



London Borough of Merton

**Report and recommendations arising from  
the scrutiny task group review of the  
impact of the merger of the Overview and  
Scrutiny Commission and the Corporate  
Capacity Panel**

**Overview and Scrutiny Commission**

**March 2012**

**Task group membership**

Councillor Richard Williams (Chair)  
Councillor Iain Dysart  
Councillor Chris Edge  
Councillor Suzanne Grocott  
Councillor Diane Neil-Mills  
Councillor Peter Southgate

**Scrutiny support:**

Julia Regan, Head of Democracy Services

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## **Foreword by the Chair of the Task Group**

Good scrutiny is about achieving good outcomes; I firmly believe that the work of Councillors on Merton's Scrutiny Panels benefits residents across the Borough.

We are in challenging financial times and scrutinising the Council's budget process during the last year has involved significant work. Much more work is however only now starting as Scrutiny moves to overseeing and monitoring how the budget is implemented.

As the Council in May 2011 asked the Commission to do we have therefore, to complement the budget process, considered how to maintain and improve the effectiveness of scrutiny. This has particularly looked at how the Commission has worked following the inclusion of the responsibilities of the Corporate Capacity Panel.

We have found that there are opportunities to improve what we do and use the range of skills, expertise and interests that councillors bring to scrutiny to better ensure that finance, performance and wider activities are all suitably scrutinised.

I am very grateful for the testing, thoughtful and collegiate contributions of my fellow Task Group members. I am also grateful to the Cabinet Member for Finance and the Director of Corporate Services for their helpful contributions to our thinking.

I would particularly thank Julia Regan, the Head of Democracy Services, for her support and forming our often imprecise thoughts into such clear recommendations.

I hope that implementing the recommendations of the Task Group will mean better scrutiny, meaning better services for our residents.

**Councillor Richard Williams**  
**Task Group Chair**

## List of task group's recommendations

	Responsible decision making body
<b>Recommendation 1</b> (paragraph 11)	
We recommend that the Overview and Scrutiny Commission establish a financial monitoring task group to meet 4 times for one year only (i.e. during 2012/13) and that these arrangements are reviewed by the Commission with a view to making appropriate changes prior to the start of 2013/14.	Overview and Scrutiny Commission
<b>Recommendation 2</b> (paragraph 12)	
We recommend that the financial monitoring task group should have the following terms of reference: <ul style="list-style-type: none"> <li>• To carry out scrutiny of the Council's financial monitoring information on behalf of the Overview and Scrutiny Commission</li> <li>• To advise on other agenda items as requested by the Overview and Scrutiny Commission</li> <li>• To report minutes of its meetings back to the Overview and Scrutiny Commission</li> <li>• To send via the Commission any recommendations or references to Cabinet, Council or other decision making bodies</li> </ul>	Overview and Scrutiny Commission
<b>Recommendation 3</b> (paragraph 13)	
We recommend that meeting dates for the financial monitoring task group should be set in consultation with the Director of Corporate Services to enable the financial monitoring information to be examined on a quarterly basis.	Overview and Scrutiny Commission
<b>Recommendation 4</b> (paragraph 15)	
We recommend that the financial monitoring task group's meetings are held in public and that the agenda and minutes should be published on the Council's website alongside those of the Commission.	Overview and Scrutiny Commission
<b>Recommendation 5</b> (paragraph 17)	
We recommend that the membership of the Commission should include all the Chairs and Vice Chairs of the Overview and Scrutiny Panels.	Overview and Scrutiny Commission

<b>Recommendation 6</b> (paragraph 20)	
We recommend that the scrutiny officer support provided to other task groups established by the Commission or Panels should be capped at 200 hours each. Each task group will determine the most appropriate use of the 200 hours and may carry out additional unsupported activities should it wish to do so.	Overview and Scrutiny Commission
<b>Recommendation 7</b> (paragraph 23)	
We recommend that all scrutiny task group dates are identified and published in the Council's corporate calendar at the start of the municipal year. Dates may be subsequently altered with the agreement of all task group members.	Overview and Scrutiny Commission
<b>Recommendation 8</b> (paragraph 25)	
We recommend that Cabinet ask the Directors to appoint a senior officer in each Directorate to have lead responsibility for engaging with scrutiny, including communication within the department and between the department and the Democracy Services team.	Cabinet
<b>Recommendation 9</b> (paragraph 28)	
We recommend that the Sustainable Communities, Children and Young People and Healthier Communities and Older People Overview and Scrutiny Panels should undertake financial monitoring of the services within their terms of reference, with support and advice provided by the scrutiny officers.	Overview and Scrutiny Commission

