

2015/16 Annual Governance Statement

Scope of Responsibility

The Peak District National Park Authority ('the Authority') is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which include arrangements for the management of risk.

The Authority approved and adopted a Code of Corporate Governance in May 2009 which is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives) Framework *Delivering Good Governance in Local Government*. This is reviewed annually and updated appropriately including taking into account new guidance such as the CIPFA statement on the Role of the Chief Financial Officer (2010), the CIPFA statement on the Role of the Head of Internal Audit (2010), and the CIPFA delivering good governance addendum (2012). In 2015 the Code was updated to reflect our consideration of the CIPFA code of practice on Managing the Risk of Fraud and Corruption (2014). This year it has been updated to reflect the Authority's new leadership structure and the new Corporate Strategy. A copy of the Authority's Code of Corporate Governance can be obtained from the Monitoring Officer at Aldern House, Baslow Road, Bakewell, DE45 1AE or can be found on our website at <http://www.peakdistrict.gov.uk/publications/operationalpolicies>. The following statement reports on the outcome of the review of the effectiveness of the Authority's governance arrangements, and also meets the requirements of the Accounts and Audit Regulations 2015.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, for the direction and control of the Authority and its activities through which it accounts to, engages with and leads its National Park 'community' (locally, regionally and nationally). It enables the Authority to monitor the achievement of its strategic outcomes and objectives and to consider whether these objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies and outcomes, to evaluate the likelihood and potential impact of those risks being realised, and to manage these risks efficiently, effectively and economically.

The elements of the governance framework identified in our Code of Corporate Governance have been in place at the Authority for the year ended 31 March 2016 and up to the date of finalising this statement on 27 May 2016 for publication by the end of May 2016. The statement will be revised prior to reporting to Members of the Audit Resources and Performance Committee in September 2016 to reflect any significant changes which may occur prior to that date. CIPFA/SOLACE published a new governance framework in April 2016 for implementation in 2016/17, which will result in a comprehensive review of the Code of Corporate Governance, the Annual Governance Statement and the review of evidence schedule.

The Governance Framework

The Authority's corporate governance framework as enshrined in our Code of Corporate Governance helps us to ensure that the principles of good governance are embedded in all aspects of our work. The key aspects of the corporate governance framework include:

(a) The Authority's work, in pursuing its statutory purposes and duty, is governed by a number of key policies and plans including the Defra (Department for Environment, Food and Rural Affairs) circular, the National Park Grant Memorandum and the 8 Point Plan for England's National Parks. The Authority communicates its vision and intended outcomes for the National Park working with partners over a 5-10 year period, through the National Park Management Plan (NPMP). This is reviewed every 5 years and is supplemented by a number of key National Park strategies and action plans also working with partners. We have publicised our fourth annual report (reporting on the 2014/15 year) for the 2012-17 NPMP – this has included progress against our 5 signature programmes to support delivery of the whole plan and to aid communication with stakeholders. A partnership protocol is in place to support our work with partners. Progress against the NPMP is monitored by a stakeholder Advisory Group which is independently chaired.

(b) The Authority's contribution to achieving the NPMP outcomes is described in our corporate objectives. 2015/16 was a transitional year for the Authority as we integrated planning for possible further reductions in our Government grant, implemented a new leadership structure and developed and agreed our new corporate strategy for 2016-2019. In light of a better than expected grant settlement our focus for 2016/17 is to continue our strong record of delivery and to invest in and organise ourselves, so we have a sound platform in place to support a sustained and enhanced delivery in years 2 and 3.

(c) The Performance and Business Plan provides an annual work plan for the Authority showing priorities for action in the forthcoming year, measures of success, targets for performance and allocation of resources. The agreement of this follows a detailed planning process aimed at ensuring the economical, effective and efficient use of resources. For 2016/17 we have simplified our corporate reporting measures, streamlining our indicators from 63 to 17, that are aligned and focussed on achieving our Corporate Strategy. We are in the process of setting realistic, yet ambitious, targets to support our mission to inspire millions of people so together we will protect and care for our National Park for the enjoyment of all.

(d) The Moving Forward in a Time of Change document has previously provided a steer for leading and managing change in light of external pressures on the Authority and has guided our budget planning process. During 2015/16 this strategic document was replaced by the new corporate strategy. While the corporate strategy continues to shift the organisation in accordance with our financial strategy to diversify our sources of funding so that we maximise opportunities for commercialisation, giving, sponsorship and external grant funding whilst reducing costs and reliance on our core Defra grant, a significant focus during 2016/17 will be to embed the new leadership structure and implement the new organisational design principles throughout the Authority.

(e) Following the adoption of the Authority's Core Strategy in October 2011, work has continued to complete both Development Management Policies and detailed guidance on sustainable buildings and renewable energy, and other technical design guidance. Collectively the suite of policies and supplementary guidance will form the Authority's Local Development Plan which will provide a basis for greater clarity and certainty in decision making over the next 10-15 years. A draft set of development management policies have formed the basis of detailed discussions on the full document with members and other stakeholders prior to the formal agreement of this important Development Plan Document (DPD) for publication in the autumn of 2016.

