

STANDARDS COMMITTEE

7 APRIL 2010

STANDARDS FOR ENGLAND'S PROPOSALS TO INTRODUCE A RISK BASED APPROACH TO INVOLVEMENT WITH LOCAL AUTHORITIES

Report from/Author: Deborah Upton, Monitoring Officer

Summary

Standards for England recently announced a review of its engagement with local authorities and a move to a risk based approach. This report is to notify Members of these proposals in anticipation of consultation.

1. Budget and Policy Framework

- 1.1 The role of the Standards Committee is to promote and maintain high standards of conduct by all Councillors, and co-opted members including those church and parent governor representatives serving on the Children and Adults Overview and Scrutiny Committee.
- 1.2 In order to fulfil this role effectively the Committee needs to be up to date with latest Standards for England proposals.

2. Background

- 2.1 Standards for England (SfE) are the national strategic regulator in the relation to the local standards framework.
- 2.2 SfE has recently unveiled a proposal for it to move to a "risk based approach" to regulation of the local authorities standards framework. This approach is designed to enable SfE to assess risks in within local authorities and apply its resources accordingly to keep risks low.

3. Risk Based Assessment Proposals

- 3.1 SfE has stated that there are three types of risk which are of concern to it:
 - Systemic risk - risk which could lead to a widespread failing in the work of the framework or in standards across all authorities

- Sectoral risk - risk which could lead to a failing in standards in a number of similar authorities
- Entity risk - risk of a serious standards failure affecting one of the authorities covered by the local standards framework

SfE considers that assessing entity, systemic or sectoral risks to standards or the success of the framework will allow it to target its efforts at those activities, situations or authorities that pose the greatest risk.

- 3.2 SfE has placed considerable importance on attempting to spot emerging challenges to standards within local authorities (such as the emergence of new technologies), allowing it to provide early advice and guidance to the standards community to help prevent problems arising. It has recently announced that it will be developing its approach to systemic and sectoral risk to identify trends or potential problems, and so offer appropriate advice at the earliest opportunity.
- 3.3 The proposals announced by SfE are to prioritise the way it interacts with authorities on the basis of a risk assessment for each authority of the likelihood and impact of any failure of standards in that authority. Each authority will have an SfE relationship manager appointed and SfE will work through those relationship managers to satisfy itself that authorities are working to minimise risks. The SfE has stated that it envisages working with 30 - 40 authorities at the highest level of contact and a further 100-120 at an intermediate level, at any one time.
- 3.4 SfE introduced this proposal as a traffic light system – i.e. the authorities identified as having the highest risk would be identified with a red traffic light, intermediate risk as an amber traffic light and low risk as a green traffic light.
- 3.5 SfE initially proposed some criteria for assessing the level of risk within each authority. Proposals for “red” authorities included: - all London Boroughs (initially), all authorities with no complaints (on the basis that this might mean that their standards procedures were not working properly) and all authorities who had missed filing their annual returns. Some of the initially proposed criteria caused concern within local authorities; in particular, concern was expressed over how the risk-based approach could be explained so as to ensure that high risk authorities were not portrayed as authorities which had failing standards. Concerns were also expressed about introducing such a system at local election time.
- 3.6 The consequences of the risk based approach would be that authorities at the lowest level of risk would be in contact with SfE only on matters of routine business in operating the standards framework and sending back the required monitoring data. Authorities at the intermediate level might be contacted by relationship managers on a six monthly basis, and those at the highest level contacted or visited more frequently as deemed appropriate.
- 3.7 SfE, taking into account the concerns raised by their initial proposals, has delayed implementation of the new approach while it consults on the proposals over the next six months. The Council has not yet received the formal proposals for consultation.

4. Financial Implications

4.1 There are no financial implications.

5. Legal Implications

5.1 There are no legal implications at this stage.

6. Recommendation

6.1 The Committee is recommended to note and discuss the proposals summarised in the report

Lead officer contact

Deborah Upton
Monitoring Officer
Telephone: 01634 332133
Email: deborah.upton@medway.gov.uk

Background Papers:

None