# **Report of the Scrutiny Task Group review of the impact of the merger of the Overview and Scrutiny Commission and the Corporate Capacity Panel**

## **Introduction**

### *Purpose*

1. Annual Council agreed that a review of the impact of the merger of the Overview and Scrutiny Commission and the Corporate Capacity Panel on the Council's ability to undertake effective scrutiny should be undertaken to complement the budget setting process for the 2012/13 budget.
2. The Overview and Scrutiny Commission, at its meeting on 7 February 2012, therefore appointed a small task group to carry out the review and report back to its March 2012 meeting
3. The task group's terms of reference were:
  1. To review the impact of the merger of the Overview and Scrutiny Commission and the Corporate Capacity Panel on the Council's ability to undertake effective scrutiny by carrying out an assessment of:
    - the impact on the workload of the Commission (agenda size, meeting length, need for additional meetings...)
    - the impact on the ability to address all aspects of the Commission's terms of reference (including those previously held by the Corporate Capacity Panel)
  2. To make recommendations aimed at maintaining and improving the effectiveness of scrutiny.

### *What the task group did*

4. The task group had two meetings. At the first meeting it examined lists of agenda items for Commission meetings in 2011/12 and 2010/11 and Corporate Capacity Panel meetings in 2010/11 in order to identify the extent to which these addressed each of the terms of reference. It also examined information provided by the Head of Democracy Services, setting out the amount of scrutiny officer support given to the Commission, Panels and associated task groups.
5. At the second meeting it examined potential models for scrutinising financial monitoring information and discussed its views and emerging proposals with the Cabinet Member for Finance and the Director of Corporate Services.
6. This report sets out the task group's findings, conclusions and recommendations. The task group's recommendations run throughout the report and are set out in full at the front of this document.

## Findings, conclusions and recommendations

7. We reviewed a list of agenda items considered by the Commission during 2011/12 and by the Commission and the Corporate Capacity Panel during 2010/11. These were grouped by subject so that we could identify the extent to which each of the terms of reference were addressed and whether there were any gaps.
8. We found that the Commission's agendas have increasingly been taken up with financial monitoring items and that this has reduced its capacity to consider some of the more outward looking partnership and community safety issues that it has dealt with in previous years. We also found that the business transformation issues, previously scrutinised by the Corporate Capacity Panel, have been largely overlooked this year. In part this is due to the unusually large budget scrutiny exercise this year as the Council moved towards setting a 3-4 year budget.
9. We observed that the membership of the Commission has altered, losing the previous relationship with Panels whereby each Panel Chair and Vice-Chair was also a member of the Commission. We understand that this shift has taken place in order to ensure that members with a particular interest in financial matters are appointed to the Commission. However, other Commission members are less interested in these matters and we believe that there is now a disconnect between the membership and the focus of the agenda.
10. We have discussed ways in which we can bring about better scrutiny of the Council's financial monitoring information as well as enabling the Commission to fully address its responsibilities in respect of the "Safer and Stronger" elements of its terms of reference. We believe that the establishment of a standing task group to lead on the scrutiny of financial monitoring information on behalf of the Commission would meet these objectives. It is our view that four meetings would be sufficient and would enable the information to be scrutinised on a quarterly basis.
11. **We recommend that the Overview and Scrutiny Commission establish a financial monitoring task group to meet 4 times for one year only (i.e. during 2012/13) and that these arrangements are reviewed by the Commission with a view to making appropriate changes prior to the start of 2013/14. (recommendation 1)**
12. **We recommend that the financial monitoring task group should have the following terms of reference:**
  - **To carry out scrutiny of the Council's financial monitoring information on behalf of the Overview and Scrutiny Commission**

- **To advise on other agenda items as requested by the Overview and Scrutiny Commission**
- **To report minutes of its meetings back to the Overview and Scrutiny Commission**
- **To send via the Commission any recommendations or references to Cabinet, Council or other decision making bodies**

