

## **2021/22 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 considering 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 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 2022 and up to the date of finalising this statement on 31 May 2022 for publication by the end of May 2022. The statement will be revised prior to reporting to a meeting of the Authority in November 2022 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 25 Year Plan to Improve the Environment. In 2019 The Landscape Review: Final report reported to Government setting out a number of recommendations for national landscapes (National Parks and Areas of Outstanding Natural Beauty) around 4 key outcomes: Landscapes alive for nature and beauty; landscapes for everyone, living in landscapes; more special places and new ways of working. The Government response to the review was published in January 2022 and stated that some of the proposals would require changes to legislation to implement. The Government then launched a public consultation, during January to April, on the proposed legislative changes and the Authority agreed a response to this at its meeting in March 2022. Whilst we wait for the outcome of the public consultation we are still supporting the 4 collective priorities and delivery plans to guide our work as a family of National Parks, and in partnership with many others; wildlife and nature recovery, climate change, sustainable farming and land management and landscapes for everyone agreed by National Parks England, which represents the 9 English National Park Authorities and the Broads Authority. Reports on how each of these themes have been carried forward by the Authority have been presented to Members of the Programmes & Resources Committee throughout 2021/22.

(b) 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. Work on reviewing the NPMP was undertaken and a 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 is monitored around six main themes known as Areas of Impact which are in turn broken down into a series of intentions. During 2021/22 a Member Task & Finish Group has met monthly to create an emerging NPMP which must be reviewed by March 2023. Engaging with partners on the draft 20year vision and aims which are based around Climate Change, Landscape & Nature Recovery, Welcoming and Conservation.

(c) The Authority's contribution to achieving the NPMP outcomes is described in our corporate objectives. The 2019/24 Corporate Strategy was published a year after the NPMP was approved to ensure the Authority captured the key areas of work it is responsible for in the NPMP in its own corporate objectives. The Authority reports to the independent Advisory Group on its own contribution to the NPMP. During 2021/22 the Member Task & Finish Group with Officers have been working towards an emerging NPMP and Authority Delivery Plan which will be one document for the place with the latter identifying what objectives the Authority will be delivering around the 20 year vision and aims.

(d) 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.

(e) During 2021/22 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 Strategy also 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.

(f) 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. Collectively this suite of policies and supplementary guidance forms 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 and this process has progressed during 2021/22 overseen by the Members Local Steering Group which has met on a regular basis and is made up of all the Member Champions.

(g) Our seven integrated principles originally 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 Corporate Strategy. Following our IIP assessment we launched our new Values which replaced the 7 integrated principles and they have become embedded into our ways of working during 2021/22. – Care (We care for the PDNP, the people we work with and all those we serve. It's at the heart of everything we do), Enjoy (We take pride in what we do and feel good about our contribution) and Pioneer (We are born of pioneers and we will continue to explore opportunities to inspire future generations)...

(h) 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.

(i) 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 Authority in standards issues. The prime objectives are to operate effectively, efficiently, transparently, accountably and within the law. Our Standing Orders, which were reviewed during 2021/22 to reflect the new Management Structure, 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 Management and Planning
- Complaints procedures
- Our scrutiny process led by Members

(j) 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 had regular and open engagement across the organisation particularly with managers of the Authority and with Members through Authority meetings.
- 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

(k) 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.

(l) 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 (CE), Resource Management Meeting and Members. Following the Management re-structure in early 2021 and the removal of the Directorate level there is direct line management responsibility by all Heads of Service to the CE.

(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 Member Learning and Development Framework document, which is approved by the Authority annually. 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 2019/20 the Authority completed the process of gaining Investors in People reaccreditation and has an action plan in place to address areas for improvement. In 2020/21 the liP Delivery Group, made up of a cross section of employees across the organisation, worked on the Action Plan including simplifying and revising the appraisal process, embedding the values in everything that is done and creating three task groups, with representation across the Authority, to take forward work on Reward & Recognition, Equality, Diversity & Inclusion and Communicating the Values and this work is currently ongoing in advance of the 3 year IIP re-assessment which will be undertaken in April 2022.

