

2018/19 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 February 2017 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* published in April 2016. The Code is reviewed annually and if needed updated appropriately including taking into account 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 code of practice on Managing the Risk of Fraud and Corruption (2014). 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 on going 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 2019 and up to the date of finalising this statement on 24 May 2019 for publication by the end of May 2019. The statement will be revised prior to reporting to a meeting of the Authority in July 2019 to reflect any significant changes which may occur prior to that date.

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, the 8 Point Plan for England's National Parks and the recently published 25 Year Plan to Improve the Environment. 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. A partnership protocol is in place to support our work with partners. During 2018/19 work on reviewing the NPMP was completed so that a new plan is now in place for 2018 to 2023. Progress against the NPMP is monitored by a stakeholder Advisory Group which is independently chaired. Progress will be monitored against six areas of impact.

(b) The Authority's contribution to achieving the NPMP outcomes is described in our corporate objectives. During 2018/19 the Authority continued to develop its corporate strategy for 2019-2024 and the final version was approved on 7 December 2018.

(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. We have set 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) During 2018/19 the Corporate Strategy has provided a steer for leading and managing change in light of external pressures on the Authority and has guided our budget planning process. The 2019-2024 Corporate Strategy builds on this and focuses on how the Authority will deliver its contributions to the National Park Management Plan. Each outcome identified in the Strategy has a key performance indicator and target, alongside a set of strategic interventions that will guide our work.

(e) Following the adoption of the Authority's Core Strategy in October 2011, work has continued to complete both Development Management Policies and detailed supporting guidance with the aim of formally adopting them in May 2019. Collectively this suite of policies and supplementary guidance will form the Authority's Local Development Plan which provides a basis for greater clarity and certainty in decision making over the next 10-15 years. As the National Planning Policy Framework states that local planning authorities should review their Local Plans every 5 years, in March 2019 the Authority agreed the process and timescales for carrying out a review.

(f) Our seven integrated principles set out our ways of working in terms of how we engage with people, both resident and non-resident and these are reflected in our new Corporate Strategy.

(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. 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 and Social Care 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 Meeting 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 - Our reporting arrangements meet the requirements of the CIPFA statement on The Role of the Chief Financial Officer (CFO) in Local Government (2010) with the CFO having

independent reporting as necessary to the Chief Executive, Resource Management Meeting and Members even though the post holder sits in the Corporate Strategy and Development Directorate.

(l) 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 Member Learning and Development Framework document approved by the Authority in October 2016. 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. During 2018/19 the Authority commenced the process for seeking Investors in People reaccreditation.

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 5 April 2019 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 2018/19 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 Corporate Strategy and Development, Director of Conservation and Planning, Director of Commercial Development and Engagement, Chair and Vice-Chair of Audit Resources and Performance Committee, Chief Finance Officer (The Head of Finance) and the Monitoring Officer (Head of Law) and her Deputy (the Democratic Services Manager). 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 2018/19 including the annual report and assurance opinion. Out of a total of 15 recommendations made over the year: none of them were classed as fundamental; 6 were classed as significant and 9 were classed as meriting attention. The 2018/19 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 and Vice-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 and Social Care 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) 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 7 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>(A) Core Principle Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of Law</p>
<p>Issues identified which affect effectiveness</p> <ol style="list-style-type: none"> 1. As the Authority works towards achieving Investors in People (IIP) accreditation against the new standard there could be issues around developing and embedding the new competency framework and delivering the IIP Action Plan. 2. As things stand the recommendations arising from the Glover Review are unlikely to be published until the second half of 2019/20 however depending upon the recommendations there may be unexpected or unanticipated demands as Defra implement recommendations or consult on legislative changes needed to implement the findings. 3. Uncertainty around the funding settlement from Defra following the end of the four year settlement.
<p>(B) Core Principle Making sure of openness and comprehensive stakeholder engagement</p>
<p>Issues identified which affect effectiveness</p> <ol style="list-style-type: none"> 4. Although the 2018-2023 National Park Management Plan has been approved and adopted by partners there are still risks around the delivery of certain elements due to limited engagement these include Climate Change and Events Management.
<p>(C) Core Principle Defining outcomes in terms of sustainable economic, social, and environmental benefits.</p>
<p>No issues identified.</p>
<p>(D) Core Principle Determining the interventions necessary to optimise the achievement of the intended outcomes.</p>
<p>Issues identified which affect effectiveness</p> <ol style="list-style-type: none"> 5. There still remain issues around the culture of the Authority and its ability to deliver commercial ambitions.
<p>(E) Core Principle Developing the Authority's capacity including the capability of its leadership and the individuals within it</p>
<p>Issues identified which affect effectiveness</p> <ol style="list-style-type: none"> 6. Although the Authority has appointed a number of apprentices during 2018/19 there are still risks that the Authority will not meet its targets on providing apprentice opportunities resulting in the amounts paid into the apprenticeship levy exceeding the amounts with-drawn. There also remains an issue about the Authority's ability to provide relevant longer term employment opportunities at the end of apprenticeships and reap the benefits of utilising the skills, experience and knowledge acquired.

7.	As there will be District, Borough and Parish Council elections in May 2019 it is anticipated that there will be a turnover of Authority Members which will result in a loss of experience and knowledge. Because of the appointment timetable set by Defra it is likely that the Authority will have three Secretary of State Member vacancies for the first 4 to 5 months of 2019/20.
(F) Core Principle Managing risks and performance through robust internal control and strong public financial management.	
Issues identified which affect effectiveness	
8.	There are still uncertainties around the implications of Brexit.
9.	Failure to influence the transposing of EU laws and legislation for landscape and the environment after Article 50 and area of NP land safeguarded in agri-environment schemes reduces because of Brexit uncertainty and continuing issues with Countryside Stewardship.
(G) Core Principle Implementing good practices in transparency, reporting and audit, to deliver effective accountability.	
No Issues identified.	

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

Signed.....

Chair of Audit Resources and
Performance Committee

Signed

Chief Executive

Publication Date:

30 May 2019 (Draft Unaudited Statement)