**(recommendation 2)**

- 13. We recommend that meeting dates for the financial monitoring task group should be set in consultation with the Director of Corporate Services to enable the financial monitoring information to be examined on a quarterly basis. (recommendation 3)**
14. We understand that there are no legal requirements for task group agendas and minutes to be made publicly available. We believe that, as an important principle of access and transparency, these should be published on the Council's website so that members of the public will be able to find out when meetings are taking place and what is being discussed. We also believe that these meetings should take place in public so that interested residents may attend.
- 15. We recommend that the financial monitoring task group's meetings are held in public and that the agenda and minutes should be published on the Council's website alongside those of the Commission. (recommendation 4)**
16. The task group would be appointed by the Overview and Scrutiny Commission and would comprise members with a particular interest in financial matters. As task group members can be drawn from all non-executive councillors, these members would not necessarily also be members of the Overview and Scrutiny Commission. It would be beneficial if the leads on financial monitoring for the three Panels could be appointed to the task group to provide continuity and to allow two-way feedback.
- 17. We recommend that the membership of the Commission should include all the Chairs and Vice Chairs of the Overview and Scrutiny Panels. (recommendation 5)**
18. We have carefully considered the information provided by the Head of Democracy Services relating to the level of scrutiny officer support required for the Commission, Panels and task groups. It is clear that the task groups take up a large proportion of their time – researching the



issue, finding relevant policy documents and expert witnesses, consultation activities, organising visits and drafting the task group's report.

19. Given the current financial situation, we recognise that it would not be appropriate to increase officer resources for scrutiny at this point in time. We therefore propose that the resources required to support the financial monitoring task group should be found from the resources currently provided to other scrutiny task groups. This would be a small adjustment and would still enable those task groups to carry out meaningful scrutiny reviews and to have control over the most appropriate use of those resources.
- 20. We recommend that the scrutiny officer support provided to other task groups established by the Commission or Panels should be capped at 200 hours each. Each task group will determine the most appropriate use of the 200 hours and may carry out additional unsupported activities should it wish to do so. (recommendation 6)**
21. The 200 hours would enable each task group to meet six times and to carry out a mix of visits and consultation activities that it deemed appropriate to the issue under review. Task groups would be able to allocate these resources as they saw fit.
22. We recognise that identifying suitable dates for task group meetings is a time consuming task that would be simplified if dates were allocated and published at the start of the municipal year.
- 23. We recommend that all scrutiny task group dates are identified and published in the Council's corporate calendar at the start of the municipal year. Dates may be subsequently altered with the agreement of all task group members. (recommendation 7)**
24. We heard that scrutiny officers also spend considerable time liaising with officers in service departments over scrutiny report requirements and timetables. We heard that this works particularly well for the Children and Young People Overview and Scrutiny Panel because there is a senior officer who leads on scrutiny within the Children, Schools and Families Directorate. We believe that it would be beneficial to have such a role in each of the service departments.
- 25. We recommend that Cabinet ask the Directors to appoint a senior officer in each Directorate to have lead responsibility for engaging with scrutiny, including communication within the department and**

**between the department and the Democracy Services team.  
(recommendation 8)**

26. We noted that when the merger of the Commission and the Corporate Capacity Panel was proposed it was envisaged that the other Panels would undertake financial monitoring of the services within their remit. We understand that, by and large, this has not happened, partly due to lack of information and, perhaps, also due to a lack of interest.
27. We believe that it would be beneficial for Panels to undertake some financial monitoring as they are best placed to question issues relating to the services that they scrutinise and to identify issues requiring further scrutiny. We believe that, with support from the scrutiny officers, and the provision of appropriate information, financial monitoring by Panels could be undertaken in conjunction with examination of service plans and performance management information during 2012/13.
28. **We recommend that the Sustainable Communities, Children and Young People and Healthier Communities and Older People Overview and Scrutiny Panels should undertake financial monitoring of the services within their terms of reference, with support and advice provided by the scrutiny officers.  
(recommendation 9)**

**What happens next?**

29. This task group was established by the Council's Overview and Scrutiny Commission and so this report will be presented to its meeting on 13 March 2012 for the Commission's approval.
30. The Commission will then send the report to the Council's Cabinet on 11 June 2012 for a response to recommendation 8. The other recommendations are within the Commission's purview and will be reported to Cabinet for information.
31. The Chair of the Commission and the Head of Democracy Services will take responsibility for ensuring that the task group's recommendations are implemented and that progress is reported back to the Commission.