

REPORT OF BUSINESS & PERFORMANCE MANAGER

SUBJECT: IMPROVEMENT ASSESSMENT

The Auditor General for Wales is required, under the Local Government (Wales) Measure 2009 (the Measure) to report the audit and assessment work in relation to whether Pembrokeshire Coast National Park Authority (the Authority) has discharged its duties and met the requirements of the Measure.

Mr John Roberts from the Wales Audit Office will present the report to members at the Authority meeting and answer any questions from Members.

The Improvement Assessment letter from the Auditor General is attached.

Recommendation:

Members are requested to receive and comment on the Improvement Assessment.

(For further information, please contact Alan Hare, Business & Performance Manager on extension 4810)



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Date 10 September 2012
Our reference 448A2012
Your reference
Tel No
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Pages 1 of 11

Dear Tegryn

Improvement Assessment

I am required, under the Local Government (Wales) Measure 2009 (the Measure) to report my audit and assessment work in relation to whether Pembrokeshire Coast National Park Authority (the Authority) has discharged its duties and met the requirements of the Measure.

This letter summarises:

- my views on whether the Authority has discharged its statutory duties in respect of improvement planning;
- my views on the Authority's compliance with requirements to make arrangements to secure continuous improvement, based on work carried out to date by the Wales Audit Office and relevant regulators, including:
 - the Authority's progress on areas for improvement and recommendations identified in my previous assessments; and
 - any relevant issues that may have emerged since my last report, including comments on how the Authority is addressing financial challenges, my further proposals for improvement and/or recommendations.
- updates to the Wales Audit Office work plan and timetable for delivering my Improvement Assessment work.

I shall update my views during the year and will provide a further letter by the end of November 2012.

The Authority has discharged its improvement planning duties under the Measure and has acted in accordance with Welsh Government guidance

I have reached this conclusion because:

- the Authority's improvement objectives for 2012-13:
 - were developed in the context of consultation with stakeholders that was at an appropriate level for a relatively small organisation;
 - were developed with the involvement of members and staff and subsequently formally approved by the Authority;
 - support delivery of some of the outcomes set out in the Authority's longer-term corporate strategy; and
 - are generally focused on outcomes, rather than actions.
- the Authority's improvement plan for 2012-13:
 - uses a format which is easy to read, concise and clear;
 - includes measures and targets, where appropriate, for its improvement objectives;
 - contains information on how communities or stakeholders may propose new improvement objectives during the year; and
 - was formally approved by the Authority and was published in early June which was as soon as practical after the start of the financial year.

The development of the Authority's improvement objectives is largely led by officers but with members of the Authority being involved in reviewing them through workshops. As a relatively small organisation, the Authority, understandably, does not carry out extensive consultation every year. For the current year it used information from earlier consultations, supplemented by consultation with the Welsh Government, Countryside Council for Wales and Pembrokeshire County Council.

The Authority's 2012-13 improvement plan focuses largely on eight, three-year strategic outcomes, with the Authority's improvement objectives designed to support their delivery. The Authority is likely to explore an option that, in future years, would remove the distinction between these strategic outcomes and its annual improvement objectives.

Based on, and limited to, work carried out to date by the Wales Audit Office I believe that the Authority is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year

I have reached this conclusion because, since my letter to you of 22 July 2011, the Authority has:

- agreed an improvement plan that sets out the authority's plans for delivering improvements;
- established, where appropriate, measures and targets for its improvement objectives, together with an approach to ascertaining baseline information in relation to customer service and satisfaction;
- made progress in responding to some of the outstanding proposals for improvement, although it is too early to judge progress on others; and
- reorganised its staff into five new departments, streamlining line management.

The improvement plan includes a section for each individual strategic outcome entitled 'We will take the following actions to deliver these Outcomes'. However, this type of information is not made available in relation to the Authority's annual improvement objectives. Service business plans are intended to provide the detail about the actions that support delivery of improvement objectives. There is no corporate format for these plans and those service business plans we looked at did not make explicit links to the Authority's improvement objectives, only to strategic outcomes. These will not be important issues if the Authority decides not to make a distinction between its strategic outcomes and its improvement objectives.