(f) Our People and Park Connected strategy sets our direction over the coming years in terms of how we engage with people, both resident and non-resident and is reflected in the new corporate strategy. It covers our ambitions for people getting to know the park, understanding the park and

supporting the park. The people and park connected strategy and the draft communications and marketing strategy are being implemented to ensure clear channels of communication, consultation and engagement with target audiences and stakeholders.

(g) The Authority's performance management framework ensures that:

- the 'golden thread' is in place with all individual work programmes linked through the service planning process to achieving corporate objectives/priority focus and National Park Management Plan outcomes
- measures of success are identified and targets set for performance
- resources are allocated to priorities
- risks to achieving corporate objectives are considered and mitigating action identified at corporate and service levels
- performance and the changes to risks are monitored regularly throughout the year
- areas for performance improvement are identified and addressed both in the short term and as part of medium term performance improvement planning. This includes addressing issues arising from strategic, value for money and scrutiny reviews, and external/internal audit and inspection reports.

(h) The Authority's Standing Orders, and other procedures describe how the Authority operates and how decisions are made. They also define the terms of reference for committees and the Authority meeting including the role of the Audit Resources and Performance Committee for standards issues. The prime objectives are to operate effectively, efficiently, transparently, accountably and within the law. During 2015/16 our Standing Orders have been updated to reflect organisational changes and our Contract Procedure Rules updated to reflect legislative changes. Our Standing Orders are supplemented by:

- Scheme of Delegation (which is regularly reviewed)
- Codes of Conduct and guidance for Officers and Members
- Policies and Procedures including the Anti-Fraud and Corruption Policy and the Confidential Reporting (whistle blowing) Policy
- Protocols on (i) Member/Officer Relations, (ii) Monitoring Officer and (iii) Development Control and Planning
- Complaints procedures
- Our scrutiny process led by Members

(i) Arrangements are in place to ensure compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful. These include:

- requirement in our financial regulations and Standing Orders for technical advice to be sought including legal and financial advice from the Monitoring Officer and Chief Financial Officer
- reports for decisions including reference to relevant policies and procedures
- professional expertise and knowledge of staff employed by the Authority
- professional expertise of contractors and consultants where not available in house
- scrutiny provided by internal and external auditors. The internal auditor has regular and open engagement across the organisation particularly with managers of the Authority and with members through the Audit Resources and Performance Committee
- a risk based internal audit strategy and annual plan
- reports from external bodies like the Local Government Ombudsman, HM Revenue and Customs, Information Commissioner, Planning Inspectorate
- requirement to comply with relevant codes of practice and conduct mandatory for local authorities
- guidance received from time to time from Defra and other government agencies
- allocation of all income and expenditure to approved cost centres by Finance based on approved delegated decisions and business cases by Resource Management Team or Members, either at approval of the budget or during the year

(j) Arrangements are in place for 'whistle blowing' and for receiving and responding to complaints from employees if there are concerns about serious matters that could put the Authority and/or the wider public at risk. These arrangements are described in our 'confidential reporting policy'. This is given to all staff as part of their induction and is publicised through our website section titled 'standards and governance' which can be found at <http://www.peakdistrict.gov.uk>. The Authority's Complaints procedure provides a facility to those not employed by the Authority to raise their concerns. Both policies were reviewed by Internal Audit in 2015/16 and given substantial assurances.

(k) Financial management includes forward planning of expenditure and resources, budget consultation, budget setting and monitoring and final accounts. The aim is to ensure that these are accurate, include information relevant to the user and are completed to agreed timescales. Financial Regulations further support the above by setting out policies and procedures that are to be adhered to. Following a review of the CIPFA statement on The Role of the Chief Financial Officer (CFO) in Local Government (2010) our Code of Corporate Governance has been strengthened to reflect better the role of the CFO. Our reporting arrangements meet the requirements of the Code with the CFO having independent reporting as necessary to the Chief Executive, Resource Management Team and Members even though the post holder sits in the Corporate Strategy and Development Directorate.

(l) Our Code of Corporate Governance has also been strengthened to reflect that the Head of Law post is now designated as Monitoring Officer and to ensure that the Monitoring Officer has independent reporting as necessary to the Chief Executive, Senior Leadership Team and Members even though the post holder sits in the Corporate Strategy and Development Directorate.

(m) Member and staff learning and development needs are identified and met through annual programmes. Our approach to staff development is described in our Learning and Development Policy. Our approach to Member development is described in the document approved by the Authority in October 2007 titled 'Review of Member Training and Development' and a subsequent report in September 2010. Improvements to our approach on Member development, within resources available, are reported annually to the Authority as part of agreeing the annual programme of development and business events.

Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by assurances from staff and Members within the Authority who have responsibility for the development and maintenance of the governance environment (including financial controls, risk management and performance management processes, compliance with advice on legislation and regulations), internal and external audit reports and opinions, comments made by other agencies and inspectorates as well as feedback from customers and stakeholders.

