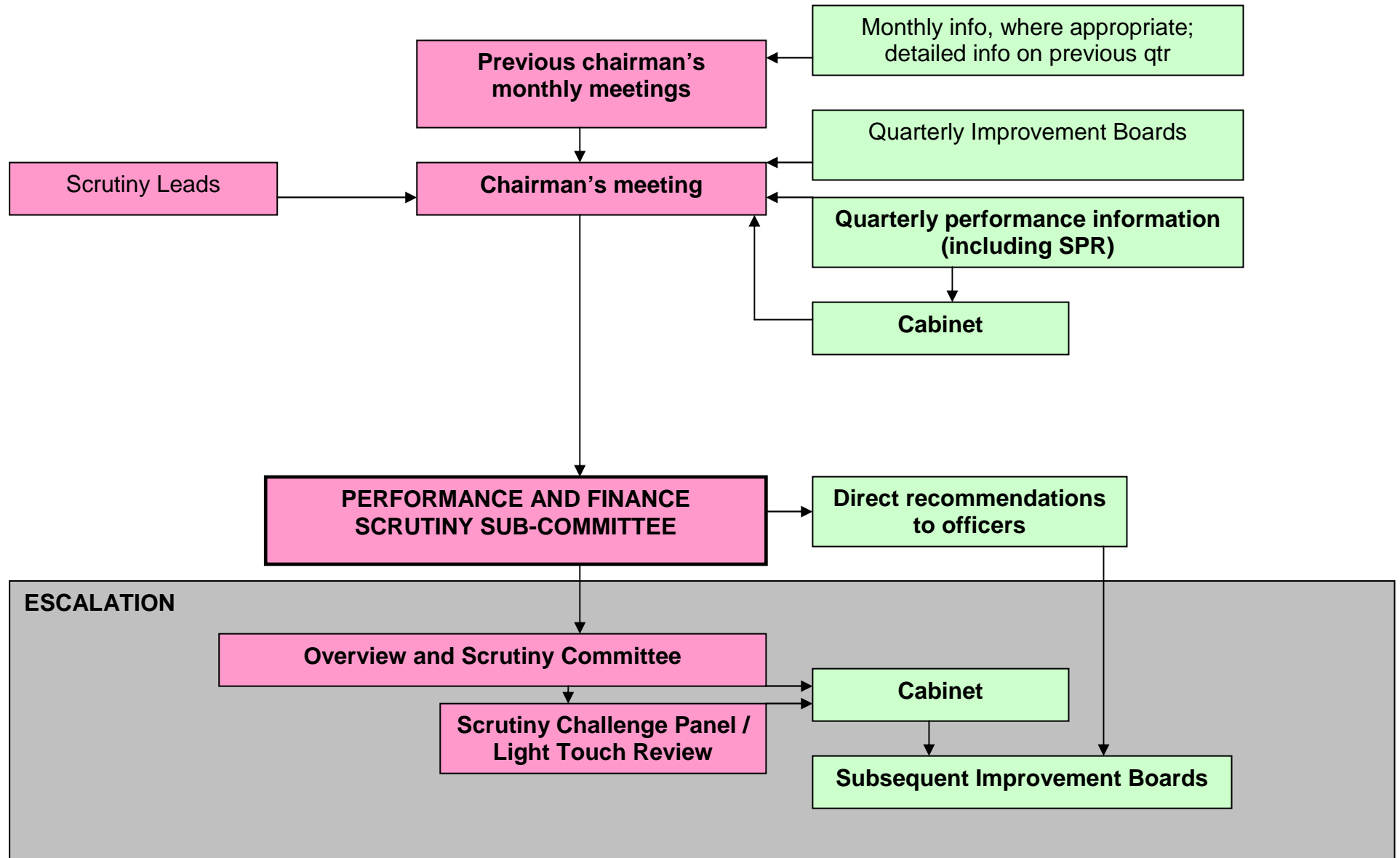


DIAGRAM SHOWING AGENDA PLANNING PROCESS FOR PERFORMANCE AND FINANCE - DETAIL