The Authority has made progress in responding to some of the outstanding proposals for improvement, although it is too early to judge progress on others

I have previously reported a number of proposals for improvement. Progress on these matters is summarised below and described in more detail in Appendix 1:

- The Authority is now using data from the *State of Wildlife in Pembrokeshire* report¹ as a baseline that will provide information on progress in achieving its strategic outcomes.

¹ Published by the Pembrokeshire Biodiversity Partnership.

- The Service Level Agreement (SLA) between the Authority and the National Museum of Wales is currently being reviewed. It is too early to say whether or not a final version will represent good value for money in terms of the extent to which it contributes towards achieving the Authority's priorities. However, early drafts that we have seen suggest that there have not been any significant revisions that impact on the Authority's priorities. The Authority's Tourism and Recreation Review Committee discussed an early draft and a final version will need to be approved by a meeting of the full Authority.
- Until the Authority publishes its self-assessment of performance², it is too early to comment on whether that self-assessment includes relevant comparisons of performance with other authorities. Early indications are that the Authority is determined to address this.
- The Authority responded quickly to our proposal to strengthen its risk assessments to take account of how risks might affect the delivery of its priorities. Its risk register now includes strategic, operational, financial and reputational risks. However, the Authority includes both service-specific and corporate risks in one central risk register, an approach which can either overwhelm a risk register or, conversely, allow service-specific risks to be overlooked. Although mitigating actions are assigned to individuals, no individuals are given responsibility for managing the risks themselves.
- It is over two years since we first proposed the Authority review its policies. Encouraging progress has been made in reviewing, updating and adopting new policies, especially those linked to its new people management strategy and the Authority's approach to the performance management of its staff. However, there is still more to do to complete this work. The key policies have been reviewed but, based on a preliminary assessment by the Authority, a number of other policies use inconsistent terminology, have no clear monitoring mechanisms, are overdue for review and may not have been formally approved. The work is ongoing with the intention of developing a standard format for the Authority's policies. Staff restructuring has led to a change in responsibilities which has delayed this process.

² The Measure requires improvement authorities to publish a self-assessment of performance by 31 October each year.

Recent changes to the Authority's membership provide both a challenge and an opportunity, although it is too early to assess their overall impact

Membership of the Authority is made up of 18 individuals. Pembrokeshire County Council nominates 12 of these members while six are appointed by the Welsh Government. These members make decisions about policies, priorities and the use of resources. Council elections in May 2012 resulted in seven new members being nominated by Pembrokeshire County Council, none of whom have been members of the Authority in the past, with only two of those seven having been councillors before. Two of the six Welsh Government appointees have only been members of the Authority for a few months.

Both the Chair of the Authority and its Chief Executive see the fresh influx as being an opportunity to reinvigorate membership. It is true that members who have no previous experience of how a national park authority works can often be more robust in challenging the status quo. On the other hand, new members can take more time to understand the context in which a national park authority operates and can critically influence the Authority's existing arrangements and plans for improvement. New members also place an extra burden on officers in terms of training and induction. This training and induction has already begun with further workshops for members planned over the coming months.

In starting to use its Annual Government Statement to evaluate its arrangements the Authority is better able to improve those areas that are least effective

The production of an Annual Governance Statement (AGS), which replaces the previous Statement of Internal Control, is a relatively new requirement for local authorities, including national park authorities. As with so many other improvement authorities across Wales, the Authority is still refining its approach to how it is prepared. Members have discussed drafts of the AGS at its Performance Review committee.

An AGS is required to be evaluative, not merely descriptive. It should therefore evaluate the effectiveness of the arrangements an authority has in place, not just describe them. The Authority, unlike many others in Wales, has begun to incorporate an evaluative element in its process. It has scored itself against a range of relevant parameters set out in a CIPFA code of practice on AGSs and has involved members in this process. This has helped the Authority to identify areas where improvements could be made. For example, the scoring system used by the Authority has led them to review issues around delegation and authorised signatories. Other areas for review suggested by the Authority's scoring system relate to community engagement and to clarity of roles for members, which were approved over four years ago, before changes to the Authority's committee structures were introduced.