(n) In December 2018 the Authority established a Member led Governance Review Working Group to review the Authority's Governance arrangements particularly around:

- the roles and responsibilities of Members and Officers
- delegations to Committees and matters reserved to the meetings of the Authority

- delegations to Officers
- the contribution and impact of the Member Representative role.
- Appointments to Outside Bodies

The first report of the Working Group was presented to the Authority in May 2019. At that meeting all the recommendations were approved and implemented in July 2019 following the 2019 Annual Meeting. Since then the Working Group continued to meet virtually on a monthly basis during lockdown and presented their second report to the virtual Authority meeting in May 2020. The 16 recommendations were approved and included endorsing the Member Appointment Principles, the Members Appointment Process Panel, the annual report on Member attendance, the terms of reference of the P&R Committee, the amendments to the Scheme of Delegation to the CEO, quarterly meetings of the LJC, and making no changes to the existing arrangements for Member Scrutiny as well as agreeing to have no Member representation on the Health & Safety Committee. Member appointments to the Working Group continue to be agreed at the AGM in July each year in readiness for any action required regarding Government decisions arising from the conclusion of the Landscapes Review consultation which was undertaken towards the end of 2021/22 which Members were fully engaged in.

## **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 Officers 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 28 February 2022 with the outgoing Chief Executive, the Deputy Chief Executive, the Chief Finance Officer (Head of Finance), the Monitoring Officer (Head of Law) and the Democratic Services Manager and a further meeting on 3 May 2022 with the wider Management Team 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 2021/22 year, which contributes to achieving our outcome of 'good governance'
2. Identify any further improvement action needed for the forthcoming year

This process has involved members of the new management structure; in carrying out our review we took account of the 'assurances' we have received during the year including:

- (a) External Audit Annual Audit Letter and unqualified opinion/satisfactory conclusions
- (b) Internal Audit reports for 2021/22 including draft annual report and assurance opinion which due to delays in completing the Block 2 audits, which are being completed remotely and will be presented at the 22 July Authority meeting. During the year to March 2021 the Authority's working practices have changed significantly as a result of the Covid pandemic. In addition to remote working, staff in some areas have been furloughed and it has been necessary to revise the budget as a result of changing budget assumptions following the closure and re-opening of activities within the Park. This has impacted upon the risks faced by the Authority, and audit work for the year reflects the impact of these changes concentrating on the areas where the pandemic has had a major impact, particularly financial systems where controls have been changed due to homeworking and information systems to ensure information is held securely when staff access information from home, and that suitable controls are in

place to safeguard systems with increased remote access. Out of the three areas audited, two areas received an opinion of Substantial Assurance: IT Access Controls & User Awareness, Main Accounting/Capital Accounting and one relating to Risk Management received Reasonable Assurance. The 2020/21 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. However, in giving the opinion the Head of Internal Audit notes that Covid-19 has significantly affected the Authority over the last year, with a wide-ranging impact on business operation and controls. While the work of Internal Audit is directed to the areas that are most at risk or provide most value for the Authority it is not possible to conclude on the full extent of the impact of Covid-19 on the operations of the Authority. It is anticipated following discussion with our Internal Audit Assurance Director that a similar Substantial Assurance will be given for the period 2021/22 but without the caveat relating to Covid-19.

- (c) Assurances given from 'those charged with governance' including: members of the Management Team, Statutory Officers (Head of Paid Service, Chief Finance Officer, Monitoring Officer) and Chair of the Authority.
- (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) Implementation of the action plan arising from achieving the Investors in People standard
- (i) Feedback and lessons learnt from legal proceedings
- (j) Testing our business continuity arrangements in response to the COVID-19 Emergency
- (k) 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.

## **Effects of Covid-19 Pandemic**

In January 2021 the Authority transitioned to a new management structure and refreshed the outcomes in the Corporate Strategy 2019-24, in light of the impact of the pandemic and funding pressures.

At the start of the Covid-19 pandemic in terms of business continuity, the Authority's existing Business Continuity Plan worked well and in terms of resilience most Officers who could work at home were quickly given the tools they needed to carry on remotely. Internal Audit as part of their Block 2 work in 2021/22 are looking at the effectiveness of our Business Continuity Framework and will be presenting their report to Members in July 2022. The Authority has reacted to changes in Government guidance with regard to Covid-19 and restrictions easing and enabled staff to work 60% of their time from home and 40% in the office to ensure good business continuity. This will change to 60% in the office and 40% at home from May 2022 and be reviewed again later in the year to enable us to make decisions on how best to balance the needs and expectations of the Authority with those of the workforce.