The review of effectiveness is continual throughout the year as evidenced by some of the action taken during the year but a more formal assessment takes place each year in the preparation for this statement. In accordance with the Authority's Code of Corporate Governance a meeting was held on 27 April 2016 to:

1. Review our performance against our action statements of commitment in our Code of Corporate Governance and highlight what we have done in the 2015/16 year which contributes to achieving our outcome of 'good governance'
2. Identify any further improvement action needed for the forthcoming year

The meeting involved the Chief Executive, Director of Conservation and Planning, Director of Corporate Strategy and Development, Director of Commercial Development and Outreach, Chair of Audit Resources and Performance Committee and the Monitoring Officer and her Deputy. In carrying out our review we took account of the 'assurances' we have received during the year (and at our meeting) including:

- (a) External Audit Annual Audit Letter and unqualified opinion/satisfactory conclusions
- (b) Internal Audit reports for 2015/16 including the annual report and assurance opinion. Out of a total of 13 recommendations made over the year: none of them were classed as fundamental; 5 were classed as significant and 8 were classed as meriting attention. The 2015/16 annual assurance report from the internal auditor states: the overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Authority is that it provides Substantial Assurance. There are no significant control weaknesses which in the opinion of the Head of Internal Audit need to be considered for inclusion in the Annual Governance Statement.
- (c) Assurances given from 'those charged with governance' including: members of the Leadership Team, Statutory Officers (Head of Paid Service, Chief Finance Officer, Monitoring Officer), Chair of Audit Resources and Performance Committee
- (d) Progress against action we identified last year as part of our Annual Governance Statement
- (e) The most recent Local Government Ombudsman's statistics
- (f) Our planning appeals performance and feedback from inspectors' reports
- (g) Any feedback from handling complaints, Freedom of Information and Environmental Information enquiries
- (h) Seeking reaccreditation for the Investors in People standard
- (i) Feedback and lessons learnt from legal proceedings
- (j) Confirming, in accordance with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption that the Peak District National Park Authority has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

As part of our continuous improvement approach to our governance arrangements we identified at this meeting further issues to address as recorded below against the 6 core principles of our Code of Corporate Governance. A full record of our review of action and assurances received indicating maintenance and/or improvement to the effectiveness of elements of the governance framework can be obtained from the Monitoring Officer at Aldern House, Baslow Road, Bakewell, DE45 1AE or can be found on our website at

<http://www.peakdistrict.gov.uk/publications/operationalpolicies>

<p>(1) Core Principle Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the area</p>
<p>Issues identified during review which affect effectiveness:</p> <ol style="list-style-type: none"> 1. Some Authority Members were concerned that there would be some uncertainty during the early stages of the implementation of the giving strategy programme around the levels of support that could be achieved for the level of proposed investment. 2. The Commercial Plan will need to be supported by appropriate governance arrangements, skill sets and new ways of working. 3. Consideration is needed on how the available funds (following the more favourable settlement) will be invested to deliver our Corporate Strategy 2016-19. 4. Partnership working arrangements and external funding grants may be at risk if there is not a coherent partnership approach to securing match funding.
<p>(2) Core Principle Members and officers working together to achieve a common purpose with clearly defined functions and roles</p>
<p>Issues identified during review which affect effectiveness:</p> <ol style="list-style-type: none"> 5. The Leadership Team is still relatively new and will take some time to bed in as Directors explore how they work together in their new areas of activity. There will also be further uncertainties and a transitional phase as the leadership structure cascades through the Authority and further restructures take place in line with adopted design principles.
<p>(3) Core Principle Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour</p>
<p>Issues identified during review which affect effectiveness:</p> <ol style="list-style-type: none"> 6. The ability to make sure the organisation's culture/mind-set embeds our values on ways of working:- people matter, performance matters, community matters and everyday matters.
<p>(4) Core Principle Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</p>
<p>Issues identified during review which affect effectiveness:</p> <ol style="list-style-type: none"> 7. CIPFA/SOLACE published a new governance framework in April 2016 for implementation in 16/17 which will result in a comprehensive review of the Code of Corporate Governance, the Annual Governance Statement and the Review of Evidence Schedule. 8. Monitoring the implications of the European Union exit vote.
<p>(5) Core Principle Developing the capacity and capability of members and officers to be effective</p>
<p>Issues identified during review which affect effectiveness:</p> <ol style="list-style-type: none"> 9. Appointment and development of a wider leadership group and ensuring the organisation has the skills and capacity to deliver the new Corporate Strategy.

**(6) Core Principle
Engaging with local people and other stakeholders to ensure robust public accountability**

Issues identified during review which affect effectiveness:

- 10. The Corporate Risk Register highlights the need to ensure staff are supported through a time of change.

Significant Governance Issues:

There are no significant issues and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. However over the coming year we will take steps to address the issues identified during our review of effectiveness as detailed above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that have been identified and will monitor their implementation and operation as part of our next annual review.

Signed on behalf of the Peak District National Park Authority:

..... Chair of Audit, Resources and Performance Committee

..... Chief Executive

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