

Meeting:	Performance and Finance
Date:	29 April 2008
Subject:	Protocol for operation of Performance and Finance Committee – update
Key Decision: (Executive-side only)	No
Responsible Officer:	Jill Rothwell, Corporate Director, Strategy and Business Support
Portfolio Holder:	Cllr Paul Osborn
Exempt:	No
Enclosures:	Performance and Finance Protocol

SECTION 1 – SUMMARY AND RECOMMENDATIONS

This report sets out an update to the protocol for the operation of the Performance and Finance Committee.

RECOMMENDATIONS:

The Committee is requested to:

- 1) note and agree the amendments to the Protocol, attached as an appendix to this report.
- 2) with reference to the amendments relating to finance, to receive the first of a series of quarterly reports at the next meeting relating to in-year budget issues, as set out in 7.7 of the amended P&F protocol.

SECTION 2 - REPORT

Introduction

At its meeting in July 2007, the Performance and Finance Scrutiny Sub-Committee agreed a Protocol to define how its agenda planning process, and how committee themselves, would operate.

Some amendments were proposed at January's meeting, and approved. These new amendments relate to the scrutiny of finance issues and are explained in more detail below.

Current situation

Following a meeting with the Chairman and Vice-Chairman in February, it was concluded that P&F consideration of finance issues would need to:

- complement work being carried out by Overview and Scrutiny – in particular, by the Standing Review of the Budget.
- concentrate on in-year issues.
- identify problems, where they exist, on a “by exception” basis.
- in so doing act as an “engine” for further investigative work, which might cut across finance, performance and other related issues.

However:

- there must be some consideration of the MTFs, to ensure that members' discussions sit within the context of continuing work.
- the work being of a short-term, in-year nature should not reduce the work carried out by P&F to carrying out ad hoc assessments of efficiency measures.
- work carried out at P&F will have to feed into the budget process at the right time, or risk being irrelevant.
- members will need to have a clear understanding of “where they are” in the budget cycle at any given time, and when looking at “by exception” data, in order to make effective recommendations.
- there needs to be some form of benchmarking to allow members to evaluate the information they are being given effectively.

The changes being proposed in the Protocol, attached, are intended to meet these requirements. They have been consulted on by Myfanwy Barrett, the Council's Director of Finance. The proposals include a new set of “by exception” criteria to be used for the identification of finance performance issues, which are set out at 6.5 in the report.

Section 7.7 establishes procedures for a proposed Standing Report on Finance to be provided by officers on a quarterly basis, to provide Members with some strategic context to the issues they are considering. The standing report would focus on different issues each quarter, depending on the stage in the financial cycle. It is proposed that the first of these quarterly briefings be presented to the Sub-Committee at its next meeting in July.

Why a change is needed

The changes are being recommended to enhance the role of Performance and Finance in the scrutiny of in-year finance and budget monitoring issues.

Main options

Members may decide to accept or reject the amendments.

Other options

There are no other options being presented.

Recommendation

That the changes to the Protocol be accepted as set out in the appendix to this report.

Risks – none specific.
Staffing/workforce: none
Equalities impact: none specific
Legal comments: none
Community safety: none
Financial implications - none

SECTION 3 - STATUTORY OFFICER CLEARANCE

Name: Sheela Thakrar	<input type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 18 April 2008		
Name: Stephen Dorrian	<input type="checkbox"/>	on behalf of the Monitoring Officer
Date: 15 April 2008		

SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

Contact: Ed Hammond, Scrutiny Officer, Strategic and Performance
020 8420 9205: ed.hammond@harrow.gov.uk

Background Papers:

Paper presented to Chairman and Vice-Chairman at monthly Chairman's Meeting, 10 March 2008