The Government Regulations allowing the Authority to hold virtual meetings ended in May 2021 and the Authority returned to holding in person meetings by sourcing large venues to enable them to be conducted in line with social distancing guidance. Meetings were audio broadcast and the revised Public Participation Scheme (PPS) was kept to allow statements in person, by video or audio recording or by being read out by the Democratic and Legal Support Team. As social distancing guidance changed our meetings gradually returned to being held at our own offices but elements of the amended PPS have remained such as the ability for speakers to submit video or

audio recordings or ask for statements to be read out to enhance and encourage public participation,

The Authority continued to play a significant role in supporting its partners during the national emergency through our representation on, and support of the objectives, of the Derbyshire Local Resilience Forum. Our activities included communicating the government guidance from messages for visitors to stay at home, protect the NHS and save lives to hands, face, space, fresh air and vaccination, supporting the police in their work across the National Park and giving reassurances that we were continuing to care for the National Park and bringing nature, history and the beauty of our National Park indoors to people's homes.

The Management Team have been actively planning on how the Authority manages the recovery process and continues to review its response to Government guidance and using this to update our business continuity arrangements. The significant impact of the pandemic are still very much being felt and this has therefore been identified again as a key issue that will affect our effectiveness during 2022/23.

As part of our continuous improvement approach to our governance arrangements we have identified 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>

<b>(A) Core Principle</b> <b>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of Law</b>	
<b>Issues identified which affect effectiveness</b>	
1.	The impact of the Investors in People Re-Assessment Award and the creation of an IIP Action Plan.
2.	Uncertainties around the impact of the recommendations arising from the National Landscapes Review consultation on structures and funding and the timescales in which they are to be implemented.
3.	The impact of the non-inflationary 3-year funding settlement from Defra on delivery targets in 2022/23 and the following 2 years.
<b>(B) Core Principle</b> <b>Making sure of openness and comprehensive stakeholder engagement</b>	
<b>Issues identified which affect effectiveness</b>	
4.	Risk that partners do not sign up to or support the emerging new National Park Management Plan which is to be adopted with the Authority Delivery Plan later in the year.
<b>(C) Core Principle</b> <b>Defining outcomes in terms of sustainable economic, social, and environmental benefits.</b>	
<b>Issues identified which affect effectiveness</b>	
5	The social and economic impact of Covid-19 will continue to have a significant and still fully unknown impact on the Authority and its ability to achieve its statutory purposes and corporate strategy targets as we have to continue to adapt our ways of operating.
<b>(D) Core Principle</b> <b>Determining the interventions necessary to optimise the achievement of the intended outcomes.</b>	
<b>Issues identified which affect effectiveness</b>	
6.	The Authority's ability to achieve sustainable gross revenue income targets through trading and fundraising including external grant bids made by the Authority, corporate fundraising by the PDNP Foundation (PDNPF), major & individual donor fundraising by the Authority and PDNPF and corporate partnerships led by National Parks Partnership.
<b>(E) Core Principle</b> <b>Developing the Authority's capacity including the capability of its leadership and the individuals within it</b>	
<b>Issues identified which affect effectiveness</b>	
7.	The ability of the Authority to deal with workforce and succession planning issues including the recruitment of a new Chief Executive and retention of key Officers whilst experiencing high levels of sickness absence and turnover of employees in comparison to previous years.



<b>(F) Core Principle</b> <b>Managing risks and performance through robust internal control and strong public financial management.</b>	
<b>Issues identified which affect effectiveness</b>	
8.	Failure to implement the effective delivery of Year 2 of the three-year Farming in Protected Landscape Fund and the reputational risk to the Authority if the programme is not a success.
9.	The impact of the suspension of the development management pre-application advice service upon income targets and decision making and the impacts of the high turnover of staff within the Planning Service.
<b>(G) Core Principle</b> <b>Implementing good practices in transparency, reporting and audit, to deliver effective accountability.</b>	
<b>Issues identified which affect effectiveness</b>	
None.	

### **Significant Governance Issues:**

Other than the issues identified that may affect effectiveness, 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 the Authority

Signed .....

Chief Executive

### **Publication Date:**

31 May 2022 (Draft Unaudited Statement)