The Authority's is making constructive efforts to improve its scrutiny arrangements, although their full potential may not be realised until the Authority can ensure they are fully supported by appropriate systems

As the Welsh Government recognises, and as we have noted in previous letters and reports, effective scrutiny within national park authorities is difficult. This is because there is no 'opposition' that can be tasked with the role of challenging the decisions of the 'executive'. The Authority is well aware of this difficulty and took part in a Welsh Government funded project designed to improve scrutiny within national parks. One of the results of taking part in this project is a determination by the Authority to strengthen its arrangements for scrutiny. The Authority intends to establish two scrutiny committees, to run consecutively, with nine different members on each. Further details have yet to be finalised but options include either alternating the committees based on completion of one or two scrutiny projects or based on a six-monthly cycle.

The principle, together with terms of reference, was agreed at the full Authority meeting of 13 June 2012. The terms of reference provide for the scrutiny committee to co-opt external advisers to assist in the scrutiny process as necessary. The ability to bring in expertise, together with a focus on one or two specific areas, has the potential to provide more effective scrutiny.

Because of the problems with scrutiny within national parks referred to earlier, establishing the independence of scrutiny is difficult. Priority areas to be considered as part of the scrutiny process are to be agreed at a full Authority meeting. The terms of reference make it clear that the scrutiny committee's role includes reviewing matters referred to it by the Authority and by other committees.

The terms of reference also state that 'the Committee will comprise 9 Members of the Authority, to be selected and/or confirmed at the Annual General Meeting each year'. This appears to make it impossible to implement the options for alternating membership other than annually. The new scrutiny committee's terms of reference excludes matters delegated to another committee or subcommittee from being reviewed by the scrutiny committee. It will therefore be important that there is clarity for all committees (and the staff that service them), about which are the appropriate matters that they should be considering.

The Authority recognises that there may be capacity issues for staff in terms of their ability to service an additional committee.

The Authority's planning service is developing more meaningful measures of performance, increasing capacity, improving its systems and ensuring better engagement with stakeholders

Staff within the Authority's planning service are exploring options for introducing measures of performance that focus less on speed of delivery and more on the quality of the service and on its outcomes. In doing so, they have taken into account similar work being carried out in Brecon Beacons National Park Authority and in Bridgend County Borough Council. We understand that the Planning Society for Wales and Welsh Government have also held meetings to discuss how planning authorities across Wales could use more meaningful measures of performance. These meetings form part of a wider-ranging review by the Welsh Government of the planning service framework across Wales³.

Until the Welsh Government brings out its proposals, the Authority is, understandably, reluctant to commit wholeheartedly to its own ideas. However, the Authority should be in a position to report more meaningfully on its planning service performance in 2012-13, together with having an increased ability to make better comparisons with some other planning authorities.

Capacity within the Authority's planning service has been an issue over recent months. The Authority has minimised the impact through the use of external consultants to deal with planning peaks and by more flexible working between the Authority's different departments. A recruitment drive elicited interest from a large number of applicants. At least one new planner should be in post by the autumn of this year.

The Authority has improved its validation procedures for planning applications and its pre-application service has been formalised. Expertise has been brought in to review the planning service's section of the Authority's website and to improve the link to the national planning portal. Meetings between the planning service and 19 of the 50 or more community councils have been set up and a customer satisfaction survey is planned for the autumn of 2012. These initiatives should help the service to review its working arrangements in the light of feedback from stakeholders.

³ A senior planner from the Authority has recently returned from a secondment to the Welsh Local Government Association which was part of this ongoing review.

Further proposals for improvement/recommendations

Some new proposals for improvement are set out in this letter. We will continue to monitor and report on the progress made by the Authority in implementing the proposals set out in my previous reports and letters.

Proposals for improvement: The Authority should

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| P1 | Ensure that the business and service plans make explicit links to the Authority's improvement objectives, not just to its strategic outcomes. |
| P2 | Consider reviewing the risk management process with a view to ensuring it deals appropriately with service risks. |
| P3 | Complete the review of the Authority's policies, and in doing so, consider the usefulness of asking staff whether they know where to find the policies and whether training on any specific policies is needed. |
| P4 | Monitor the extent to which the various existing terms of reference support the effective and efficient operation of the Authority's new scrutiny committee, and where appropriate, review these accordingly. |
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Updates to the work plan and timetable

My Improvement Assessment Team will keep the Authority informed of the detailed arrangements for the delivery of my assessment work.

The work plan and timetable takes account of my consultation with improvement authorities over my proposals for 2012-13 performance audit work. In particular, I shall be asking my Improvement Assessment Team to consider during the year the reliance that we can place upon the self-assessment processes (including your review of governance in producing the AGS and your Annual Performance Report). I shall comment on this approach in my Annual Improvement Report.

I am grateful to the Authority for the way in which it has helped to facilitate our work and hope to see even more effective and efficient arrangements developing over time. I remain committed to providing appropriate levels of public assurance while supporting you in mitigating the inevitable risks to services and accountability that stem from reducing resources and consequential change.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Huw Vaughan Thomas', enclosed in a thin black rectangular border.

HUW VAUGHAN THOMAS

AUDITOR GENERAL FOR WALES

CC: Carl Sargeant, Minister for Local Government and Communities

John Griffiths, Minister for Environment and Sustainable Development

John Roberts, Performance Audit Lead

Appendix 1

Proposals for improvement	Progress
<p>1 Strengthen its assessment of success by incorporating data from other sources, such as the <i>State of Wildlife in Pembrokeshire</i> report by the Pembrokeshire Biodiversity Partnership.</p>	<ul style="list-style-type: none"> • The <i>State of Wildlife in Pembrokeshire</i> report is now being used by the Authority to provide baseline information for one of its strategic outcomes. • Other examples include the Best Companies Survey of Employee Engagement and benchmarking data from other national park authorities.
<p>2 Confirm that the SLA between the Authority and the National Museum of Wales represents good value for money in terms of it contributing towards the Authority's priorities.</p>	<ul style="list-style-type: none"> • The SLA is currently being renegotiated and is at the draft stage. • The restrictions imposed by the European funding mean that significant changes would not be possible until 2014. • Members have been involved in the drafting and their approval will be required before the SLA is finalised. • Early drafts that we have seen suggest that there have not been any significant revisions that impact on the Authority's priorities.
<p>3 In future years, ensure that the Authority's improvement plan includes relevant comparisons of performance with other authorities.</p>	<ul style="list-style-type: none"> • The improvement plan to which this proposal refers is not due for publication until 31 October 2012.
<p>4 Strengthen its risk assessments to take account of the risks of impact on the delivery of priorities.</p>	<ul style="list-style-type: none"> • Strategic, operational and reputational risks, as well as financial risks, have now been incorporated into the Authority's risk assessment process, with further developments planned. • The corporate risk register is also available on the Authority's performance management software system. • Risk owners are not identified although named officers take responsibility for mitigating actions. • The Authority does not use service risk registers. • The corporate risk register is updated by one individual with other officers invited to comment on amendments. The register is submitted for approval to members annually, at a full Authority meeting.

Proposals for improvement	Progress
<p>5 Without delay, ensure all the Authority's policies and strategies are up-to-date, well-coordinated, and collectively help to support delivery of the Authority's priorities⁴.</p>	<ul style="list-style-type: none">• Progress has been made in reviewing, updating and adopting new policies, especially those linked to its new people management strategy and the Authority's approach to the performance management of its staff.• The Authority has reviewed its Management Plan, Corporate Plan and Local Development Plan and is confident that its finance and human resource policies are appropriate.• There is limited information about the relevance of many of the Authority's other policies. Some of the issues which may still need to be addressed in relation to these include:<ul style="list-style-type: none">– coverage;– age;– monitoring arrangements;– consistency;– validity; and– status.• The officer team charged with taking this work forward is still recruiting staff but hope to be up to full complement by September 2012.• The team plans to develop a standard format for all policies and to deal with the most important policies first.

⁴ From the Wales Audit Office *Preliminary Corporate Assessment* report, June 2010.